

**NOTICE**

Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held at **3.00 pm on Wednesday, the 20<sup>th</sup> August 2014 at Kamaraj Arangam, 492, Anna Salai, Chennai - 600 006**, to transact the following businesses.

**ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss of the Company for the period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 and the Audited Balance Sheet as at 31<sup>st</sup> March 2014, together with the Directors' Report and the Auditors' Report.
2. To appoint a Director in place of Mr.T.S.Ramachandran (DIN:03589996) who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESSES:**

3. APPOINTMENT OF MR.MOHAN LAL AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“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, Mr.Mohan Lal (DIN:06419725), who was appointed as an Additional Director by the Board of Directors effective 21.08.2013 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.”

4. APPOINTMENT OF SHRI G. RAMASWAMY AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“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, Mr.G.Ramaswamy (DIN:03048826), who was appointed as an Additional Director by the Board of Directors effective 07.11.2013 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 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 an Independent Director of the Company not liable to retire by rotation.”

5. APPOINTMENT OF SHRI SANJIV SINGH AS A NOMINEE DIRECTOR OF INDIAN OIL CORPORATION LIMITED ON THE BOARD OF DIRECTORS OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“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, Mr.Sanjiv Singh (DIN No 05280701) who was appointed as an Additional Director by the Board of Directors effective 03.07.2014 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.”



6. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2014-15

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“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 per annum (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 2014-15 and Rs.30,000 (Rupees Thirty Thousand only) per annum plus applicable taxes towards certification fee for compliance report in respect of activity of power generation for the financial year 2014-15 payable to Mr.K.Suryanarayanan, Cost & Management Accountant, Chennai, the cost auditor of the company be and is hereby ratified”

7 TAKING NOTE OF EROSION OF MORE THAN 50% OF THE NET WORTH OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“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 the erosion of more than 50% of the Networth of the Company as at the end of the financial year ended 31.03.2014 in relation to its peak networth during the immediately preceding four financial years” .

By order of the Board of Directors  
For Chennai Petroleum Corporation Limited  
**(P. SHANKAR)**  
**Company Secretary**  
*Regd. Office: 536, Anna Salai,  
Teynampet, Chennai 600 018.  
Email id: shankarp@cpcl.co.in  
CIN: L40101TN1965GOI005389*

Date : 16.07.2014

Place : Chennai

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself.
2. The proxy need not be a member of the Company.
3. As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
4. The instrument of Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
5. Members / Proxies/Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
6. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of Annual General Meeting.

*Chennai Petroleum Corporation Limited*

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 12.08.2014 to 20.08.2014 (both days inclusive).
8. A statement setting out the material facts in respect of resolutions set out under "Special Businesses" of the Notice pursuant to Sub Section 1 of Section 102 of The Companies Act, 2013 is annexed hereto.
9. Members may send their requests for change / updation of Address, Email address, Nominations:
  - i) For shares held in dematerialised form - to their respective Depository Participant.
  - ii) For shares held in physical form - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
10. Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details to M/s.Karvy Computershare Private Limited, the share transfer agents of the Company.
11. The shares of the Company are compulsorily traded in dematerialised form and therefore, the shareholders are requested to dematerialise their shares to facilitate trading in CPCL shares.
12. As per the provisions of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at **www.cpcl.co.in**. Shareholders holding shares in Demat form may contact their Depository Participant for nomination.
13. A brief Resume of the Directors of Company, seeking appointment / re-appointment at this Annual General Meeting and their expertise in specific functional areas, is given as part of the Notice of 48<sup>th</sup> Annual General Meeting.
14. The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, copies of the Annual Report 2013-2014, Notice of the 48th AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2013- 2014, etc., are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to **einward.ris@karvy.com / mohsin.mohd@karvy.com** quoting the Folio Number and Name of the Company.
16. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at **www.cpcl.co.in**.
17. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy), on all resolutions set forth in this Notice. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, July 18, 2014, are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

The Company has entered into an arrangement with Karvy for facilitating e-voting for AGM.



The instructions for e-voting are as under :

**A. In case a Member receives Notice of AGM through email (for Members whose addresses are registered with the Company/Depositories) :**

- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and password for casting your vote.
- iii. After entering the details appropriately, click on "LOGIN".
- iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVEN (e-voting Event Number) i.e., **Chennai Petroleum Corporation Limited.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email [lalitha.companysecretary@gmail.com](mailto:lalitha.companysecretary@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name\_EVEN No."
- xi. The Portal will remain open for voting from: **August 14 , 2014 (9.30 a.m.) till August 16, 2014 (5.30 p.m.)**
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" section of <https://evoting.karvy.com> or contact Karvy on 040- 44655000/ 44655152 for any further clarifications.

**B. In case of Members who receive physical copy of the Annual Report (for members whose email addresses are not registered with the Company/Depositories) :**

- i. User ID and password as provided by Karvy.
- ii. Please follow steps from Sl. No. (i) to (xii) under heading A above to vote through e-voting platform.

**C. General Instructions :**

- i. The e-voting period commences from **9.30 a.m. on 14.08.2014 and ends at 5.30 p.m. on 16.08.2014**. During this period, the members of the Company, holding shares either in physical form or in demat form, as on 18.07.2014 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.
- ii. The voting rights of the shareholders shall be in proportion to their share of the paid up share capital of the company.
- iii. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. The Company has appointed Ms.S.Lalitha, Practicing Company Secretary as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- v. The Scrutiniser shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website **www.cpcl.co.in** and on the website of Karvy - **www.evoting.karvy.com**, within two days of the passing of the resolutions at the 48<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

**STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES IN PURSUANCE OF SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 3**

Mr.Mohan Lal was appointed as an Additional Director with effect from 21.08.2013. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Mohan Lal will hold office only upto the date of the 48<sup>th</sup> Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr.Mohan Lal as a Director. Hence, this resolution is proposed.

**Memorandum of Interest:**

None of the Directors , Key Managerial Personnel and their relatives are interested in the resolution except Mr.Mohan Lal.

**Item No.4**

Mr.G.Ramaswamy was appointed as an Additional Director with effect from 07.11.2013. As per the provisions of Section 161 of the Companies Act, 2013, Mr.G.Ramawamy will hold office only upto the date of the 48<sup>th</sup> Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act, 2013 has been received proposing the appointment of Mr.G.Ramaswamy as a Director. Hence, this resolution is proposed.

**Memorandum of Interest:**

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution except Mr.G.Ramaswamy.



#### **Item No. 5**

Mr. Sanjiv Singh was appointed as an Additional Director with effect from 03.07.2014. As per the provisions of Section 161 of the Companies Act, 2013, Mr.Sanjiv Singh will hold office only upto the date of the 48<sup>th</sup> Annual General Meeting of the Company.

A Notice under section 160 of the Companies Act,2013 has been received proposing the appointment of Mr.Sanjiv Singh as a Director. Hence, this resolution is proposed.

#### **Memorandum of Interest:**

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution except Mr.Sanjiv Singh.

#### **Item No. 6**

The proposal for appointment of Mr.K.Suryanarayanan, Cost and Management Accountant, Chennai as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the Financial Year 2014-15 at a remuneration of Rs. 1,70,000/annum plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company and at Rs. 30,000/annum plus applicable taxes towards certification fee for compliance report in respect of activity of power generation for the Financial Year 2014-15 was recommended by the Audit Committee at the Meeting held on 16.05.2014 and also approved by the Board of Directors of the Company at the meeting held on 16.05.2014. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders of the company.

Hence the present resolution for remuneration of Rs. 1,70,000/- per annum plus applicable taxes and out of pocket expenses, if any, to conduct the audit of cost accounts maintained by the company and at Rs. 30,000/- per annum plus applicable taxes towards certification fee for compliance report in respect of activity of power generation for the Financial Year 2014-15 payable to Mr.K.Suryanarayanan, Cost & Management Accountant, Chennai, the cost auditors of the company is proposed for ratification by the shareholders.

#### **Memorandum of Interest:**

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution except the cost auditor.

#### **Item No. 7**

As per Section 23 of The Sick Industrial Companies (Special Provisions) Act 1985, if the accumulated losses of an industrial undertaking as at the end of any financial year have resulted in erosion of 50% or more of its peak networth during the immediately preceding four financial years, such company is required:

- a) To report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR)
- b) To hold a General Meeting of the shareholders of the company for considering such erosion.
- c) The Board of Directors shall forward to every member of the company a report as to such erosion and the causes for such erosion.

The peak networth of CPCL during the last four years was Rs. 3793 crores. If the networth is reduced to less than 50% of such peak net worth , i.e. Rs. 1897 Crore, a report to BIFR on the fact of such erosion is required to be made. The loss of CPCL for the Financial Year ending 31<sup>st</sup> March, 2014 was Rs.304 crore and consequently the networth reduced to Rs. 1722 crore, which resulted in erosion of more than 50% of its peak networth over the last four Financial Years. Considering the net worth of Rs.1722 crore as on 31.03.2014, the fact of such erosion is to be reported to the BIFR.

The Directors, therefore, recommend the Ordinary Resolution for consideration and taking note of.

#### **Memorandum of Interest:-**

None of the Directors, Key Managerial Personnel and their relatives are interested in the resolution.

**REPORTING UNDER SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985**

The peak networth of CPCL during the last four years was Rs. 3793 crores. If the networth is reduced to less than 50% of such peak net worth, i.e. Rs. 1897 Crore, a report to Board for Industrial and Financial Reconstruction (BIFR) on the fact of such erosion is required to be made. The loss of CPCL for the Financial Year ending 31st March, 2014 was Rs.304 crore and consequently the networth reduced to Rs. 1722 crore, which has resulted in erosion of more than 50% of its peak networth over the last four Financial Years. Considering the networth of Rs.1722 crore as on 31.03.2014, the fact of such erosion is to be reported to the BIFR within a period of 60 days from the date of adoption of accounts by the shareholders of the company.

**REASONS FOR LOSSES**

The following major factors adversely impacted the financial performance of the company during the years 2012-13 and 2013-14

- High Volatility in crude and product prices resulting in lower effective cracks.
- Unprecedented depreciation of the Indian Rupee against the US Dollar and volatility in foreign exchange market resulting in exchange fluctuation loss.
- Higher interest expenditure due to increased working capital requirements, inadequate internal accruals and servicing of loans on completed projects.
- Lower crude thruptud during the year 2012-13 due to revamp shutdown of Refinery II, unplanned shutdown of Refinery III for packing replacement and reduced distillate yields.
- Higher CST under recovery.

**MEASURES BEING TAKEN TO IMPROVE THE OPERATIONAL AND FINANCIAL PERFORMANCE**

The Company has initiated following measures to achieve improvement in both Physical and Financial Performance:

**Operational improvements and efficiencies:**

Various margin improvement measures initiated by the company in the areas of energy conservation and consequent reduction in fuel & loss, value addition measures and optimization of crude mix are expected to improve the profitability.

**Implementation of Resid Upgradation project:**

The Residue Upgradation Project being implemented at a capital outlay of Rs. 3110 Crore is expected to significantly improve the Gross Refining Margins due to the conversion of bottoms into middle distillates. Keeping in view the huge requirement of funds for the project, the company has approached Oil Industry Development Board (OIDB) to sanction 50% of the outlay as loan for the project which is expected to bring down the overall financing cost of the project.

**Focus on Cost containment:**

The company has identified specific cost containment measures in the areas of repairs & maintenance, staff cost and also optimization of utilities cost. These initiatives would yield results in the coming years. The company has requested Indian Oil Corporation Limited to reduce the credit period for payment towards supply of products so as to facilitate the reduction in working capital requirement and savings in interest cost.

**Capital Infusion:**

The company is exploring various options of infusion of capital which will augment the networth of the company and reduce the interest cost.



## **BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 48TH ANNUAL GENERAL MEETING**

1. Mr.T.S.Ramachandran, born on 25.11.1954, was appointed on the Board of CPCL as Director (Technical) effective 26.07.2011. Mr.T.S.Ramachandran is a First Class Honours Graduate in Electrical Engineering from the University of Calicut. Prior to his appointment as Director (Technical) in CPCL, he was General Manager, Indian Oil Corporation Ltd., He has more than three decades of experience in Indian Oil at Refineries Head Quarters, New Delhi and various Refineries in Gujarat, Guwahati and Mathura and across a wide spectrum of functions including projects, engineering services, contracts management, power & utilities etc.,

In CPCL, Mr.T.S.Ramachandran is a member of Shareholders' / Investors' Grievance Committee, Board Project Committee and Committee on Corporate Social Responsibility and Sustainability Development.

Mr.T.S.Ramachandran is not holding any shares in the Company.

2. Mr.Mohan Lal, born on 10.04.1955, was appointed as a Director on the Board of CPCL effective 21.08.2013. He holds a Bachelors' Degree in Science (Non-Medical), Education and Law. He also holds a Masters Degree in Public Administration.

Mr.Mohan Lal is presently Director (Refinery & Administration) in the Ministry of Petroleum & Natural Gas. He has more than 35 years of Administrative experience in different departments of Government of India like Office of Accountant General, Haryana, Ministry of Health and Family Welfare, Department of Industrial Policy and Promotion and Ministry of New and Renewable Energy.

Mr.Mohan Lal is not holding any shares in the Company.

3. Mr.G.Ramaswamy born on 06.11.1954, was appointed as a Director on the Board of CPCL effective 07.11.2013. He is a practicing Chartered Accountant since 1984 and Managing Partner of M/s. G.Ramawamy & Co., Chartered Accountant Firm engaged in the field of taxation and company audit. He was the past President of the Institute of Chartered Accountants of India. He is also the Board Member of International Federation of Accountants, a World organisation for the Accountancy profession.

In CPCL, he is a member of the Audit Committee. He is not holding any shares in the Company.

4. Mr.Sanjiv Singh born on 30.06.1960 was appointed as a Director on the Board of CPCL effective 03.07.2014. Mr. Sanjiv Singh is a Graduate in Chemical Engineering from IIT, Roorkee and also acquired Diploma in Management.

Presently, he is Director (Refineries) of Indian Oil Corporation Limited. He has more than three decades of experience and worked in various positions at Mathura, Barauni and Panipat Refineries.

He is a member of the Projects Committee and Remuneration Committee of the Board. He is not holding any shares in the Company.

By order of the Board of Directors  
For Chennai Petroleum Corporation Limited

**P. SHANKAR**

*Company Secretary*

*Regd. Office: 536, Anna Salai,  
Teynampet, Chennai 600 018.*

*Email id:shankarp@cpcl.co.in*

*CIN: L40101TN1965GOI005389*

Date : 16.07.2014

Place : Chennai