



REPORT ON CORPORATE GOVERNANCE: 2017-18

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

CPCL is of the firm belief that the presence of strong Corporate Governance standards not only creates awareness among stakeholders about the company but also aids in economic growth. With a view to percolate the values of fairness, integrity and accountability amongst its stakeholders, your company has endeavoured to adhere to the best industry practices.

The touchstone of your company's governance philosophy is based on care, innovation and trust which are essential to fulfill its vision of becoming the most admired Indian Energy company. CPCL has a well defined governance framework which is reflected in the following policies formulated by the company:

- Code of Conduct for Board Members and Senior Management Personnel;
- Insider Trading Code;
- Risk Management Policy;
- Integrity Pact;
- Conduct, Discipline and Appeal Rules for Employees;
- Human Resource initiatives.
- CSR&SD Policy;
- Whistle-Blower Policy.
- Policy on related party transactions
- Policy for determination of material / price sensitive information
- Policy for preservation of documents.

2 BOARD OF DIRECTORS

a) Composition of the Board of Directors

The company is managed by the Board of Directors which formulates strategies and policies and reviews its performance periodically. The Board of Directors of the Company has an optimum combination of both Executive and Non-Executive Directors, which includes independent directors, Government Directors and directors representing the Promoters viz., Indian Oil Corporation Ltd and Naftiran Inter-trade Company Ltd.

As on 31.03.2018, CPCL Board comprises of the following categories of Directors:

- One Non-Executive Chairman, who is the Chairman of Indian Oil Corporation Limited (the Holding Company).
- Managing Director
- Three whole-time Functional Directors, viz., Director (Operations), Director (Finance) and Director (Technical)
- Director (Refineries) of Indian Oil Corporation Limited, representing holding company
- One Director, representing Ministry of Petroleum & Natural Gas
- Two Directors nominated by Naftiran Intertrade Company Limited, an affiliate of National Iranian Oil Company, one of the co-promoters, in terms of the Formation Agreement.
- Two Non-Functional Part-Time Independent Directors

Note: The post of Director (Finance) was vacant from 01.02.2018 till 07.05.2018. Mr.S.N.Pandey, Managing Director was holding the additional charge of the post of Director (Finance) till 07.05.2018. Mr.Rajeev Ailawadi has been appointed as Director(Finance) effective 08.05.2018, in place of Mr.S.Krishna Prasad who super-annuated on 31.01.2018.

Out of the total number of ten Directors as on 31.3.2018, Seven Directors were Non-Executive Directors. Thus the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, introduced by SEBI vide Notification dated 02.09.2015, if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors. Since, the Company has a non-executive Chairman who is on the Board of Indian Oil Corporation Limited, the Company needs to have 9 Independent Directors, including one Woman Director.

Presently, the Company has two Independent Directors as against the requirement of 9 and one Woman director, who is a nominee of Ministry of Petroleum and Natural Gas, Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

b) Details of familiarization programs imparted to independent directors

The details of familiarization programs imparted to independent directors are hosted on the website of the company and can be accessed at <https://www.cpcl.co.in/CorporateGovernance>

c) Board Meetings

The dates of the Board meetings are fixed in advance and informed to the Directors to enable them plan their schedule accordingly. During the year, the company implemented a digital online Board Portal for uploading the agenda proposals which can be accessed by the Directors electronically in a secured manner to help conduct paperless Board and Sub-Committee meetings.

Information placed before the Board

Presentations are made to the Board on physical, financial, safety, projects and other areas of the company. The agenda placed before the Board inter-alia includes the following:

- Capital and Revenue Budget
- Memorandum of Understanding with Indian Oil Corporation Limited, the Holding Company
- MoU Evaluation report
- Quarterly and Annual Financial results
- Dividend declaration
- Minutes of the Meetings of the Sub-Committees of the Board
- New Project proposals
- Safety and security related matters
- Significant developments between two board meetings
- Status of the various plan and non-plan projects
- Action Taken Report on the Risk Management Policy
- HR related issues
- Quarterly Reports on Manpower, Investment, Borrowings, Cash Flow Statement, Plan and Non-Plan control reports.
- General notices / matters of interest of Directors
- Secretarial Audit Report and Quarterly Corporate Governance Report
- Report on Share Transfers, Transmissions, Issue of Duplicate Share Certificates and Status of Investor Grievances
- Compliance of applicable laws
- Action Taken Report on the decisions of the Board



d) Seven Board Meetings were held during the year 2017-18 on the following dates:

Board Meeting No.	Board Meeting Date	Board strength	Number of Directors present
315	10.04.2017	11	10
316	15.05.2017	11	9
317	23.06.2017	11	9
318	04.08.2017	10	8
319	24.08.2017	10	8
320	08.11.2017	10	9
321	19.01.2018	10	8

e) Attendance of Directors at the Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting held on 24.08.2017; Number of other directorships, and Number of memberships / chairmanships held by the Directors in the committees of various companies are as under:

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM on 24.08.2017 (Yes/No/NA)	No. of Directorship in other companies as on 31.03.2018	Membership of Committees in other companies incl. CPCL as on 31.03.2018	Chairmanship of committees in other companies incl. CPCL as on 31.03.2018
Non-Executive Chairman					
Mr.Sanjiv Singh	6(7)	YES	3	1	0
Mr.B.Ashok (upto 31.05.2017)	2(2)	NA	2	0	0
Whole-time Directors					
Mr.S.N.Pandey (w.e.f. 01.02.2018)	0	NA	2	0	0
Mr.U.Venkata Ramana	7(7)	YES	1	CPCL-4 IAL-2	IAL-1
Mr.G.Aravindan (w.e.f. 30.01.2018)	0	NA	1	3	0
Mr.Gautam Roy (upto 31.01.2018)	7(7)	YES	2	0	0
Mr.S.Krishna Prasad (upto 31.01.2018)	6(7)	YES	2	4	0
Mr. S. Venkataramana (upto 30.06.2017)	3(3)	NA	2	3	0
Part-time Non-Executive Director (IOCL Nominee)					
Mr.S.M.Vaidya (From 23.06.17 to 05.04.2018)	5(5)	YES	0	2	0
Mr.B.V.Rama Gopal (w.e.f 05.04.2018)	0	NA	2	1	1
Independent Directors					
Mr.Mrutunjay Sahoo	5(7)	YES	1	1	2
Dr.P.B.Lohiya	7(7)	YES	0	2	2
Part-time Non-Executive Director (Government Nominee)					
Mrs.Perin Devi (w.e.f. 24.11.2017)	1(1)	NA	1	CPCL-5 BLI-3	BLI -1
Mr.K.M.Mahesh (upto 24.11.2017)	5(6)	YES	0	3	1
Part-time Non-Executive Director (NICO Nominee)					
Mr.M.B.Dakhili	5(7)	NO	1	CPCL-1 MFL-2	MFL-1
Mr.Farzad Bahrami	2(7)	NO	1	CPCL-1 MFL-1	0

Note: In addition to Audit Committee and Stakeholders Relationship Committee, memberships/ chairmanships of Committees mentioned above also include Nomination & Remuneration Committee; CSR&SD Committee, Board Project Committee and Planning and Projects Committee.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which they are a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming AGM is given in the notice of the AGM.

f) Code of Conduct for Board Members and other Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel of the company has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted in the website of the company <https://www.cpcl.co.in/policies>. The Directors and Senior Management Personnel of the company have affirmed compliance with the provisions of the CPCL's code of conduct for year ended 31.03.2018.

As required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a declaration signed by the Managing Director of the Company that all the Board Members and Senior Management personnel have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31.03.2018 is placed below:

"This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.03.2018 and the same was informed to the Board at the 323rd Meeting held on 10.05.2018".

S.N. PANDEY

MANAGING DIRECTOR

Place: Chennai

Date: 10.05.2018

Shareholdings of Independent Directors:

Mr.Mrutunjay Sahoo, independent director is holding 1500 equity shares in CPCL as on 31.03.2018.

3. AUDIT COMMITTEE

The Composition of the Committee as on 31.03.2018 is as under:

1. Mr.Mrutunjay Sahoo, Independent Director – Chairman
2. Dr.P.B.Lohiya, Independent Director – Member
3. Mrs.Perin Devi, Director – Member
(w.e.f 24.11.2017)

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.S.Krishna Prasad , the then Director(Finance) was the permanent invitee till 31.01.2018. Mr.Rajeev Ailawadi, Director(Finance) is the Permanent invitee effective 08.05.2018.



The terms of reference of the Audit Committee cover all matters specified by the Companies Act 2013 as well as Regulation 18(3) read with Part C of Schedule –II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which inter-alia includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for fixation of audit fees of statutory auditors.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Board's Report in terms of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management the adequacy of the internal control systems.
7. Evaluation of internal financial controls and risk management systems
8. Approval of related party transactions.
9. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
10. Discussion with internal auditors any significant findings and follow up thereon.
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
14. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
15. Review of cost audit report.
16. Reviewing with the management, the observations or comments, if any, of Comptroller & Auditor General of India.
17. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

The details of Audit Committee Meetings held during the Financial Year 2017-18 and the Members present are given below:

Attendance at meetings held out of total number of meetings						
MEMBERS PRESENT	15.05.2017	04.08.2017	08.11.2017	19.01.2018	22.03.2018	Total
Mr.Mrutunjay Sahoo	YES	YES	YES	YES	YES	5/5
Dr.P.B.Lohiya	YES	YES	YES	YES	YES	5/5
Mrs.Perin Devi (w.e.f 24.11.2017)	NA	NA	NA	YES	YES	2/2
Mr.K.M.Mahesh (upto 24.11.2017)	YES	YES	YES	NA	NA	3/3

The Audit Committee meetings are attended by Director(Finance), as Permanent Invitee and Deputy General Manager (Internal Audit) as invitee. The representatives of the Statutory Auditors are invited to the Audit Committee meetings while considering the financial results and discussing the nature and scope of Annual Audit. The Cost Auditors are invited when the cost audit reports are considered by the Audit Committee.

The minutes of the meeting are circulated among the members of the Committee and among all the concerned for necessary action. The action taken report on the decisions of the Audit Committee are submitted to the Committee for information. Chairman of the Audit Committee was present in the last Annual General Meeting. Shri. P. Shankar, Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE (NRC)

CPCL being a Government Company, the appointment and terms and conditions of such appointment (including remuneration) is decided by the Government of India. However, the Board of Directors of the Company at the 262nd Meeting held on 27.07.2009 constituted a Remuneration Committee, in line with the DPE Guidelines dated 26.11.2008. The Independent Directors are not paid any remuneration except sitting fees for attending meetings of the Board or Committees thereof.

The Board of Directors of the company at the 310th meeting held on 23.05.2016 renamed and reconstituted the Remuneration Committee as Nomination and Remuneration Committee.

The Nomination & Remuneration Committee as on 31.03.2018 comprises of the following members:

- Mr.Mrutunjay Sahoo, Independent Director – Chairman
- Dr.P.B.Lohiya, Independent Director – Member
- Mrs.Perin Devi, Government Director – Member (w.e.f 24.11.2017)
- Mr.S.M.Vaidya, Director – Member (from 23.06.2017 till 05.04.2018)

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.B.V.Rama Gopal was inducted as a member in place of Mr.S.M.Vaidya effective 05.04.2018.



The terms of reference of the Committee would be as under:

1. Appointment and Recruitment including deputation / tenure basis – Supervisors-Grade-H(CGM)
2. To consider and approve promotions to Grade H (Chief General Manager) i.e. Senior Management Personnel in accordance with the laid down criteria.
3. Termination of Supervisory Employees-Grade-H.
4. To decide the Annual Bonus / Ex-gratia/Production Incentives/Variable Pay Pool and policy for its distribution across the Executives and non-unionised supervisors, within the prescribed limits as per DPE Guidelines.
5. Such other activities mandated by the Board from time to time.

The Committee will consider and approve all the issues pertaining to the terms of reference based on the recommendations of the Internal Committee comprising of Functional Directors, Managing Director and one Part time Director from IOCL.

The details of NRC meetings held during the financial year 2017-18 are as under:

Name of the member	Attendance at the meetings held out of total number of meetings	Total
	11.10.2017	
Mr.Mrutunjay Sahoo	YES	1/1
Dr.P.B.Lohiya	YES	1/1
Mrs.Perin Devi (w.e.f. 24.11.2017)	NA	NA
Mr.S.M.Vaidya	YES	1/1
Mr.K.M.Mahesh (upto 24.11.2017)	YES	1/1

Shri. P. Shankar , Company Secretary acts as the Secretary of the NRC.

Directors Remuneration

The remuneration of the whole time Functional Directors include basic salary, allowances and perquisites as determined by the Government of India. Also, they are entitled to provident fund and superannuation contributions as per the rules of the Company.

The gross value of the fixed component of the remuneration, as explained above, paid to the whole time functional Directors, during the financial year 2017-18 is given below:

(Rs. in lakhs)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund / Superannuation Fund etc.	Other Benefits	Total
Mr.S.N.Pandey (w.e.f 01.02.2018)	5.01	1.13	-	6.14
Mr.Gautam Roy (upto 31.01.2018)	43.87	5.53	10.94	60.34
Mr.U.Venkata Ramana	48.29	5.23	6.34	59.86
Mr.G.Aravindan (w.e.f 30.01.2018)	6.64	1.16	-	7.80
Mr.S.Krishna Prasad (upto 31.01.2018)	33.26	5.11	3.83	42.20
Mr.S.Venkataramana (upto 30.06.2017)	23.34	11.33	29.79	64.46

Note:

- 1) During the year no stock option has been issued to Whole-time Directors
- 2) The terms of appointment of Whole-time Directors, as issued by the Government of India, provides for a 3 months notice period or salary in lieu thereof for severance of service.
- 3) The whole time functional Directors are appointed for a period of five years or upto the date of superannuation, whichever event occurs earlier.

The Criteria for payment to Non-executive Directors is as under:

As per Article 90 A of the Articles of Association of the Company, the remuneration payable to the Directors of the Company, other than full-time Directors of the Company or Full-time employees of the Shareholders for attendance at Meetings of Board of Directors or any Committee thereof, shall be fixed by the Board of Directors of the Company from time to time.

The amount of sitting fees payable to the eligible Directors for attendance at the meetings of the Board and its Committees has been revised from Rs.20000/- to Rs.40000/- and from Rs.20000/- to Rs.30000/ respectively, effective 19.01.2018.

The details of the sitting fees paid to Non-Executive Directors during 2017-18 are given below:

Mr. Mrutunjay Sahoo	– Rs. 2,80,000/-
Dr. P. B. Lohiya	– Rs. 4,60,000/-

There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

Evaluation of performance of Non-Executive Directors:

CPCL, being a Government Company, the performance of the Board of Directors as a whole including Non-Executive Directors are reviewed by Government of India / Indian Oil Corporation Limited at the time of evaluation of Memorandum of Understanding entered into by CPCL with IOC, the holding Company and also while reviewing the Quarterly performance of the Company by the Ministry of Petroleum and Natural Gas, Government of India.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Composition of the Committee as on 31.03.2018 is as under:

- Dr. P. B. Lohiya, Independent Director – Chairman
- Mrs. Perin Devi, Government Director – Member (w.e.f 24.11.2017)
- Mr. U. Venkata Ramana, Director (Technical) – Member
- Mr. Farzad Bahrami, Director – Member

Note: Mr. K. M. Mahesh was a member till 24.11.2017; Mr. S. Krishna Prasad, the then Director(Finance) was a member till 31.01.2018. Mr. Rajeev Ailawadi, Director(Finance) has been inducted as a member effective 08.05.2018.

The SRC specifically looks into the redressal of Shareholders and Investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of Dividends, etc.



The details of Stakeholders Relationship Committee Meetings held during the Financial Year 2017-18 and Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings		Total
	04.08.2017	19.01.2018	
Dr.P.B.Lohiya	YES	YES	2/2
Mr.U.Venkata Ramana	YES	YES	2/2
Mrs.Perin Devi	NA	YES	1/1
Mr.Farзад Bahrami	LOA	LOA	0/2
Mr.S.Krishna Prasad (upto 31.01.2018)	YES	YES	2/2
Mr.K.M.Mahesh (upto 24.11.2017)	YES	NA	1/1

LOA denotes Leave of Absence.

Mr.P.Shankar, Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the year 2017-18

During the year 1023 complaints were received and all have been resolved. As on 31.03.2018, no complaints were pending.

The Company has created a designated email-id sld@cpcl.co.in exclusively for investor servicing and for responding to their queries.

6 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

The Composition of Committee on CSR & SD as on 31.03.2018 is as follows:

- Dr.P.B.Lohiya, Independent Director – Chairman
- Mrs.Perin Devi, Government Director – Member (from 24.11.2017)
- Mr.U.Venkata Ramana, Director (Technical), Member
- Mr.M.B.Dakhili, Director – Member

Note: Mr.K.M.Mahesh was a member till 24.11.2017. Mr.S.Krishna Prasad, the then Director (Finance) was a Member till 31.01.2018. Mr.Rajeev Ailawadi, Director (Finance), was inducted as member of the CSR & SD Committee w.e.f 08.05.2018.

The Terms of Reference of the Committee is as under

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.
- To develop the sustainable development policy for the organization.
- To provide guidance to the Management in identification of sustainable development projects.
- To ensure preparation of implementation plans for the identified SD projects.
- To approve the Sustainable Development budget for each accounting year.
- To provide guidance in implementation of SD policy and SD projects.
- To monitor and review implementation of SD projects and budget expenditure.

The details of CSR & SD Committee Meetings held during the Financial Year 2017-18 along with the Members present are given below:

Members Present	Attendance at the meetings held out of total number of meetings				Total
	15.05.2017	23.06.2017	11.10.2017	19.01.2018	
Dr.P.B.Lohiya	YES	YES	YES	YES	4/4
Mrs.Perin Devi (w.e.f 24.11.2017)	NA	NA	NA	YES	1/1
Mr.K.M.Mahesh (upto 24.11.2017)	YES	LOA	YES	NA	2/3
Mr.S.Venkataramana (upto 30.06.2017)	YES	YES	NA	NA	2/2
Mr.U.Venkata Ramana	YES	YES	YES	YES	4/4
Mr.S.Krishna Prasad (upto 31.01.2018)	YES	YES	YES	YES	4/4
Mr.M.B.Dakhili	YES	YES	LOA	YES	3/4

Note: LOA denotes Leave of Absence

7. OTHER COMMITTEES OF THE BOARD

Sl.No	Name of the Committee	Role and Responsibilities	Members	Meetings held
1.	Project Committee	<p>1.To approve Capital investment upto Rs. 100 crore and pre-feasibility expenses upto Rs. 20 crore.</p> <p>2.To recommend investment approval beyond Rs. 100 crore to the Board of CPCL for consideration.</p>	<p>1. Mrs.Perin Devi, Director – Chairman –(w.e.f 24.11.2017)</p> <p>2. Mr.Mrutunjay Sahoo, Independent Director – Member</p> <p>3. Mr.S.M.Vaidya, Director – Member (from 23.06.2017 upto 05.04.2018)</p> <p>4. Director (Technical) or Director (Operations), depending upon the Proposal considered</p> <p>Note: Mr.S.Krishna Prasad, the then Director(Finance) was a member till 31.01.2018. Mr.Rajeev Ailawadi, Director (Finance), was inducted as member w.e.f 08.05.2018.</p> <p>Mr.B.V.Rama Gopal was inducted as a member and designated as Chairman of the Committee effective 05.04.2018.</p>	1
2.	Planning and Projects Committee	<p>1. To approve capital investment exceeding Rs.10 crore and upto Rs.50 crore</p> <p>2. To approve pre-feasibility expense exceeding Rs.5 crore and upto Rs.10 crore</p>	<p>1.Managing Director</p> <p>2.Director(Operations)</p> <p>3.Director(Technical)</p> <p>4.Director(Finance)</p>	14

Shri. P. Shankar, Company Secretary is the Secretary to all the Board Committees



8. GENERAL MEETING :

The Annual General Meetings of the company are held in Chennai where the registered office of the company is situated. The details of the AGMs held during the last 3 years are as under:

AGM Date	Location	Time	No. of Special Resolutions passed
07.09.2015	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil
07.09.2016	The Music Academy, 168, TTK Road, Royapettah, Chennai – 600 014	03.00 pm	Nil
24.08.2017	Kamaraj Arangam, 492, Anna Salai Chennai 600 006	03.00 pm	Nil

No Extraordinary General Meeting of the Members was held during the year 2017-18.

9 POSTAL BALLOT DETAILS:

No approval of shareholders was sought by means of Postal Ballot during 2017-18.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing the resolution through Postal Ballot.

10. DISCLOSURES

The following are the disclosures as required under Regulation 34, 53 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and Voluntary Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs.

- a) One separate meeting of the Independent Directors as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015 was held on 11.10.2017. The requirement relating to separate meeting of Independent Directors was complied during the Financial Year 2017-2018 and the same will be complied with during financial year 2018-19.

b) Materially significant Related Party Transactions

The Board of Directors of the Company approved a policy on "Materiality of Related Party Transactions and dealing with Related Party Transactions" (policy on RPT). The same has been hosted on the website of the company and can be accessed at the following link: <https://www.cpcl.co.in/policies>.

As per the policy on RPT, all related party transactions are approved by the Audit Committee. The Company has not entered into any material significant related party transactions during the year.

c) Details of Non-Compliance during last three years

There were no cases of Non-compliance by the Company on any matter related to capital market during the last 3 years. No penalties / strictures were enforced on the Company by Stock Exchange / SEBI / any statutory authority, on any matter related to capital markets during the last three years.

d) Whistle-Blower Policy

The Board of Directors of the Company at the 260th Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower Policy in the Company. A copy of the Whistle Blower Policy is displayed in the website of the Company, under the link, <https://www.cpcl.co.in/policies>.

The Policy provides for the employees to report any improper activity resulting in violation of rules, laws, regulations or code of conduct by any of the employees to the competent authority or the Chairman of the Audit Committee. No personnel has been denied access to the Audit Committee. During the year, no complaint has been received under the Whistle-Blower Policy.

e) Compliance with mandatory requirements of corporate governance

- i) CPCL has complied with all the mandatory requirement of the guidelines on Corporate Governance issued by SEBI except the requirement relating to minimum number of Independent Directors which is less than half of the total strength of the Board. The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

ii) Compliance of Applicable Laws

As per Regulation 17 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

Accordingly, a system had been developed and institutionalized to ensure compliance with all laws applicable to the Company.

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2016 to 30.09.2017 at the 320th Board Meeting held on 08.11.2017. The compliance report for the period 01.10.2017 to 30.09.2018 will be placed before the Board at the meeting scheduled in November 2018.

iii) Risk Assessment and Minimisation Procedures

Constitution of Risk Management Committee is not applicable for the company as the company is not in the top 100 listed companies determined on the basis of market capitalization.

However, the Company has developed a system and laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

To ensure alignment of Risk Management system with the Corporate and operational objective and to improve upon the existing procedure, the Executive Committee at its 246th Meeting held on 26.04.2011 constituted a Committee comprising of officials from various functional areas to identify the risks in the present context, prioritise them and formulate proper action plan for implementation. The Committee has formulated the Risk Management Policy with effect from 2012-13.

The Action Taken Report on the Risk Management Policy for the year 2017-18 were reviewed by the Audit Committee and Board at the meeting held on 27.06.2018.

iv) Code of Conduct for prevention of Insider Trading in dealing with the Securities of CPCL

CPCL has formulated the Code for prevention of Insider Trading in the securities of CPCL (Insider Trading Code) in line with SEBI (Prohibition of Insider Trading) Regulation, 2015 and the same was approved by the Board at its meeting held on 23.05.2015. The Insider Trading Code is uploaded in the website of the Company under the link, <https://www.cpcl.co.in/policies>.

v) Compliance Certificate

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance requires every listed Company to obtain a certificate from either the auditors of the Company or a Practicing Company Secretary regarding compliance of conditions of Corporate Governance and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate to this effect from the Auditors of the Company as required under the SEBI Regulations and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.



The company has adopted the following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

- 1) Unqualified financial statement
- 2) Training to Directors

Training to Directors in the area of Corporate Governance is always given utmost importance by Management. Need based training is provided to the newly appointed Directors on the Board. Mr.G.Aravindan, Director(Operations) and Mr.R.Srikanthan, CGM (CBR) shortlisted by the Govt. of India for the post of Director (Technical), attended Board Orientation Program on 30th and 31st May 2018 organised by Institute of Public Enterprises, Hyderabad.

f) CEO / CFO Certification

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 89th Audit Committee Meeting and 323rd Board meeting held on 10.05.2018.

g) Integrity Pact:

CPCL signed a Memorandum of Understanding (MOU) with Transparency International India (TII) in 2008 for implementing an integrity pact program focused on enhancing transparency, probity, equity and competitiveness in its procurement process. 70 major contracts were covered under the integrity pact during 2017-18 and the threshold limit for entering into integrity pact was Rs.1.0 crore.

h) Relationship between Directors

None of the Directors on the Board of CPCL are inter-se related to other directors of the company.

The letters issued to Non-Executive Directors on their appointment are displayed on the website of the Company.

i) Demat suspense account / unclaimed suspense account

No shares of CPCL were lying in the Demat suspense account or unclaimed suspense account as on 31.03.2018.

j) Guidelines on Corporate Governance by DPE

CPCL is complying with all the requirements of the DPE Guidelines on corporate governance except the requirements relating to minimum number of independent directors. CPCL being a Government Company, is pursuing with the Government of India for induction of requisite number of independent directors.

The Company has been meticulously following the presidential directives and other guidelines issued by the Ministry of Petroleum and Natural Gas and the Department of Public Enterprises from time to time regarding reservation in services for SC / ST / OBC and Physically Challenged.

The Company has not incurred any expenditure not for the purpose of business during the year 2017-18.

The Company has not incurred any expenses which are personal in nature for the Board of Directors and key management personnel.

The administrative and office expenses as a percentage of total expenses is 0.28 % as compared to the previous year figure of 0.38%.

In the preparation of financial statement for the year 2017-18, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.

11. MEANS OF COMMUNICATION

a) Financial Results

The Board of Directors of the Company approves the Financial Results within the limits prescribed under SEBI (LODR) and announces the results to Stock Exchanges where the equity shares are listed. The same are also published, within 48 hours in the newspapers viz., The Hindu, and Makkal Kural (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's website at <https://www.cpcl.co.in/> Financial Result. Press releases are given on important occasions. They are also placed on Company's website.

b) Official press releases are displayed on the company's website at <https://www.cpcl.co.in/Press Release>.

c) Website

The Company's website, <https://www.cpcl.co.in> provides separate section for Investors where relevant Shareholders information is available.

d) Annual Report

The Annual Report of the Company and all intimation to the stock exchanges are displayed in the website in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, under the link, <https://www.cpcl.co.in/Annual Report>

e) Chairman's Speech at AGM

Chairman's Speech at AGM is also distributed to the shareholders who attend the Annual General Meeting of the Company and the same is also displayed in the website of the Company, under the link, <https://www.cpcl.co.in/Annual Report>

f) Investors cell

Investors cell exists in the registered office of the company to address the grievances and queries of the shareholders. To facilitate the investors to raise the queries / grievances through the electronic mode, CPCL has created a separate email id sld@cpcl.co.in. M/s.Karvy Computershare Private Limited, the Share Transfer Agent of the Company have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

g) Green initiative – reaching important communication to shareholders through email

The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode Accordingly, CPCL would send the copy of the Annual Report for the year 2017-18 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.



12. GENERAL SHAREHOLDER INFORMATION

a) 52nd Annual General Meeting

Date & Time : 24th August 2018; 03:00 pm.

Venue : Kamaraj Arangam
492, Anna Salai,
Chennai –600 006

b) Financial Calendar : April – March

c) Book Closure Date : 17.08.2018 to 24.08.2018 (Both days inclusive)

d) Dividend / despatch date : As per the Guidelines on Capital Restructuring of CPSEs, issued by Ministry of Finance, Department of Investment and Public Asset Management dated 27.05.2016, (uploaded in the website), every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the networth whichever is higher subject to maximum dividend permitted under the extant legal provisions. In line with these guidelines, the Board has recommended a dividend of 185% (Rs.18.50 per share) for the year 2017-18. Equity Dividend, if approved at the AGM, shall be paid to all the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act 2013

e) Listing on Stock Exchanges: : The Shares of the Company are listed on the Stock Exchanges at Mumbai and National Stock Exchange of India Limited. The listing fee for the year 2018-19 has been paid.

f) Stock Code : BSE – 500110

g) Trading Symbol in NSE : CHENNPETRO

h) ISIN No. for dematerialized shares : INE 178A 01016

i) Market Price Data – High, Low and Close during each month in the Financial Year

(in Rupees)

Month	NSE			BSE		
	High	Low	Close	High	Low	Close
Apr-17	394.35	362.00	380.95	394.80	362.90	380.30
May-17	424.90	359.15	381.00	424.80	359.50	380.05
Jun-17	396.80	339.95	353.95	396.50	340.00	353.85
Jul-17	412.00	350.00	387.00	410.20	350.75	387.40
Aug-17	449.95	363.75	448.35	449.00	364.25	446.65
Sep-17	467.00	380.90	402.95	466.95	381.70	402.30
Oct-17	480.50	400.00	468.80	477.10	400.55	470.15
Nov-17	477.30	410.25	425.00	476.90	408.60	426.15
Dec-17	441.00	403.10	428.60	439.60	403.00	429.00
Jan-18	464.40	410.35	413.70	464.00	405.40	413.50
Feb-18	417.45	349.05	364.70	417.90	350.10	364.45
Mar-18	371.40	310.50	327.35	370.80	310.80	328.50

j) Performance of CPCL's Shares in comparison to BSE and NSE Index:

Month	NSE		BSE	
	CPCL Close (in ₹)	Index (CNX NIFTY)	CPCL Close (in ₹)	Index (S&P BSE SENSEX)
Apr-17	380.95	9304.05	380.30	29918.40
May-17	381.00	9621.25	380.05	31145.80
Jun-17	353.95	9520.90	353.85	30921.61
Jul-17	387.00	10077.10	387.40	32514.94
Aug-17	448.35	9917.90	446.65	31730.49
Sep-17	402.95	9788.60	402.30	31283.72
Oct-17	468.80	10335.30	470.15	33213.13
Nov-17	425.00	10226.55	426.15	33149.35
Dec-17	428.60	10530.70	429.00	34056.83
Jan-18	413.70	11027.70	413.50	35965.02
Feb-18	364.70	10492.85	364.45	34184.04
Mar-18	327.35	10113.70	328.50	32968.68

k) Debt Securities:

The debt securities viz., Secured Redeemable Non-Convertible Debentures (Series-II) to the extent of Rs.1000 crore issued in January 2014 are listed in the Whole-sale Debt Market Segment(WDM) of NSE.

Change in Debenture Trustees:

M/s. All Bank Finance Ltd., the debentures trustees informed in September 2017 that a decision has been taken to relinquish their office of Debenture Trustee and surrender their trustee license to SEBI, consequent to the ongoing process for merger of M/s.AllBank Finance Ltd with Allahabad Bank. Subsequently, M/s.AllBank Finance Ltd, vide communication dated 17.11.2017 informed that they have appointed M/s. Axis Trustee Services Ltd., Mumbai as their successor trustees for the above said Debentures, on the same terms and conditions. The consent of debenture holders have been obtained for appointment of M/s. Axis Trustee Services Ltd., Mumbai as the successor trustee. M/s.All Bank Finance Ltd, vide communication dated 23.04.2018 informed that the amalgamation of All bank Finance Ltd with Allahabad Bank has been completed. The execution of new Trustee agreement is under process.

The contact details of new Debenture Trustees are as under:

Axis Trustee Services Ltd.

Contact Person & No.: Swati Borkar,

Board No.: 91-22-62260068

Address: Axis Trustee Services Ltd.

Axis House, Ground Floor, Wadia International Center,

Pandurang Budhkar Marg,

Worli, Mumbai – 400 025



l) Registrars and Share Transfer Agents:

(a) Hyderabad Office:

Karvy Computershare Pvt. Limited,
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli Financial District,
 Nanakramguda, Hyderabad - 500 032
 Phone : 040-44655000/44655152
 Fax No: 040-44655024
 E-mail : mohsin.mohd@karvy.com, einward.ris@karvy.com
 Website: www.karvycomputershare.com

(b) Chennai Office:

Karvy Computershare Private Limited
 Unit: Chennai Petroleum Corporation Limited
 Akshaya Plaza, 1st Floor, Flat No. F-11
 New No.108, Adhithanar Salai,
 (Opp: Chief City Metropolitan Court)
 Egmore
 Chennai 600002
 Phone: 044-28587781
 Fax : 044-42028514
 Email id: chennaiirc@karvy.com

m) Share Transfer System:

To expedite the share transfer process, the Board of Directors has constituted a Share Transfer Committee (STC). Presently the STC comprises of Mr.P.Shankar, Company Secretary and Mr.A.S.Sriram, Assistant Manager (Secretarial) to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation requests etc.

The number of transfers approved and shares transferred from 01.04.2017 to 31.03.2018 are given below:

SI.No.	Particulars	No. of Cases	Number of Shares Involved
1	Number of transfer deeds received	204	24100
2	Transfer deeds processed	69	7900
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	135	16200

The number of meetings held for approving the Share Transfers from 01.04.2017 to 31.03.2018 is 30.

The number of demat requests approved and shares dematted from 01.04.2017 to 31.03.2018 in National Securities Depository Ltd. (NSDL) are given below:-

SI.No.	Particulars	Number of Demat Request Form (DRF)	Shares
1	Number of demat requests received	518	61702
2	Number of demat requests processed	360	42102
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	158	19600

The number of demat requests approved and shares dematted from 01.04.2017 to 31.03.2018 in Central Depository Services (India) Ltd. (CDSL) are given below:

SI.No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	371	44350
2	Number of demat requests processed	259	31500
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	112	12850

n) Distribution of Shareholding as on 31.03.2018:

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% of Total	Rs.	% to Total
upto 1 - 5000	66220	95.16	59236920.00	3.98
5001 - 10000	1653	2.38	13118910.00	0.88
10001 - 20000	801	1.15	12060700.00	0.81
20001 - 30000	257	0.37	6495730.00	0.44
30001 - 40000	126	0.18	4529020.00	0.30
40001 - 50000	105	0.15	4937140.00	0.33
50001 - 100000	168	0.24	12182980.00	0.82
100001 & ABOVE	255	0.37	1376552600.00	92.44
Total:	69585	100.00	1489114000.00	100.00

o) Shareholding Pattern as on 31.03.2018:

DESCRIPTION	No. OF SHARES		TOTAL	%TO SHARES	NO. OF SHAREHOLDERS		TOTAL
	Physical	Electronic			Physical	Electronic	
Indian Oil Corporation Limited	0	77265200	77265200	51.89	0	1	1
Naftiran Inter-trade Co. Ltd.	0	22932900	22932900	15.40	0	1	1
Public (including Employees)	935464	12098251	13033715	8.75	8601	54699	63300
NBFC	0	5609	5609	0.00	0	10	10
Bodies Corporate	16200	2579763	2595963	1.74	48	683	731
Banks, FIs and Insurance Companies	100	7124976	7125076	4.78	1	19	20
Mutual Funds and UTI	5800	8746388	8752188	5.88	6	28	34
IEPF	0	303281	303281	0.20	0	1	1
Non-Resident Indians/OCBs/FN/Foreign Portfolio Investors/ Non-Resident Indians (Non Repatriable)/ Foreign Nationals/FIIs	492900	16404568	16897468	11.35	3555	1932	5487
Total	1450464	147460936	148911400	100.00	12211	57374	69585



p) Top Ten Shareholders as on 31.03.2018 (Other than Promoters)

SNo	Name/Jt1/Jt2	Shares	% Equity
1	LIFE INSURANCE CORPORATION OF INDIA	2811141	1.89
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	2360146	1.58
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED 95 FUND	2283000	1.53
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	2165072	1.45
5	LSV EMERGING MARKETS EQUITY FUND LP	1451200	0.97
6	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	1382000	0.93
7	GENERAL INSURANCE CORPORATION OF INDIA	1050000	0.71
8	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	1024348	0.69
9	AUSTRALIAN SUPER	803500	0.54
10	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	770391	0.52

q) Dematerialisation of Shares and Liquidity

The dematerialisation facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2018, 14,74,60,936 equity shares have been dematerialized, representing 99.03% of the paid-up capital.

r) Due date of Transfer of Unclaimed Dividend:

The due date of transfer of unclaimed dividend to the Investor Education and Protection Fund are as under:

Year	Date of Declaration	Due Date of Transfer
2010-2011	12.09.2011	11.10.2018
2011-2012	11.09.2012	10.10.2019
2012-2013	No Dividend	
2013-2014		
2014-2015		
2015-2016	07.09.2016	06.10.2023
2016-2017	24.08.2017	23.09.2024

The dividend payable to Naftiran Intertrade Company Limited (NICO) for the year 2015-16 amounting to Rs.9,17,31,600/- and for the year 2016-17 amounting to Rs.48,15,90,900/- was remitted to the Bank Account of NICO in Euro currency through IndusInd Bank on availability of banking channels during the Financial Year 2017-2018.

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard to claim such unpaid dividend.

The IEPF rules notified by the Ministry of Corporate Affairs further provides that details of all unclaimed / unpaid dividend as on the AGM date shall be filed with the MCA and also hosted on the website of the company within 90 days from the date of the AGM. Accordingly, the company has filed the information as on the last AGM date i.e. 24.08.2017 in the prescribed form with the IEPF and also hosted it on company's website <https://www.cpcl.co.in/Document>.

TRANSFER OF UNCLAIMED SHARES TO IEPF

Section 124(6) of the Companies Act, 2013 read with rules made there under provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF).

Ministry of Corporate Affairs (MCA), Government of India, had notified the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2015 in September 2016 and further amended by Notification dated 26.10.2017 providing for the transfer of the Equity Shares to IEPF in respect of which dividend has remained unclaimed for seven consecutive years or more, on or before 30.11.2017.

In line with the above, the company has transferred 3,03,281 equity shares of Rs.10/- each in respect of shareholders whose dividend has remained unclaimed for seven consecutive years from the financial years 2009-2010, to Investor Education & Protection Fund on 28.11.2017.

Further, Section 125 of the Companies Act, 2013 provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim refund there from.

- s) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued GDR / ADR / Convertible instruments. The company has not entered into any Commodity Hedging Transactions during the financial year 2017-18.

- t) Plant Locations

Manali Refinery, Manali, Chennai-600 068. [Phone No.044-25944000]

Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu, Pin: 611 002. [Phone No.04365-256402]

- u) Address for Correspondence

Chennai Petroleum Corporation Limited,
No.536, Anna Salai, Teynampet,
Chennai – 600 018
Phone: 044-24349833
Fax: 044- 24341753
Email: sld@cpcl.co.in

- v) CIN No.: L40101TN1965GOI005389

- w) Company's Website Address: <https://www.cpcl.co.in>

