

**CALENDAR OF EVENTS- POSTAL BALLOT**

<b>S.NO</b>	<b>ITEMS</b>	<b>DATE</b>
1	Date on which consent is given by the Scrutinizer to act as Scrutinizer for Postal Ballot	05.03.2015
2	Date of Board Meeting authorizing the process of Postal Ballot including approval of Calendar of Events	23.05.2015
3	Date of Board Resolution authorizing the Director (Finance) and Company Secretary to be responsible for the entire Poll Process	23.05.2015
4	Date of Appointment of Scrutinizer	23.05.2015
5	Intimation to the Stock Exchange regarding Calendar of Events / Record Date	08.06.2015
6	Filing of intimation of Board Meeting and Calendar of Events to ROC for conducting the Postal Ballot activity	08.06.2015
7	Date of completion of dispatch of Notice of Postal Ballot along with Postal Ballot Form and Postage pre-paid self-addressed envelope	15.06.2015
8	Release an advertisement in Newspapers giving the date of completion of dispatch and last date of receipt of Postal Ballot Forms	16.06.2015
9	Date of Commencement of E-Voting	17.06.2015
10	Date of Completion of E-Voting	16.7.2015
11	Last date for receiving of Postal Ballot forms by the scrutinizer	16.07.2015
12	Last date for submission of the Report by the Scrutinizer to the Chairman	20.07.2015
13	Date of declaration of result by the Managing Director	20.07.2015
14	Result to be displayed on the website of the Company and also intimated to the Stock Exchanges	20.07.2015
15	Date of Advertisement in newspapers regarding Postal Ballot result	21.07.2015
16	Date of signing of Minutes book in which the results of the ballot is recorded	Within 1 month from the declaration of result i.e on or before 19.08.2015
17	Date of returning the Ballot Papers, Register and other related papers to the Chairman by the Scrutinizer.	On or before 19.08.2015
18	Last date of filing of resolution with ROC	19.08.2015

*P. Shankar*

**P. SHANKAR**  
 Company Secretary  
 Chennai Petroleum Corporation Limited  
 536, Anna Salai Teynampet,  
 Chennai - 600 018.



## Chennai Petroleum Corporation Limited

CIN: L40101TN1965GOI005389  
 Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.  
 Tel: 044-24349833 / 24346807, Fax: 044-24341753  
 Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in / sld@cpcl.co.in

### POSTAL BALLOT NOTICE

#### TO THE MEMBERS OF THE COMPANY,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Companies (Management and Administration) Rules, 2014 (hereinafter referred to as "the Rules") to the Shareholders of Chennai Petroleum Corporation Limited (hereinafter referred to as "the Company") to seek their approval by way of postal ballot for the following Special Businesses:

- Borrowing limits upto ₹ 8000 crore for both domestic and foreign borrowings as per the provisions of Section 180(1)(c) of the Act in order to meet its working capital requirement and capital expenditure programme.
- To create charge and/or mortgage the moveable / immovable properties of the Company for the borrowings in accordance with Section 180(1)(a) of the Act.
- To raise funds by issue of bonds (in the nature of debentures) upto ₹ 3,000 crore on private placement basis as per the provisions of Section 42 of the Act and the Rules notified thereunder.
- Alteration of capital clause of Memorandum of Association
- Alteration of capital clause of Articles of Association
- Issue of Non-convertible, Redeemable, Cumulative Preference shares on private placement preferential allotment basis to Indian Oil Corporation Limited, the holding company.

Accordingly, the proposed special resolutions for the above special businesses alongwith the Explanatory Statement stating material facts and the justification for the proposal are being sent alongwith a Postal Ballot form for consideration by the shareholders. E-voting facility is also being provided to those shareholders who have registered their email addresses with the Company / Depository Participants.

#### SPECIAL BUSINESSES

##### 1. BORROWING POWERS OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT in supersession of the ordinary resolutions passed by shareholders through postal ballot on 26th December 2011 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, approval of the Shareholders be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit etc. for both domestic and foreign currency borrowings upto ₹ 8,000 crore (excluding temporary loans obtained from the Company's bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

##### 2. CREATION OF SECURITY ON THE PROPERTIES OF THE COMPANY IN FAVOUR OF THE LENDERS

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

"RESOLVED THAT in supersession of the ordinary resolutions passed by shareholders through postal ballot on 26th December 2011 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable / immovable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in foreign currency and/or rupee currency and Securities (comprising fully / partly Convertible Debentures and/or Non-Convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to the limits approved under section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default accumulated interest, liquidated damages, commitment charges premia on prepayments, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Managing Director or Director (Finance) or any officer(s) authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

##### 3. ISSUANCE OF BONDS ON PRIVATE PLACEMENT BASIS

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) as well as rules prescribed thereunder, approval of the Shareholders be and is hereby accorded to the Board of Directors to issue secured / unsecured redeemable non-convertible bonds / debentures ("Bonds") of face value aggregating upto ₹ 3,000 crore (from domestic as well as overseas market) during a period of one year from the date of approval by shareholders within the overall borrowing limits approved by members."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Managing Director or Director (Finance) or any officer(s) authorized by them in this regard be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue

*P. Shankar*  
**P. SHANKAR**  
 Company Secretary  
 Chennai Petroleum Corporation Limited  
 536, Anna Salai Teynampet,  
 Chennai - 600 018.

of Bonds including but not limited to number of issues / tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security, coupon / interest rate(s), yield, listing, allotment, appointment of various agencies and other terms and conditions of issue of Bonds as they may, in their absolute discretion, deem necessary."

**4 ALTERATION OF MEMORANDUM OF ASSOCIATION FOR INCREASING THE AUTHORISED CAPITAL:**

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

"RESOLVED THAT in accordance with the provision of Section 13 and 61 of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modifications or re-enactments thereof for the time being in force) and the rules notified thereunder, the existing Authorized Share Capital of the Company be and is hereby increased by amending the Clause V of the Memorandum of Association of the Company and substituting the words ₹ 400,00,00,000 (Rupees four hundred crore) divided into 40,00,00,000 (Forty crore) Equity Shares of ₹ 10/- (Ten only) each by the words ₹ 1400,00,00,000 (Rupees one thousand four hundred crore) divided into 40,00,00,000 (Forty crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 100,00,00,000 (One Hundred crore) Preference Shares of ₹ 10/- (Rupees Ten only) each."

**5 ALTERATION OF CAPITAL CLAUSE OF ARTICLES OF ASSOCIATION OF THE COMPANY:**

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules notified thereunder, the existing Article 4 of the Articles of Association of the Company be and is hereby replaced with the following Article:

The Authorized Share Capital of the Company is ₹ 1400,00,00,000 (Rupees one thousand four hundred crore) divided into 40,00,00,000 (Forty crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 100,00,00,000 (One Hundred crore) Preference Shares of ₹ 10/- (Rupees Ten only) each.

**6. ISSUE OF NON-CONVERTIBLE REDEEMABLE CUMULATIVE PREFERENCE SHARES:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 55 of the Companies Act 2013, Companies (Share Capital and Debentures) Rules 2014, Companies (Prospectus and allotment of Securities) Rules 2014 and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consent, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alterations and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (herein after referred to as the Board which term shall also include a Committee of Directors exercising the powers conferred by the Board), consent of the company be and is hereby accorded to the Board of Directors to offer, issue and allot, in one or more tranche, 100,00,00,000 Non-Convertible Cumulative Redeemable Preference shares of ₹ 10/- each for cash at par to Indian Oil Corporation Limited, one of the promoters of the Company, with such rights and privileges and on such terms and conditions as may be decided by the Board and subject to the following rights:

- The Preference Shares shall carry a fixed preferential dividend as decided by the Board.
- The said shares shall rank for dividend in priority to the equity shares for the time being of the Company.
- The said shares shall in winding up entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets.
- The voting rights on the said shares shall be in accordance with the provisions of Companies Act, 2013 and the rules made thereunder.

"RESOLVED FURTHER THAT the Board in its absolute discretion, as may be deemed appropriate, may make such further issue of Preference Shares within such limits and on such terms and conditions on any subsequent redemption and / or outstanding preference shares or any part thereof from time to time as may be considered fit and proper by the Board, so that the total Preference Share Capital outstanding at any point of time shall not exceed the amount stipulated under the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to this effect and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors comprising of Director (Finance), Director (Technical) and Director (Operations) to give effect to the aforesaid resolutions."

By Order of the Board  
For and on behalf of  
Chennai Petroleum Corporation Limited

Sd/-  
(P Shankar)  
Company Secretary

Place : Chennai  
Date : 28.05.2015

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts is annexed hereto.
2. The notice is being sent to all the members, whose name appear in the Register of Members / beneficial owners position (BENPOS) as received from Depositories on 08.06.2015.
3. The Company has appointed Mrs.S.Lalitha, a Practising Company Secretary, as scrutinizor, for conducting the postal ballot process in a fair and transparent manner.
4. In compliance with the provisions of Section 110 of the Act and the Rules notified thereunder and as per revised clause 35B of the Listing Agreement, the Company is offering e-voting facility to all those members whose email id is registered with the Company. Karvy Computershare Pvt. Ltd., the Registrar & Transfer Agent will be facilitating e-voting to enable members to cast their votes electronically. However e-voting is optional and those members who do not wish to or do not have access to e-voting facility, may cast their vote by means of a postal ballot form. Members may please write to the Company / RTA for obtaining the postal ballot form along with self-addressed postage paid business reply envelope.
5. Members desirous of exercising their vote by physical form are requested to carefully read the instructions printed in the postal ballot form and return the duly completed form, in the attached self addressed postage paid envelope so as to reach the scrutinizor on or before the close of working hours on 16.07.2015.
6. The procedure and instructions for e-voting are as follows:
  - i. Open the web browser during the voting period and navigate to 'https://evoting.karvy.com'

  
**P. SHANKAR**  
Company Secretary  
Chennai Petroleum Corporation Limited  
536, Anna Salai Teynampet,  
Chennai - 600 018.

- ii. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
  - iii. If you are logging in for the first time, then enter the login credentials (i.e. user id, password & captcha) as given below:
    - (a) User Id:
      - For members holding shares in physical Form - Event No. followed by Folio Number registered with the Company
      - For members holding shares in Demat Form with:
        - NSDL - 8 Character DP ID followed by 8 Digits Client ID
        - CDSL - 16 digits beneficiary ID
    - (b) Password: The unique password as printed on the postal ballot form forwarded through the electronic notice
    - (c) Captcha: Enter the verification code i.e. enter the alphabets and numbers in the exact way as they are displayed on the screen. Please contact the toll free no. 1-800-34-54-001 of the RTA for any clarification / help.
  - iv. After entering these details appropriately, click on "LOGIN".
  - v. Members will then reach the "Password Change" menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that members holding shares in demat form would be able to use the user id and password for voting on resolutions of any other Company, on which they are eligible to vote, provided that the Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to update any contact details like mobile number, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. You need to login again with the new credentials.
  - vii. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
  - viii. On the voting page, you will see the description of the resolution alongwith the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', such that the total number of shares in 'FOR / AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
  - ix. After selecting the resolution you have decided to vote on, click on "SUBMIT" button. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - x. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - xi. Members can cast their vote online till such time they have voted on all the Resolutions or till the end of the voting period i.e. the last date of receipt of postal ballot form, whichever is earlier.
  - xii. Corporates / Institutional Members (Corporates / FIs / FII's / Trust / Mutual Funds / Banks, etc.) are required to send a scanned copy (PDF format) of the relevant Board Resolution to the scrutinizer at the e-mail lalitha.companyscretary@gmail.com with a copy marked to evoting@karvy.com. The file with the scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
  - xiii. Kindly note that the members can opt for only one mode for voting i.e. either by physical ballot or e-voting. If you are opting for e-voting then do not vote by physical ballot and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.
7. The voting rights of members shall be in proportion to their share of the paid up share capital of the company as on 08.06.2015
  8. The voting period ends on the close of working hours (i.e. 5.30 pm) on 16.07.2015. The e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. for voting thereafter.
  9. The scrutinizer, after completion of the scrutiny, will submit his report to the Managing Director of the Company. The results of the postal ballot will be declared by the Managing Director or in his absence, by one of the Whole-time Functional Director or any officer authorized by the Managing Director, on 20.07.2015 at the registered office of the Company. The results will also be put up on the Company's website www.cpci.co.in and also intimated through a press release in newspapers. The resolutions, if approved will be taken as passed effectively on the date of declaration of results.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013.**

**Item No. 1 & 2**

The Shareholders of the Company by way of Ordinary Resolutions passed by Postal Ballot on 26th December 2011 had authorized the Board of Directors for raising both domestic and foreign currency borrowings through loans, credits etc. upto a limit of ₹ 8000 crore including temporary loans obtained from the Company's bankers in the ordinary course of business.

The Companies Act, 2013 has been notified to become effective from 1st April 2014. The provisions of Section 180(1)(c) of the new Companies Act 2013, provide that the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the company by a special resolution.

It is, therefore, proposed to seek the approval of the shareholders to the borrowing limits of ₹ 8000 crore, apart from temporary loans obtained from company's bankers in the ordinary course of business, for both domestic and foreign currency borrowings under section 110 of the Companies Act, 2013 by way of a Special Resolution.

Hence, approval of shareholders is solicited vide Resolution No. 1.

Similarly the approval of shareholders was obtained by way of ordinary resolution to create security or charge on the assets of the Company for the purposes of the borrowings. The mortgage and/or charge by the Company of its moveable and/or immoveable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the Lender(s), may fall under the category of disposal of the Company's undertaking(s) within the meaning of section 180 of the Companies Act. The provisions of the Companies Act, 2013 also provides for approval of shareholders by Special Resolution. Hence, approval of the shareholders is solicited vide Resolution No. 2.

None of the Directors of the Company is concerned or interested in the resolutions except to the extent of their respective holding of equity shares in the Company.

**Item No. (3)**

Section 42 of the new Companies Act, 2013 and Rule 14 (2) of rules notified under Chapter III of the new Companies Act (relating to Prospectus and Allotment of Securities) provide that a company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company by a Special Resolution for each of the Offers or Invitations.

The quantum of funds to be raised through domestic / overseas bonds varies in line with fund requirement and market conditions. In the past, the Company has tapped the market generally once in a year for an issue size of ₹ 1000 crore for domestic bonds. However, keeping in view the dynamic nature of markets and to have the flexibility to change the borrowing mix based on change in market conditions, the Company may approach the market to raise approx. upto ₹ 1,000 crore through

*P. Shankar*

**P. SHANKAR**  
Company Secretary  
Chennai Petroleum Corporation Limited  
536, Anna Salai Teynampet,  
Chennai - 600 018.

domestic bonds and upto USD 330 Million (about ₹ 2,000 crore) through overseas bonds i.e. ₹ 3,000 crore in the aggregate through private placement within the overall borrowing limit. Since the approval of shareholders would be required every year, no ceiling for maximum outstanding amount is proposed.

In line with the provisions of the new Companies Act, approval of shareholders by way of special resolution would be required, for borrowing upto ₹ 3000 crore (from domestic as well as overseas market) in aggregate through private placement of bonds during a period of one year from the date of approval by shareholders' within the overall borrowing limits of ₹ 8000 crore approved earlier by shareholders. Hence, approval of the shareholders is solicited vide Resolution No. 3.

The Board of Directors of your Company recommend the Special Resolutions as set out in the accompanied notice for approval of the members through postal ballot.

None of the Directors of the Company is concerned or interested in the resolutions except to the extent of their respective holding of equity shares in the Company.

#### ITEM NO. 4, 5 & 6

Chennai Petroleum Corporation Limited (CPCL) had been making consistent profits till March, 2011 and had a net worth of ₹ 3793 crore as on 31st March, 2012. However, in the Financial Year 2012-13, the company has registered a loss of ₹ 1767 crore, by virtue of which the Net Worth was reduced to ₹ 2026 crore as on 31st March, 2013. In the Financial Year 2013-14, the company has registered a loss of ₹ 344 crore resulting in a further dip in the net worth to ₹ 1722 crore.

In line with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 CPCL has reported to the BIFR in October 2014 since accumulated losses at the end of financial year 2013-14 resulted in erosion of more than 50% of the company's peak net worth in immediately preceding four financial years as given hereunder:

Year ended 31st March	Net Worth (₹/cr)
2010	3,462
2011	3,766
2012	3,793
2013	2,026
2014	1,722

CPCL has reported a loss of ₹ 38.99 crore for the year ended 31.03.2015 and the net worth of the Company as on 31.03.2015 was ₹ 1655 crore.

The company has undertaken various measures to improve the Physical as well as the Financial Performance. The Company has achieved excellent physical performance during the year 2014-15 by registering the highest distillate yield of 72.1% and the lowest Fuel & Loss of 8.65%, as a result of various energy conservation and margin improvement measures implemented by the company. The company is also in the process of implementing a Resid Upgradation project at an approved cost of ₹ 3110 Crores, which is expected to help in boosting the bottom line of the company.

There is a need to infuse Capital in CPCL to improve the net worth and enable the Company to improve its Debt Equity Ratio to fund the Resid Upgradation Project, which is critical for the turnaround and long term profitability of the Company. The Resid Upgradation Project was conceived with a Debt Equity Ratio of 2:1. In view of the losses, the Capital Infusion would help CPCL meet the funding requirements of Resid Upgradation Project.

The Company after considering various funding options for infusion of funds in order to boost the net worth of the company has recommended the issuance of Non-Convertible Redeemable Cumulative Preference Shares to Indian Oil Corporation Limited (IOCL) on private placement basis as the most viable option.

The Board of Directors of CPCL at the meeting held on 23.05.2015 accorded approval for issue of Preference shares to IOCL on private placement preferential allotment basis on the following terms and conditions:

- 100,00,00,000 Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each for cash at par on private placement basis be offered to Indian Oil, the Holding Company aggregating to ₹ 1000 crore.
- The tenure of Non-convertible and Cumulative Preference Shares would be 10 years, with put and call option.
- Dividend rate equivalent to the Post tax yield of AAA rated corporate bond i.e. prevailing 10 year G-sec yield plus spread on AAA rated corporate bond i.e. 6.65% would be payable on the Non-Convertible and Cumulative Redeemable Preference Shares. The coupon rate on Preference Shares would be adjusted to reflect subsequent changes in tax laws with the consent and approval of the preference shareholders by way of Special Resolution.
- Preference shareholder has a right to vote only on resolutions placed before the shareholders which directly affect their rights attached to preference shares like winding up of the company or repayment of preference shares etc.
- The Non-convertible and Cumulative Preference Shares shall be redeemed only out of the profits of the Company which would otherwise be available for Dividends or out of proceeds of fresh issue of preference shares made for the purpose of redemption.
- A Capital Redemption Reserve shall be created for the purpose of Redemption.
- The Non-Convertible Cumulative Redeemable Preference Shares will not be listed in any of the Stock Exchanges, since the same is on Private Placement basis.

The proposal to issue of such Preference Shares to Indian Oil Corporation Limited on Private Placement preferential allotment basis requires the approval of the shareholders by way of a Special Resolution.

The current Authorised Share Capital of Chennai Petroleum Corporation Ltd. (CPCL) is ₹ 400 crores divided into 40,00,00,000 Equity Shares of ₹ 10/- each. The paid up capital as on 31.03.2015 comprises of 14.89 crore Equity shares of ₹ 10/- each amounting to ₹ 149 crore. CPCL is a subsidiary of Indian Oil Corporation Ltd. (Indian Oil) by virtue of 51.89% of paid up equity capital being held by Indian Oil. The other major shareholder is Natifiran Inter-trade Co. Ltd. (NICO) holding 15.40% of the equity shares.

Presently, the Memorandum of Association of the company permits issue of Equity Shares. The Capital Clause V of the Memorandum of Association of the company provides for an Authorised Capital of ₹ 400,00,00,000/- divided into 40,00,00,000 equity shares of ₹ 10/- each. Since reference to the capital clause is only for equity shares, the Memorandum of Association of the company needs to be amended to provide for issuance of Preference Shares which requires the approval of the shareholders by a Special Resolution. Further, Article 4 of the Articles of Association of the Company containing the Authorised Share Capital needs to be amended accordingly by a Special Resolution to be passed by the Shareholders.

Hence, the present Resolutions.

Memorandum of Interest:-

None of the Directors, except nominee Directors of Indian Oil on the Board of CPCL, are interested in the Resolutions.

By Order of the Board  
For and on behalf of  
Chennai Petroleum Corporation Limited

Sd/-  
(P Shankar)  
Company Secretary

Place : Chennai  
Date : 28.05.2015



**Chennai Petroleum Corporation Limited**  
 CIN: L40101TN1965GO1005389  
 Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.  
 Tel: 044-24349833 / 24346807, Fax: 044-24341753  
 Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in / sk@cpcl.co.in

**POSTAL BALLOT FORM**

(Please read the instructions printed overleaf carefully before completing this form)

- Serial No. \_\_\_\_\_
- Name(s) and Registered Address of the Sole / First Named shareholder:
  - Names of the Joint Holder(s), if any
  - Registered Folio No./ DP ID No./ Client Id No. (\*Applicable to members holding Shares in dematerialized form)
  - Number of Shares held
  - I/We hereby exercise my/our vote in respect of the following Special Resolutions to be passed through postal ballot for the business as stated in the Notice of the Company dated 28.05.2015 by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.

Sl. No.	Description	I/We assent to the Resolution (FOR)	No. of Shares	I/We dissent to the Resolution (AGAINST)	ABSTAIN
1.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for the borrowing limits				
2.	Special Resolution under section 180 (1)(a) of the Companies Act, 2013, for charging / mortgaging the moveable/immovable properties of the Company for the borrowings.				
3.	Special Resolution under section 42 of the Companies Act 2013 to raise funds by issue of Bonds on private placement basis.				
4.	Special Resolution under section 13 and 61 of the Companies Act, 2013, for alteration of Memorandum of Association for increasing the Authorised Share Capital.				
5.	Special Resolution under section 14 of the Companies Act 2013 for alteration of capital clause of Articles of Association.				
6.	Special Resolution under section 55 of the Companies Act 2013 for issue of 100,00,000 Non-convertible Cumulative Redeemable Preference Shares of Rs.10/ each for cash at par amounting to Rupees 1000 crore on private placement preferential allotment basis, in one or more tranches to IOCL.				

Place: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature of the Member \_\_\_\_\_

ELECTRONIC VOTING PARTICULARS	
EVSN (Electronic Voting Sequence number)	USER ID
	PASSWORD/IPIN

NOTE: Last Date for receipt of Postal Ballot Form by the Scrutinizer is 16.07.2015.



**Chennai Petroleum Corporation Limited**  
 CIN: L40101TN1965GO1005389  
 Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.  
 Tel: 044-24349833 / 24346807, Fax: 044-24341753  
 Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in / sk@cpcl.co.in

**POSTAL BALLOT FORM**

(Please read the instructions printed overleaf carefully before completing this form)

- Serial No. \_\_\_\_\_
- Name(s) and Registered Address of the Sole / First Named shareholder:
  - Names of the Joint Holder(s), if any
  - Registered Folio No./ DP ID No./ Client Id No. (\*Applicable to members holding Shares in dematerialized form)
  - Number of Shares held
  - I/We hereby exercise my/our vote in respect of the following Special Resolutions to be passed through postal ballot for the business as stated in the Notice of the Company dated 28.05.2015 by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.

Sl. No.	Description	I/We assent to the Resolution (FOR)	No. of Shares	I/We dissent to the Resolution (AGAINST)	ABSTAIN
1.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for the borrowing limits				
2.	Special Resolution under section 180 (1)(a) of the Companies Act, 2013, for charging / mortgaging the moveable/immovable properties of the Company for the borrowings.				
3.	Special Resolution under section 42 of the Companies Act 2013 to raise funds by issue of Bonds on private placement basis.				
4.	Special Resolution under section 13 and 61 of the Companies Act, 2013, for alteration of Memorandum of Association for increasing the Authorised Share Capital.				
5.	Special Resolution under section 14 of the Companies Act 2013 for alteration of capital clause of Articles of Association.				
6.	Special Resolution under section 55 of the Companies Act 2013 for issue of 100,00,000 Non-convertible Cumulative Redeemable Preference Shares of Rs.10/ each for cash at par amounting to Rupees 1000 crore on private placement preferential allotment basis, in one or more tranches to IOCL.				

Place: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature of the Member \_\_\_\_\_

ELECTRONIC VOTING PARTICULARS	
EVSN (Electronic Voting Sequence number)	USER ID
	PASSWORD/IPIN

NOTE: Last Date for receipt of Postal Ballot Form by the Scrutinizer is 16.07.2015.

**P. SHANKAR**  
 Company Secretary  
 Chennai Petroleum Corporation Limited  
 536, Anna Salai Teynampet,  
 Chennai - 600 018.

## INSTRUCTIONS

1. A shareholder desiring to exercise vote may complete the postal ballot form in all respects and send it to the scrutinizer in the attached self addressed postage prepaid envelope (bearing the address of the scrutinizer). Postage will be borne and paid by the company, if posted in India. However, envelopes containing postal ballot forms, if deposited in person or sent by courier at the expense of the shareholders, will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.
2. This form should be completed and signed by the shareholder. In case of joint holding, the Form should be completed and signed by the first named shareholder and in his absence by the next named shareholder. The signature of the shareholder on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form, respectively.
3. In case shares are held by companies, trusts, societies, etc. the duly completed Postal Ballot form should be accompanied by certified copy of the Board Resolution / Authority letter together with attested specimen signature(s) of the duly authorized signatory(ies). Postal Ballot Form signed by the holder of power of attorney for and on behalf of a shareholder of the company must be accompanied by the copy of Power of Attorney duly certified by Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the Seal of his office. If the same is already registered with the Company, please quote the Registration No. beneath the signature.
4. Shareholders are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed postage prepaid envelopes as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
5. A tick (✓) mark should be placed in the relevant box signifying assent / dissent / abstain for each of the resolutions, as the case may be, before mailing the Postal Ballot Form.
6. There will be only one Postal Ballot Form for every folio irrespective of the number of joint shareholder(s).
7. Shareholders are entitled to cast their votes differently i.e. all the votes either in favour or against or partly in favour or against. However, the total number of votes cast must not exceed the no. of shares held by the shareholders.
8. Duly completed postal ballot form should reach the Scrutinizer not later than the close of working hours on 16.07.2015. Postal Ballot Form received after this date will be treated as if the reply from the shareholder has not been received.
9. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on 08.06.2015, as per the Register of Shareholders of the Company and as informed to the company as beneficial owners by the depositories as on that date.
10. Votes will be considered invalid on the following grounds:
  - a. if the postal ballot is unsigned or if shareholder's signature does not tally with the signature registered with the company
  - b. if the shareholder has marked all his shares in more than one column i.e., favour, against and abstain
  - c. if the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the shareholder or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
  - d. If the voting is done through any other form or photo copy of the postal ballot form
  - e. If the postal ballot is received incomplete, improper or incorrect.
11. The Scrutinizers decision on the validity of Postal ballot will be final and binding.

## INSTRUCTIONS

1. A shareholder desiring to exercise vote may complete the postal ballot form in all respects and send it to the scrutinizer in the attached self addressed postage prepaid envelope (bearing the address of the scrutinizer). Postage will be borne and paid by the company, if posted in India. However, envelopes containing postal ballot forms, if deposited in person or sent by courier at the expense of the shareholders, will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.
2. This form should be completed and signed by the shareholder. In case of joint holding, the Form should be completed and signed by the first named shareholder and in his absence by the next named shareholder. The signature of the shareholder on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form, respectively.
3. In case shares are held by companies, trusts, societies, etc. the duly completed Postal Ballot form should be accompanied by certified copy of the Board Resolution / Authority letter together with attested specimen signature(s) of the duly authorized signatory(ies). Postal Ballot Form signed by the holder of power of attorney for and on behalf of a shareholder of the company must be accompanied by the copy of Power of Attorney duly certified by Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the Seal of his office. If the same is already registered with the Company, please quote the Registration No. beneath the signature.
4. Shareholders are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed postage prepaid envelopes as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
5. A tick (✓) mark should be placed in the relevant box signifying assent / dissent / abstain for each of the resolutions, as the case may be, before mailing the Postal Ballot Form.
6. There will be only one Postal Ballot Form for every folio irrespective of the number of joint shareholder(s).
7. Shareholders are entitled to cast their votes differently i.e. all the votes either in favour or against or partly in favour or against. However, the total number of votes cast must not exceed the no. of shares held by the shareholders.
8. Duly completed postal ballot form should reach the Scrutinizer not later than the close of working hours on 16.07.2015. Postal Ballot Form received after this date will be treated as if the reply from the shareholder has not been received.
9. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on 08.06.2015, as per the Register of Shareholders of the Company and as informed to the company as beneficial owners by the depositories as on that date.
10. Votes will be considered invalid on the following grounds:
  - a. if the postal ballot is unsigned or if shareholder's signature does not tally with the signature registered with the company
  - b. if the shareholder has marked all his shares in more than one column i.e., favour, against and abstain
  - c. if the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the shareholder or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
  - d. If the voting is done through any other form or photo copy of the postal ballot form
  - e. If the postal ballot is received incomplete, improper or incorrect.
11. The Scrutinizers decision on the validity of Postal ballot will be final and binding.

  
**P. SHANKAR**

Company Secretary  
Chennai Petroleum Corporation Limited  
536, Anna Salai Teynampet,  
Chennai - 600 018.