

# चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)



CS:01:007

8<sup>th</sup> June, 2021

National Stock Exchange Limited Exchange Plaza, 5 <sup>th</sup> Floor, Bandra – Kurla complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange BSE Ltd. 1 <sup>st</sup> Floor, New Trading ring, P J Tower, Dalal Street, Mumbai – 400 001
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NSE Symbol: CHENNPETRO

BSE Scrip Code: 500110

ISIN: INE178A01016

**Sub: Annual Secretarial Compliance Report under Regulation 24A of  
SEBI (LODR) (Amendment) Regulations, 2015**

Dear Sir,

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 and the circular No. CIR/CFD/CMD/1/27/2019 dated 8<sup>th</sup> February, 2019 issued by SEBI, please find attached the Annual Secretarial Compliance Report dated 07.06.2021 issued by M/s.A.K.Jain & Associates, Practicing Company Secretaries, for the Financial Year ended 31<sup>st</sup> March, 2021 as per the format specified in the aforementioned circular.

The above is for your information and records please.

Yours faithfully,  
for Chennai Petroleum Corporation Limited

  
(P.SHANKAR)  
COMPANY SECRETARY

Encl.: a/a



*S. Anil Kumar Jain* B.Com., FCS

*Balu Sridhar* M.A.C.S., FCS., LLB

*Pankaj Mehta* B.Com (C.S.), ACS

**ANNUAL SECRETARIAL COMPLIANCE REPORT**

**OF**

**CHENNAI PETROLEUM CORPORATION LIMITED**

**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

We, A.K. Jain & Associates, have examined:

- a) all the documents and records made available to us and explanation provided by **CHENNAI PETROLEUM CORPORATION LIMITED** ("the listed entity),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2021 in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(No transaction during the review Period)**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No transaction during the review Period)**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



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- g) Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013; **(No transaction during the review Period)**
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

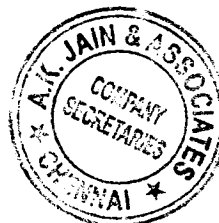
and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, for the FY 2020-21 except in respect of matters specified below:-

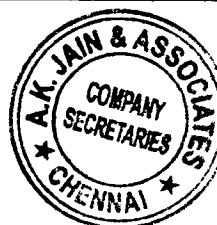
Sr. No	Details of non-compliance	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1) of the Securities Exchange Board of India, (Listing Obligations and Disclosure Requirements), 2015	Non Compliance relating to Board Composition – Half of the board is not independent	<p>The Board of Directors of the Company is not comprised of required number of Independent Directors.</p> <p>BSE vide mail dated 24.09.2020 and 19.04.2021 communicated that the Committee for reviewing representations for waiver of fines under Standard Operating Procedure, after considering the facts of the case and the representations of the Company decided to waive the fine levied for non-compliance of Reg-17 of SEBI (LODR)2015, for the period Sep 2018 to Dec 2020.</p>

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating



Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during 2020-21:

Sr. No	Name of the Stock Exchange	Regulation	Details of non-compliance	Observations/Remarks of the Practicing Company Secretary, if any
1	The National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)	Regulation 17(1) / Reg. 18 of SEBI (LODR) Regulation, 2015	The Company has received Four notices from NSE vide their letter dated 02.07.2020, 20.08.2020, 17.11.2020 and 15.02.2021 levying a penalty of Rs. 6,66,700/- Rs.5,36,900/- Rs.542800/- and Rs.5,42,800/- (inclusive of GST) respectively and four notices from BSE vide their letters dated 02.07.2020, 20.08.2020, 17.11.2020 and 15.02.2021 levying a penalty of Rs.6,66,700/- Rs.5,36,900/- Rs.542800/- and Rs.5,42,800/- (inclusive of GST) respectively for Non-Compliance by Chennai Petroleum Corporation Limited with the requirement of requisite number of Independent Directors throughout the year and non-compliance with composition of Audit Committee during the FY 2019-20 .	<p>The Company has requested Ministry of Petroleum and Natural Gas, the Administrative Ministry for nomination of requisite number of Independent Directors on the Board of the company.</p> <p>The Company also requested the Stock Exchanges for waiver of the fine imposed vide their reply letters dated 03.07.2020, 24.08.2020, 19.11.2020 and 16.02.2021 to National Stock Exchange of India Limited and vide reply letters dated 03.07.2020, 20.08.2020, 19.11.2020 and 16.02.2021 to BSE Limited and referred the matter to the Administrative Ministry.</p> <p>BSE vide mail dated 24.09.2020 and 19.04.2021 communicated that the Committee for reviewing representations for waiver of fines under Standard Operating Procedure, after considering the facts of the case and the representations of the Company decided to waive the fine levied for non-compliance of Reg-17 of SEBI (LODR)2015, for the period Sep 2018 to Dec 2020.</p> <p>Regulation 18, viz., Composition of Audit Committee was complied with for the FY 2020-21 effective 25.02.2020 as detailed in Sl.no.2</p>



2	The National Stock Exchange of India Ltd (NSE) & BSE Ltd (BSE)	Regulation 18(1) of SEBI (LODR) Regulation, 2015	The Company has received notice from NSE & BSE vide their letter/e-mail dated 02.07.2020 levying a penalty of Rs.1,29,800/- for non-compliance with the composition of Audit Committee.	<p>The Company has informed that the composition of Audit Committee as on 31.12.2019 was 3 independent directors, one Non- Executive Director and one Government Director totaling 5. CPCL had interpreted and rounded-off the fraction to the nearest number i.e., <math>2/3</math>rd of 5 = 3.33 rounded off to 3 and reported compliance with the requirement of Audit Committee composition as on 31.12.2019. It was further informed to Stock Exchanges that the non-compliance arose out of wrong interpretation of rounding-off provision and not intentional and deliberate. The Audit Committee was subsequently re-constituted on 25.02.2020, to ensure compliance with Regulations</p> <p>The Company also requested the Stock Exchanges for waiver of the fine imposed vide their reply letters dated 03.07.2020 to National Stock Exchange of India Limited and BSE Limited with a copy to Administrative Ministry.</p>
3	The National Stock Exchange of India Ltd (NSE)	Clarification - Corporate Governance Report submitted under SEBI (LODR) Regulations, 2015.	<p>The Company has received notice from NSE vide their letter dated 16.07.2020 for clarification of following:</p> <p>1) Provisions pertaining to Board Composition (Regulation 17)</p> <p>2) Change in Category of Director Mr. S M Vaidya</p>	<p>1) The Company has requested Ministry of Petroleum and Natural Gas, the Administrative Ministry for nomination of requisite number of Independent Directors on the Board of the company to ensure compliance with Corporate Governance norms under SEBI Listing Regulations.</p> <p>2) The Company has clarified to NSE that the correct category of Mr. S. M Vaidya is Non - Executive Director &amp; Nominee Director.</p>



4	The National Stock Exchange of India Ltd (NSE)	Clarification - Regulation 17 & 19 of SEBI (LODR) Regulation, 2015	<p>1) The Company has received e-mail from NSE dated 11.01.2021 for Non Compliance with provisions of Regulation 17 of SEBI LODR - ½ of the Board is Not Independent</p> <p>2) Regulation 19 SEBI LODR- Provision pertaining to Nomination and Remuneration Committee Composition - Half of the members are not independent</p>	<p>1) The Company has requested Ministry of Petroleum and Natural Gas, the Administrative Ministry for nomination of requisite number of Independent Directors on the Board of the company.</p> <p>2) The Company clarified to NSE that it has complied with the composition of Nomination and Remuneration Committee.</p>
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- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended. (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
The Company has taken up with Ministry of Petroleum and Natural Gas, the Administrative Ministry for nomination of requisite number of Independent Directors on the Board of Chennai Petroleum Corporation Limited.				

Place: Chennai  
Date: 07.06.2021

for A.K.JAIN & ASSOCIATES  
Company Secretaries



**BALU SRIDHAR**

Partner

FCS No. 5869

C. P. No. 3550

UDIN: F005869C000429006