Tamilnadu Petroproducts Limited

Email: secy-legal@tnpetro.com

Secy / 189 / 2019

8th July 2019

The General Manager
Listing Department
BSE Limited
Corporate Relations Department
1st Floor, New Trading Ring
Rotunda Building, PJ Towers
Dalal Street, Fort, Mumbai – 400 001

The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No: C/1 'C' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051

Scrip Code: 500777

Scrip ID / Symbol: TNPETRO

Dear Sir / Madam,

Sub: Submission of Annual Report for the year 2018-19 - reg

Pursuant to Regulation 34 (1) of the SEBI (LODR) Regulations, 2015, as amended, we submit the Annual Report for the year 2018-19 in pdf version, along with the Notice of the Meeting and the Abridged Annual Report dispatch of which would be commencing today.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Tamilnadu Petroproducts Limited

K.Priya

K Priya
Company Secretary

Encl: as stated

Regd. Office & Factory :
Post Box No. 9, Manali Express Highway, Manali, Chennai - 600 068. India.
Tel. : (0091) - 44 - 25945500 to 09 Telefax : 044-25945588
Website : www.tnpetro.com CIN : L23200TN1984PLC010931
TPL GSTIN : 33AAACT1295M1Z6

TAMILNADU PETROPRODUCTS LIMITED

34TH ANNUAL REPORT
2018-19

TPL

Board of Directors*

N. Muruganandam, IAS	DIN:00540135	Chairman
Ashwin C Muthiah	DIN:00255679	Vice Chairman
Dhananjay N Mungale	DIN:00007563	Independent Director
Sashikala Srikanth	DIN:01678374	Independent Director
Dr. N. Sundaradevan, IAS (Retd)	DIN:00223399	Independent Director
Lt. Col. (Retd.) C S Shankar	DIN:08397818	Independent Director
G D Sharma	DIN:08060285	Independent Director
Debendranath Sarangi, IAS (Retd)	DIN:01408349	Independent Director
Ramesh Chand Meena, IAS	DIN:08009394	Director
Dr. Aneesh Sekhar. S, IAS	DIN:07887010	Director
D Senthikumar	DIN:00202578	Wholetime Director (Operations)
KT Vijayagopal	DIN:02341353	Wholetime Director (Finance) & CFO

* As on 21st May 2019

Company Secretary
K Priya

Registered Office & Factory
Manali Express Highway
Manali, Chennai – 600 068
Telefax: 044-25945588
CIN:L23200TN1984PLC010931
E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

Registrar & Share Transfer Agent (RTA)
Cameo Corporate Services Limited
“Subramanian Building”, 1, Club House Road
Chennai – 600 002

Auditors
R.G.N. Price & Co,
Chartered Accountants,
“Simpsons Buildings”,
No: 861, Anna Salai,
Chennai – 600 002

Cost Auditor
M. Krishnaswamy & Associates
Flat 1K, Ramaniyam Ganga,
Door No: 27-30, First Avenue,
Ashok Nagar, Chennai – 600 083.

Secretarial Auditor
B Chandra
Company Secretaries,
AG3, Navin’s Ragamalika,
26, Kumaran Colony Main Road,
Vadapalani, Chennai – 600 026.

Internal Auditors
Sundar Srini & Sridhar
Chartered Accountants,
1st Floor, New No: 9 Rajamannar Street
T Nagar, Chennai – 600 017

Bankers
IDBI Bank Ltd
State Bank of India
The Federal Bank Ltd
Union Bank of India

CONTENTS

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March 2019. The Management Discussion and Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is also presented as part of the Directors' Report.

FINANCIAL RESULTS

The Summary of the financial results is as shown below, which has been prepared as per the Indian Accounting Standards (Ind AS) adopted since last year.

(₹ In crore)

Description	2018-19	2017-18
Earnings Before Interest, Depreciation and Tax	**98.53**	96.62
Interest	**6.85**	6.72
Depreciation	**20.00**	22.22
PBT (before exceptional item)	**71.68**	67.68
Exceptional Income (Insurance claim)	**-**	9.22
Tax expenses	**17.41**	25.20
Profit After Tax	**54.27**	51.70

HIGHLIGHTS OF OPERATIONS

During the year under review revenue from operations was ₹1245.33 crore Vis a Vis ₹1085.09 crore in the previous year, registering an increase of about 15%. Profit after tax increased by 5% over the previous year. This is mainly on account of the improved performance of both the Linear Alkyl Benzene (LAB) and Chlor Alkali Divisions notwithstanding the LAB Plant shut down for about 21 days in April 2018 for periodical maintenance.

Your Company continued its policy of prudent inventory management, ensuring growth in margins, in spite of variations in the crude prices.

The performance of the Chlor Alkali Division producing Caustic Soda and Chlorine improved and contributed significantly to the bottom-line during the year, mainly on account of increased demand for Caustic Soda, in addition to higher realisations. Improved plant efficiency further contributed to better performance.

Your Company completed the project for conversion of the erstwhile Ephichlorhydrine (ECH) division for manufacture of Propylene Oxide (PO) and the commercial production commenced during the last quarter. With this the ECH facility which was defunct from 2013 has now been put to effective use.

FINANCIAL REVIEW

Your Company has availed working capital facilities which are used judiciously, achieving reduction in finance costs. There are no long term debts and all the capex requirements are met from internal accruals.

Based on the improved performance, CARE the credit rating agency has improved your Company's credit rating to CARE BBB+ (plus) with outlook stable from BBB for long-term bank facilities upto ₹56 crore and CARE BBB+ Outlook Stable / CARE A3+ from BBB Stable / CARE A3 for Long/short-term bank facilities upto ₹63 crore.

DIVIDEND

Your Directors have recommended a dividend of 10% i.e. ₹1.00 per equity share of ₹10/- each fully paid up, for the year 2018-19, aggregating to ₹8.97 crore, excluding dividend distribution tax.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Linear Alkyl Benzene (LAB), also known as detergent alkylate, belongs to the family of organic compounds. LAB is used as a chemical intermediate to form Linear Alkylbenzene Sulfonate (LAS), which is used as surfactant in detergents and cleaning products. LAB is produced exclusively from various petroleum derivatives. LAB is a compound that has significant commercial importance and enjoys a good demand from the detergent industry. The applications for LAS have been further segmented on the basis of end use viz., heavy duty laundry liquids, light duty dishwashing liquids, and laundry powders, industrial and household cleaners. LAB also has a very minor presence in a few other applications like emulsions polymerisation, wetting agents, ink solvents, cable oil, etc.

Detergent industry is expected to grow at a faster pace due to both population increase and lifestyle changes. The Asian region is both the largest LAB producing and consuming region in the world. At present the major producers are from India and China, but new capacities are coming up in Middle East region.

In India, the LAB industry dates back to 1978 with the commissioning of first LAB plant by IPCL at Vadodara. IPCL was later acquired by Reliance Industries Limited (RIL). Years later TPL, RIL and Nirma set up facilities across India, as import substitution measure. However, in the recent years, the industry is facing stiff competition from imports mainly from China and Middle East due to globalisation and changed import regulations.

Worldwide, more than 95% of all the LAB manufacturers including TPL have adopted the UOP Technology, which is considered as superior and the most cost-effective technology than the only other chlorination technology. In spite of this, in India, because of high cost of key inputs and feedstock quality, the cost of production of LAB is relatively higher than International Standards.

The domestic players always find it difficult to compete with the overseas suppliers who have modern facilities with large capacity and plants integrated with refinery which helps them in achieving lower cost of production.

Caustic Soda, a most commonly used industrial chemical, finds wide applications in textile, pulp and paper, aluminium and soaps and detergents industries. The annual increase in demand is expected to be around 5%. In spite of power intensive process, the national level capacity utilisation is about 85% of the aggregate capacity of around 4.0 million tons. During the year under review, caustic imports came down by about 38% compared to previous year. The capacities across Europe and other countries have come down on account of the change in process mandated by the Governments. Thus Plants all around the globe are currently converting to newer membrane technology which your Company has already embraced.

Chlorine, a co-product of Caustic Soda is widely used in sectors like Vinyl Chloride, Chlorinated Paraffin Wax (CPW), pulp and paper, water purification, chlorinated solvents, etc. Chlorine demand will be a major driver for Chlor-alkali capacity utilisation. Lack of integrated plants and downstream chlorine utilisation projects are major impediments for disposal of chlorine which in turn restricts the caustic production.

Propylene Oxide is an organic, volatile, flammable, colorless liquid compound which is soluble in both ether and alcohol. It is mainly used as the feedstock for various derivative products such as propylene glycol, polyols and other industrial intermediates. It is a chiral epoxide, although it is commonly used as a mixture. The global propylene oxide market is expected to grow at a CAGR of 6.2% during the period 2018-2022. Your Company is only the 2nd manufacturer of PO in India and uses the Hydrochlorination route, which helps in captive consumption of the Chlorine and thus provides a good opportunity to improve the production of caustic soda.

OPPORTUNITIES AND THREATS

Growing preference for bio-based surfactants, awareness pertaining to hygiene are set to boost the demand for detergents & cleaners and thus positively impact the Linear Alkyl Benzene market for surfactant application. Rapid industrialisation and urbanisation due to increasing population are also expected to contribute to the market growth. The global market for Linear Alkyl Benzene is lucrative and is expected to witness a steady growth owing to the expansion, collaborations or partnerships strategies adopted by key players.

With the help of visual advertisements, the detergent manufacturers have found it easier to reach remote areas. Moreover, consumers have the privilege of choosing from a wide variety of product range and hence the companies are constantly upgrading their products and making every effort to maximise their market share through innovative advertising campaigns. Since these companies target the bottom of the pyramid market, there is a huge potential for the LAB industry to grow.

However, India being an attractive market it is targeted by the overseas LAB players which has resulted in increased imports to India. Addition of new plants in the Middle East is a big threat to the LAB market in India as a major percentage of production is likely to flow into India. This could continue to be a factor in pricing and margins.

Caustic Soda continues to be an important industrial intermediary finding application in many industries. With the demand for textiles and apparels increasing on account of urbanisation and larger spending on personal effects, the market for Caustic Soda is expected to grow further.

Higher cost of power, which is the major input for caustic production and highly unpredictable salt prices due to erratic climatic conditions affect the ability of your Company to face the competition from imports. However, in the European Union, phasing out of mercury cell technology has been mandated and hence many old Chlor Alkali plants are being shut down resulting in curtailed supplies. This has brought down the otherwise higher imports into India and hence the Company could increase its production to optimum levels and earn better margins. The effect is likely to be seen during the first half of the coming year. Also, as it has been insisted that caustic sold in India is to be BIS certified, this has curtailed some of the imports from other Countries. This trend is expected to continue at least for one more year, as the international producers are in the process of getting certification.

As stated earlier, your Company has converted the erstwhile ECH facility which was closed down due to continued huge losses. This has proved to be gainful in many ways – besides beneficial use of a defunct facility, a new avenue has been opened up for advantageous use of chlorine which in turn has paved way for higher capacity utilisation of the Chlor Alkalis Division. Also your Company has added a different product to its portfolio, which is expected to uncover further opportunities. The unit is highly water intensive and the acute water shortage in Chennai due to failure of monsoon in the last two years is a threat to operate the plant at full capacity.

OUTLOOK

LAB

Improved awareness about hygiene and the focus on cleanliness during the past few years has improved the demand for surfactants and detergents. The trend is expected to continue in the coming years as the government's attention in the interim budget for FY 2019-20 has been more on the rural economy and improving the economic condition of the agricultural sector.

Despite stiff competition from overseas suppliers, TPL continues to sustain its position as a major player in the LAB market. TPL over the past three decades has established itself as a reliable supplier of LAB to major companies. TPL has been able to sustain its market share across India with a dominant presence in the southern part of India.

With the demand for LAB looking up, options to further increase the existing capacity and/ or setting up new facilities in other locations including overseas are also being explored.

The continuing of Anti-Dumping Duty (ADD) on LAB from specific Countries has not made any big impact in the LAB price. The import from Saudi Arabia continues to be an area of concern though it is not expected to have any significant impact in South India where your Company is the market leader.

CAUSTIC SODA /CHLOR ALKALI

The fall in import of Caustic Soda into India is expected to be sustained for some more time as the old plants have been shut down and it may take a while for the new capacities to come up. Your Company would utilise the opportunity to reap the benefits. Sustenance and growth of the Caustic Soda business depends on the opportunities for Chlorine disposal. As explained earlier the new PO Plant has provided an additional opportunity to your Company to dispose of Chlorine more beneficially and so the scope for higher caustic production has improved substantially.

PROPYLENE OXIDE

The much awaited conversion of ECH facility to produce Propylene Oxide was commissioned in the year 2018 -19 and has in place arrangements for sale of the entire production. While there would be no problem in sale of the product, as mentioned earlier achieving higher production would be dependant on the water availability.

RISK MANAGEMENT PROCESS

Your Company has a structured methodology to effectively monitor and manage the risks by setting up two employee level and one Board level committees to identify the risks, suggest mitigation actions and monitor implementation. The employee-level sub-committee has senior personnel from each function and the Apex Committee is headed by the WTD (Operations) with functional heads as other Members.

As part of the risk mitigation process, the Board has constituted a Risk Management Committee of Directors, which comprised of Ms. Sashikala Srikanth as the Chairperson, Mr. S Visakan, IAS and Mr. D Senthikumar, as Members. During the year the Committee met four times viz. 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019. As required under Section 177 of the Act, the Audit Committee also reviews the risk management process periodically.

RISKS AND CONCERNS

As explained earlier, import of LAB, Caustic Soda and Chlorine (in indirect form) into the country continues to be the major risk faced by TPL. Though your Company, together with other major domestic producers of LAB, got Anti-Dumping Duty levied on supplies from select countries, this has had no impact as the overseas suppliers bear the cost in the form of additional discount or supply at adjusted prices.

A large LAB manufacturing unit with annual capacity of 1.20 lakh tons is coming up in Saudi Arabia which is expected to be on stream in the year 2020, and market seeding has already commenced for the same. This is expected to further intensify the competition in the domestic market.

While caustic imports have reduced in the recent past due to reasons explained earlier, the importers are taking actions to comply with the new requirements and hence there is a possibility that the imports could rebound shortly. Since import in large volumes would affect product pricing, tackling the risk of lower margins would be an important issue to be resolved.

In order to overcome the above, your Company is focussing on higher production and productivity so that the per unit cost is under control, providing flexibility in product pricing. Further the dependency on spot markets is also being reduced so that committed volumes are in place.

Petitions have been filed before the National Green Tribunal against the marine disposal of the treated effluent, which are defended by your Company. It may be noted that your Company is complying with all the parameters fixed for such disposal and so is confident of facing the challenges in this regard.

SAFETY, HEALTH & ENVIRONMENT

Adequate safety standards have been prescribed and being followed by your Company without any compromise. Utmost importance is given to protection of the employees, assets and environment at all times. It may be noted that the new PO plant was commissioned safely without any untoward incident.

Your Company has implemented 'Ban on one time use & throwaway plastic rule' in letter and spirit and the directives of the Government are complied with strictly to achieve "plastic free TPL". Your Company also conducted awareness training to sensitise the employees about the evils of plastic and the need to adhere to the requirements in the larger interest of the society.

National Safety Day was celebrated as a month long event with great spirit to enhance awareness amongst the employees and contractors. As part of this various competitions were conducted for employees and other contractors to reiterate our commitment towards safety. Safety Exhibition was organised and all safety & fire equipment and demo on 'Fire Safety', 'Chemical protective suit' and 'Sprinkler system' were displayed.

World Environment day is also celebrated every year and tree plantation programs are organised for planting saplings towards green initiative to promote carbon offset.

SUBSIDIARIES

As at the year end, your Company had one Wholly Owned Subsidiary (WOS) and two Step Down Subsidiaries (SDS), all of which are incorporated outside India. The financials of all these subsidiaries have been consolidated and the salient features of financial and other information have been furnished in the Consolidated Financial Statement (CFS) attached to this Report.

Certus Investment and Trading Ltd.

Certus Investment and Trading Ltd. (CITL), Mauritius was promoted as a Special Purpose Vehicle (SPV) to set up LAB and NP projects in the Middle East and South East Asia. However, due to changed business environment, the projects could not be taken up. At present the WOS is not carrying on any major activity. Since your Company is in the process of enhancing the NP capacity in phases to meet the entire requirement in-house, there may not be scope for taking up NP project. However, it is being explored if proposals for setting up or acquiring LAB Plants overseas could be taken up for supplies to the units of the existing MNC majors to whom your Company is supplying LAB in India.

Certus Investment and Trading Singapore Private Ltd.

In the past TPL was exporting a large quantity of LAB and also importing various materials, such as NP, Benzene, etc. Therefore CITL, Mauritius set up CITL Singapore as a WOS in order to function as a coordinator for TPL's overseas procurement and marketing activities. At present there are no significant exports or imports and so the above SDS is not engaged in any activities.

Proteus Petrochemical Private Ltd. (Proteus) is another WOS of CITL formed for setting up a Normal Paraffin (NP) plant in Singapore. The proposal was to establish a green-field NP project plant along with associated utilities and off-sites. However after initial engineering, the project encountered certain problems and so the implementation could not commence. At present the SDS is not carrying on any activities.

As explained above, the subsidiaries were floated several years ago for specific purposes. Due to change in circumstances and also opportunities opening up in India, it is being examined if other opportunities would be available for the subsidiaries. A decision on the usefulness of these subsidiaries would be taken in due course, after judiciously reviewing the situation.

HUMAN RESOURCES

Your Company strongly believes that its strength is directly proportional to the strength of its employees in terms of knowledge, experience, and decision making skills. Your Company has been practicing various HR initiatives such as recognition, empowerment, personality development, decentralisation, delegation of powers etc., to retain talent and to enhance capabilities. A balanced staffing system has been adopted in your

Company wherein competent fresh talent have been infused into the stream of experienced hands.

The training needs of employees have been identified at regular intervals through performance appraisal systems and necessary training is being imparted through in-house and external programmes.

The manpower strength as on 31st March 2019 was 437.

Details of Significant Changes in Key Financial Ratios

The Inventory Turnover ratio was better by 28% as compared to the previous financial year. The positive variance is on account of effective inventory management and improved sales performance.

Details of change in Return on Net Worth

Return on Networth was 15% for 2017-18 and 14% for 2018-19.

Details of Loans, guarantees or investments

Information on loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to Financial Statements.

Fixed Deposits

Your Company has not accepted any deposits from the public during the year under review.

Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Companies Act, 2013 ("the Act") or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., http://tnpetro.com/corporate-governance-policies/.

As required under Regulation 23(2) of the Listing Regulations, approval of the Members will be obtained for transactions upto ₹200 crore in 2019-20 with Manali Petrochemicals Limited at the ensuing AGM.

Audit Committee

The details are furnished under the Corporate Governance Report (CGR) annexed to this Report. All the recommendations of the Committee were accepted by the Board.

Vigil Mechanism

As required under Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, your Company has established a vigil mechanism for directors and employees to report genuine concerns through the Whistle Blower Policy of the Company as published in the website of the Company. As prescribed under the Act and the Listing Regulations, provision has been made for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Board of Directors and related disclosures

As on the date of this Report the Board comprises of twelve directors of whom six are independent, including a woman director. All the Independent Directors have furnished necessary declarations under Section 149 (7) of the Act and Regulation 25(8) of the Listing Regulations. As per the said declarations they meet the criteria of independence as provided in Section 149 (6) of the Act and the Listing Regulations.

The Board met five times during the year under review and the relevant details are furnished in the CGR.

The Board has approved the Remuneration Policy as recommended by the Nomination and Remuneration Committee (NRC) which inter alia contains the criteria for determining the positive attributes and independence of a director as formulated by the NRC. The policy on remuneration is available in the website of the Company viz.,http://tnpetro.com/corporate-governance-policies/.

There has been no change in the Key Managerial Personnel since the last Annual General Meeting.

The following changes took place in the constitution of the Board since the last Annual General Meeting (AGM):

- Dr. N. Sundaradevan, IAS (Retd), (DIN: 00223399), Lt. Col. (Retd.) C S Shankar, (DIN: 08397818), Mr. G D Sharma (DIN: 08060265) and Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) have been appointed as Additional & Independent Directors of the Company for a period of five years, subject to approval of the Members at the ensuing AGM. Dr. Sundaradevan was appointed on 1st September 2018, Lt. Col. (Retd.) Shankar and Mr. Sharma effective 1st April 2019 and Mr. Sarangi on 21st May 2019.
- Mr. D Senthikumar, (DIN: 00202578) Wholetime Director (Operations) and Mr. KT Vijayagopal, (DIN: 02341353) Wholetime Director (Finance) & CFO were re-appointed for a period of 3 years from 12th February 2019 and 18th February 2019 respectively at the Board Meeting held on 12th February 2019.
- Mr K Gnanadesikan, IAS (DIN: 00111798) Mr. S Visakan, IAS (DIN: 06578414), both nominees of TIDCO resigned effective 15th March 2019 and 29th March 2019 respectively and Board places on record its appreciation for their services during their tenure.
- Mr. N Muruganandam, IAS, (DIN: 00540135) and Dr. Aneesh Sekhar.S, IAS, (DIN: 07887010), nominees of TIDCO have been appointed as Additional Directors effective 25th March 2019 and 5th April 2019 and they hold office till the ensuing AGM. Proposals for their appointments as Directors would be considered at the ensuing AGM.
- Mr. C Ramachandran, IAS (Retd.,) (DIN: 00050893), Mr. N.R. Krishnan, IAS (Retd.,)(DIN: 00047799), and Dr. K. U. Mada, (DIN: 00011395), Independent Directors of the Company retired on 31st March 2019 pursuant to Regulation 17 (1A) of SEBI (LODR) Regulations. Board places on record its appreciation for their invaluable services to the Company and guidance to the Board during their long association of over a decade.
- Mr Dhananjay N Mungale (DIN: 00007563) and Ms. Sashikala Srikanth (DIN: 01678374) would be completing their first term of five years as Independent Directors on 26th May 2019 and 11th August 2019 respectively. Based on the evaluation of their performance and the recommendation

of the Nomination and Remuneration Committee, the Board views that they can be reappointed for a further term of five years. Accordingly, in terms of Section 149 (10) read with Schedule IV to the Act, proposals for their reappointment as Independent Directors for five years from 27th May 2019 and 12th August 2019 respectively would be considered at the ensuing AGM.

The appointment of Mr. N Muruganandam, IAS and Dr. Aneesh Sekhar.S, IAS as Directors has been duly recommended by the Nomination and Remuneration Committee. Therefore pursuant to the proviso to Section 160(1) there is no requirement of any deposit for the proposals relating to their appointment and also for appointment of Independent Directors.

Mr. Ramesh Chand Meena, IAS, (DIN: 08009394) retires by rotation and being eligible offers himself for reappointment.

Annual Evaluation of the Board, Committees and Directors

The performance of the Board was evaluated taking the following aspects into account viz., Structure, Meetings, Functions, Risk Evaluation Process adopted, Grievance Redressal Mechanism, Stakeholder Value and Responsibility Corporate Culture and Ethics and other matters. Board also took into account facilitation to the Independent Directors to function independently and perform their roles as another important parameter for evaluation.

The performance of each of the Committees was evaluated taking into account the composition, mandate, working procedures, effectiveness, independence and contribution to the Board in decision making process.

The evaluation of the two Executive Directors was done based on their assigned roles and responsibilities. As regards the other Directors, including the Independent Directors, the evaluation was done taking into account the following parameters, viz., qualification, experience, competency, adequacy of knowledge about the Company and its sector of operation, understanding about the strategic direction, ethical behavior, participation in the risk evaluation process, resolving conflict of interests, attendance and preparation for the meetings, ability to work as a team player and voluntary sharing of information for the larger benefit of the Company and the like.

In compliance with the requirements of Schedule IV to the Act and also the Regulations, a separate meeting of the Independent Directors was held during the year at which the Directors evaluated the performance of the Non Independent Directors, the Chairman and also the adequacy of flow of information to the Board and Committees.

Directors' Responsibility Statement

Pursuant to the requirement of sub-sections 3 (c) and 5 of Section 134 of the Companies Act, 2013 it is hereby confirmed that

(a) in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the accounts for the financial year ended 31st March, 2019 on a "going concern" basis;

(e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under Regulation 27 of the SEBI Listing Regulations. A Report on Corporate Governance forms part of this Report and a Certificate from the Secretarial Auditors regarding compliance with the requirements of Corporate Governance is given in Annexure – I to this report.

Auditors

M/s. R.G.N. Price & Co., Chartered Accountants, Chennai having Firm Registration No. 002785S was appointed as the auditors of the Company. As per the extant provisions of the Act, they will hold office for a period of five years till the conclusion of 37th AGM to be held in the year 2022. The Audit Committee has recommended a remuneration of ₹30 lakh plus reimbursement of out of pocket expenses and applicable taxes for the audit of the accounts and all other related services as the Auditors of the Company for each year until end of their present term for approval of the Members at the ensuing AGM.

Secretarial Audit Report

As required under Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report issued by Ms. B Chandra (CP No.7859), Company Secretary in Practice, Chennai is given in Annexure – II to this report. The Report contains a mention about the Company's view on transfer of shares to IEPF Authority under Section 124 of the Act. The Company has been advised that the transfer of shares to the IEPF Authority is required consequent to non-payment/non-claiming of dividend in terms of Section 124(6) for a consecutive period of seven years or more and so there necessarily has to be declaration of dividend, in the first instance and also that there has to be 7 such consecutive instances. In the case of TPL, there has been no consecutive declaration/payment of dividend for seven years and hence it has been viewed that the requirements of Section 124 (6) are not applicable to your Company. The legal opinion has however pointed out that the Circulars issued by the Ministry of Corporate Affairs have created certain ambiguity in the matter. Though the Circulars have to be read in a manner that sub-serves the statutory provision they cannot override or dilute the same. Your Company has been advised to seek clarification from the MCA and take further action based on its directions. Accordingly your Company would be taking steps to seek clarification from the Ministry in this regard.

Your Company has complied with the requirements of all the applicable Secretarial Standards.

Maintenance of Cost Records & Cost Audit

Your Company is required to maintain cost records as specified by the Central Government under Section 148 (1) of the Act which is duly complied with by your Company. Your Company is also covered under Cost Audit.

M/s. M. Krishnaswamy & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company for conducting the audit of cost records for the financial year 2018-19 on a remuneration of ₹2.50 lakh plus applicable taxes and reimbursement of out of pocket expenses and they will hold office till submission of their Report or 30th September 2019, whichever is earlier.

As required under Section 148 of the Act, read with the relevant Rules, ratification of the remuneration to the Cost Auditor for the year 2018-19 will be considered by the Members at the ensuing AGM of the Company.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal financial control systems with periodical review of the process. The control system is also supported by ERP, internal audits and management reviews with documented policies and procedures. The system was also earlier reviewed by an external agency, and no major weaknesses were reported. To ensure effective operation of the system, periodical reviews are made by the Internal Auditors and their findings are discussed by the Audit Committee and with the Auditors. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Conservation of Energy and other disclosures

As required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, information on conservation of energy, technology absorption, foreign exchange earnings and outgo, to the extent applicable are given in Annexure - III and form part of this Report.

Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is given in Annexure IV

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted Internal complaints Committees under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the above Act.

Particulars of Employees and other disclosures

The disclosures prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure -V to this Report. It is hereby affirmed that the remuneration to the employees is as per the remuneration policy of the Company.

CSR Policy and related Disclosures

The brief outline of CSR policy of the Company and such other details and disclosures as per the prescribed format are furnished in Annexure –VI to this report.

Acknowledgement

Your Directors are grateful to the Government of India, the Government of Tamilnadu, financial institutions, banks, other lending institutions, promoters, technical collaborators, suppliers, customers, joint venture partners and marketing agents for their assistance, co-operation and support. The Directors thank the shareholders for their continued support.

The Directors also place on record their appreciation for the contributions by all cadres of employees of the Company.

Disclaimer

The Management Discussion and Analysis contained herein is based on the information available to the Company and assumptions based on experience in regard to domestic and global economy, on which the Company's performance is dependent. It may be materially influenced by changes in economy, government policies, environment and the like, on which the Company may not have any control, which could impact the views perceived or expressed herein.

For and on behalf of the Board of Directors

	D Senthikumar	**KT Vijayagopal**
21st May 2019	DIN: 00202578	DIN: 02341353
Chennai – 600 068	Wholetime Director (Operations)	Wholetime Director (Finance)

ANNEXURE - I TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy :

Tamilnadu Petroproducts Limited firmly believes in the implementation of best practices of corporate governance so that the Company achieves its corporate goals and further enhances stakeholders' value. A great deal of importance is attached to ensuring fairness, transparency, accountability and responsibility towards stakeholders, besides consistently implementing best possible practices by providing optimum level of information and benefits to the stakeholders.

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2019.

2. Board of Directors :

(i) Composition and membership in other Boards and Board Committees:

As on 31st March 2019, the Board comprised of eleven Directors as detailed below:

Category/Name	Other Listed Companies of which he / she is a Director and category	Other Memberships	
		Boards	Committees
Non Executive, Non Independent (NENI)			
Mr N Muruganandam IAS Chairman (Nominee of TIDCO)	Tamilnadu Newsprint & Papers Limited and Titan Company Limited – (NENI)	7(5)	-
Mr Ashwin C Muthiah Vice Chairman (Nominee of SPIC)	Southern Petrochemical Industries Corporation Limited, Manali Petrochemicals Limited and SICAGEN India Limited – (NENI)	3(3)	1
Mr Ramesh Chand Meena IAS (Nominee of TIDCO)	Titan Company Limited – (NENI)	10(3)	3
Non Executive, Independent (NEID)			
Mr C Ramachandran IAS (Retd)	Tulsyan NEC Limited and Elnet Technologies Limited - (NEID)	7	4(2)
Mr N R Krishnan IAS (Retd)	Ponni Sugars (Erode) Limited, India Cements Capital Limited, Trinetra Cement Limited – (NEID)	5	4(2)
Mr Dhananjay N Mungale	Mahindra CIE Automotive Limited, Chowgule Steamships Limited, Mahindra and Mahindra Financial Services Limited, NOCIL Limited – (NEID)	6	7 (2)
Dr K U Mada	Lupin Limited – (NEID)	1	2 (1)
Ms Sashikala Srikanth	Southern Petrochemical Industries Corporation Limited, Manali Petrochemicals Limited, Mercantile Ventures Limited, SICAGEN India Limited – (NEID)	6	8 (2)
Dr N Sundaradevan IAS (Retd)	The State Trading Corporation of India Limited – (NEID)	5	3
Executive, Non Independent (EID)			
Mr D Senthikumar, Wholetime Director (Nominee of SPIC)	-	-	-
Mr KT Vijayagopal, Wholetime Director (Nominee of SPIC)	-	-	-

Notes:

(a) Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.

(b) Only Membership in Audit Committees and Stakeholders' Relationship Committee (other than in TPL) are reckoned for other Board Committee Memberships in companies other than the above. Figures in brackets denote the number of companies/committees of listed companies in which the Director is the Chairperson.

(c) Dr K U Mada holds 3500 equity shares and Mr KT Vijayagopal holds 200 equity shares in the Company. None of the other Directors hold any shares in the Company.

(d) None of the Directors have any inter-se relationship

(e) The details of familiarisation programmes imparted to the Independent Directors are disclosed in the website of the Company at (http://tnpetro.com/corporate-governance-policies/).

(f) Changes in the composition of the Board during the year are furnished in the Directors' Report.

(ii) Board Meetings, Annual General Meeting (AGM) and attendance thereat

The Board of Directors met five times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018, 12th February 2019 and 25th March 2019.

The details of attendance of the Directors at the Board Meetings and AGM are as follows:-

Name	Period of Office held during the year	No of Meetings held during the period of office	No of Meetings attended	Attendance at the last AGM
Mr K Gnanadesikan IAS	Upto: 15.03.2019	4	2	Yes
Mr N Muruganandam IAS	From: 25.03.2019	1	-	NA
Mr Ashwin C Muthiah	Full Year	5	5	Yes
Mr Ramesh Chand Meena IAS	Full Year	5	5	Yes
Mr C Ramachandran IAS (Retd)	Full Year	5	5	Yes
Mr N R Krishnan IAS (Retd)	Full Year	5	5	Yes
Mr Dhananjay N Mungale	Full Year	5	4	No
Dr K U Mada	Full Year	5	4	Yes
Ms Sashikala Srikanth	Full Year	5	5	Yes
Dr N Sundaradevan IAS (Retd)	From: 01.09.2018	3	2	NA
Mr S Visakan IAS	From: 05.06.2018 Upto: 29.03.2019	4	3	Yes
Mr KT Vijayagopal	Full Year	5	5	Yes
Mr D Senthikumar	Full Year	5	5	Yes

NA – Not applicable, as he was not a Director of the Company on the date of the last AGM

(iii) Chart of Skills / Expertise / Competencies of the Board:

Major Classification	Sub Classification	Remarks
Industry	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.
Risk & Compliance	Operational	Identification of risks related to each area of operation
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements
	Financial	Experience in accounting and finance, ability to analyse the financial statements presented, assess the viability of various financial proposals, oversea funding arrangements and budgets
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organisational change management programmes.
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organisation. Analyse issues and contribute at board level to solutions
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.

Major Classification	Sub Classification	Remarks
	Experience	Previous experience in Board or senior management positions in reputed companies/ organisations/ government.
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritise the Company

- ✓ The Skills Matrix stated above are the broader skills, competencies and experience which, in the opinion of the Directors are required for the proper functioning of the Board of TPL.
- ✓ The above Skills Matrix sets out the mix of skills and diversity that the Board currently has or is looking to achieve.
- ✓ These skills are expected of the Directors as a Group and it is not a requirement that each Director should present all of the skills and experience listed. In other words it would be sufficient if the Board collectively present all of the skills and experience listed in the Board Skills Matrix.
- ✓ To ensure that the Directors for the time being as a Group provide the skills and experience required by the Board Skills Matrix, each Director's skills and experience will be assessed from time to time.
- ✓ Gaps, if any identified by such assessment would considered when filling any vacancies or appointing any additional Director to the Board.
- ✓ The Skills Matrix would be reviewed periodically and changes made as deemed appropriate by the Board arising out of regulatory changes or otherwise.

In the opinion of the Board all the above skills/competencies are actually available with its Members as a Group.

(iv) Confirmation on Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations), and are independent of the Management.

3. Audit Committee:

(i) Terms of reference

An Audit Committee of the Board of Directors was constituted in 1987. The terms of reference of the Audit Committee covering the matters specified in respect of such Committee were modified in line with the then requirements of Clause 49 of the Listing Agreement with Stock Exchanges. Consequent to the enactment of the Companies Act, 2013 (the Act) at the Board meeting held on 12th August 2014, the terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

(ii) Composition, Meetings and Attendance

The Committee met four times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd.)	4	4
Mr N R Krishnan IAS (Retd.)	4	4
Dr K U Mada	4	3
Mr Ramesh Chand Meena IAS# (From 14.05.2018)	3	2

Inducted as a member of the Committee at the Board meeting held after the meeting of the Audit Committee held on 14.05.2018.

4. Nomination and Remuneration Committee:

(i) Terms of reference and Composition

In compliance with the requirements of Section 178 of the Act and Clause 49 of the erstwhile Listing Agreements, the Board constituted the Nomination and Remuneration Committee (NRC) at the meeting held on 27th May 2014. The terms of reference of the Nomination and Remuneration Committee comply with the matters specified in respect of such Committee were modified in line with the then requirements of Regulation 19(4) and Part D of Schedule II of the Listing Regulations.

The terms of reference are to identify persons who are qualified to become Directors and who may be appointed in Senior Management, recommend to the Board appointment and removal of the Directors, evaluate the performance of the Directors, formulate criteria for determining qualifications, positive attributes and independence of a Director, recommend to the Board a policy relating to the remuneration to the Directors, Key Managerial Personnel and other employees, devise policy on Board diversity and such other matter as may be prescribed under the Act, the Rules made there under and the Listing Regulations.

(ii) Meeting and Attendance

The Committee met five times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018, 12th February 2019 and 25th March 2019. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd)	5	5
Mr N R Krishnan IAS (Retd)	5	5
Mr Ashwin C Muthiah	5	5
Mr Ramesh Chand Meena IAS# (From: 14.05.2018 Upto: 12.02.2019)	3	2
Mr S Visakan IAS* (From: 12.02.2019 Upto: 29.03.2019)	1	Nil

Inducted as a member of the Committee at the Board meeting held after the meeting of the NRC Committee held on 14.05.2018.

* Inducted as a member of the Committee at the Board meeting held after the meeting of the NRC Committee held on 12.02.2019.

(iii) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has formulated the criteria and framework for performance evaluation for every Director on the Board, including the Executive and Independent Directors and identified ongoing training and education programs to ensure the Non-Executive Directors are provided with adequate information regarding the business, the industry, and their legal responsibilities and duties. The details are available in the website of the Company.

5. Remuneration to Directors

(i) Remuneration policy and criteria for making payments to Non-Executive Directors:

The Remuneration Policy of the Company as approved by the Board inter alia, contains the criteria for appointment of Independent Directors, Executive Directors, Key Managerial Personnel and other employees, manner of appointment, remuneration policy for Executive and Non-Executive Directors, Guiding principles for fixing remuneration to employees who are not Directors, etc. The following is the Remuneration Policy for Directors:

a. For Executive Directors

The remuneration of the Whole Time/Executive Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee (NRC) and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

b. For Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the NRC. Different scales of sitting fee may be fixed for each category of the Directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of Directors. In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

(ii) None of the Non-Executive Directors had any pecuniary relationship with the Company other than receipt of sitting fees.

(iii) Details of Remuneration paid to Executive Directors:

a. Remuneration paid to Executive Directors for the year 2018-19 are as shown below: ₹ in Lakh

Sl No	Description	Mr D Senthikumar Wholetime Director (Operations)	Mr KT Vijayagopal Wholetime Director (Finance) & CFO
01	Salary & Allowances	45.00	49.80
02	Performance Linked Pay	16.50	11.88
03	Perquisites	0.61	0.43
	Total	**62.11**	**62.11**

Note:

(1) In addition to the above contribution to Provident and Superannuation Funds are made by the Company as per the applicable law/rules/terms of employment.

(2) The performance linked pay is determined as per the appraisal system in vogue.

(3) Both the above Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation. No severance fee is payable and no Employee Stock Option has been offered by the Company.

(4) No employee stock options has been offered by the Company to any of the Directors.

b. Remuneration paid to Non-Executive Directors:

During the year each of the Non-Executive Director was paid sitting fees as shown below: (₹ in lakh)

Name	Amount	Name	Amount
Mr K Gnanadesikan IAS *	1.50	Mr Dhananjay N Mungale	3.00
Mr Ashwin C Muthiah	4.00	Ms Sashikala Srikanth	4.00
Mr Ramesh Chand Meena IAS *	4.00	Mr S Visakan*	2.50
Mr C Ramachandran IAS (Retd)	4.00	Dr N Sundaradevan, IAS (Retd)	2.00
Mr N R Krishnan IAS (Retd)	4.00	**TOTAL**	**32.00**
Dr K U Mada	3.00		

*Paid to TIDCO

6. Stakeholders' Relationship Committee

(i) Chairman and Compliance Officer

As on 31st March 2019, the Committee comprised of Mr C Ramachandran IAS (Retd) as the Chairman and Mr Ashwin C Muthiah, Mr S Visakan, IAS as Members. Ms K Priya Company Secretary is the Compliance Officer. The Committee met four times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019 and the details of the attendance of Members are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd)	4	3
Mr Ashwin C Muthiah	4	4
Mr Ramesh Chand Meena IAS# (From: 14.05.2018 Upto: 12.02.2019)	3	2
Mr S Visakan IAS* (From: 12.02.2019 Upto: 29.03.2019)	NA	NA
Mr D Senthikumar	4	4

Inducted as a member of the Committee at the Board meeting held after the meeting of the Stakeholders' Relationship Committee held on 14.05.2018.

* Inducted as a member of the Committee at the Board meeting held after the meeting of the Stakeholders' Relationship Committee held on 12.02.2019.

(ii) Details of Complaints received and pending

There were no pending complaints as at the beginning or end of the year. All the 19 complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

7. General Body Meetings:

(i) The particulars of Annual General Meetings which were held at Tamil Isai Sangam, Raja Annamalai Hall, Esplanade, Chennai - 600 108 during the last three years and the Special Resolutions passed there at as under:

Year	Date	Time	Special Resolutions considered thereat
2016	22.09.2016	10.30 AM	a. Appointment of Mr D Senthikumar, as Wholetime Director (Operations) of the Company for a period of three years from 18.02.2016 to 17.02.2019 and payment of Remuneration. b. Appointment of Mr KT Vijayagopal, as Wholetime Director (Finance) of the Company for a period of three years from 01.02.2016 to 31.01.2019 and payment of Remuneration.
2017	24.07.2017	10.30 AM	No Special Resolutions were passed.
2018	07.08.2018	11.00 AM	Approval for the increase in the remuneration to Mr. D Senthikumar, Wholetime Director (Operations)

(ii) There were no resolutions requiring approval through postal ballot during the last year and at present no such resolution is being proposed to be passed. The procedure for postal ballot will be as prescribed under the Act.

8. Means of Communication

As stipulated under Para A of Schedule V of Listing Regulations, the means of communications adopted by the Company includes the following:

a) The Quarterly Results are intimated to the Stock Exchanges and published in one English National Newspaper (Financial Express) and one Tamil News Paper (Makkal Kural).

b) The results are also posted in the website of the Company viz. www.tnpetro.com.

In addition, official press / news release and several other details / information of interest to various stakeholders' are submitted to the Stock Exchanges and made available in the website.

9. General Shareholder Information

i **Annual General Meeting**

The thirty fourth AGM of the Company is scheduled to be held on 5th August 2019 at 3.00 PM at Tamil Isai Sangam, Rajah Annamalai Mandram, Esplanade, Chennai – 600 108.

ii **Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from 1st August 2019 to 5th August 2019 (both the days inclusive).

iii **Registrar and Share Transfer Agent:**

All share registry work in respect to both physical and demat segments are handled by a single common agency M/s. Cameo Corporate Services Ltd., No.1 Club House Road, V Floor, "Subramanian Building" Chennai – 600 002, as the Registrars and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

iv **Share Transfer System:**

Requests for share transfer, transmissions, transpositions etc., are processed by the RTA and returned within the stipulated time, if the documents are found to be in order. The routine requests from shareholders like transfer, transmission, transposition, change of name etc., are approved by the Wholetime Director and Company Secretary and the details are placed before the Stakeholder Relationship Committee and the Board.

Pursuant to proviso to Regulation 40 (1) of the Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names would not be processed by the Company in physical form.

v **Listing of Securities (Equity Shares) :**

Name and Address of Stock Exchange	Stock Code
The BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	500777
National Stock Exchange of India Ltd (NSE) Exchange Plaza, C-1, Block G. Bandra Kurla Complex, Bandra East, Mumbai-400 051.	TNPETRO

Listing fees have been paid to the aforesaid exchanges up to 2019-20.

vi **Market Price Data and Share Price Performance vis a vis indices –**

Month & Year	BSE				NSE			
	Share price (₹)		Sensex		Share price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr – 18	58.50	49.50	35,213.30	32,972.56	59.00	49.15	10,759.00	10,111.30
May – 18	55.50	36.50	35,993.53	34,302.89	55.40	36.30	10,929.20	10,417.80
Jun – 18	42.20	30.80	35,877.41	34,784.68	42.25	30.65	10,633.15	10,550.90
July – 18	38.55	29.50	37,644.59	35,106.57	38.65	29.35	11,366.00	10,604.65
Aug – 18	46.40	31.50	38,989.65	37,128.99	46.45	31.70	11,760.20	11,234.95
Sep – 18	46.90	32.85	38,934.35	35,985.63	47.00	32.90	11,751.80	10,850.30
Oct – 18	40.80	30.25	36,616.64	33,291.58	40.10	30.05	11,035.65	10,004.55
Nov – 18	42.50	36.35	36,389.22	34,303.38	42.50	36.50	10,922.45	10,341.90
Dec – 18	39.70	34.00	36,554.99	34,426.29	39.80	33.85	10,985.15	10,333.85
Jan – 19	41.35	32.85	36,701.03	35,375.51	41.50	32.20	10,987.45	10,583.65
Feb – 19	35.30	30.00	37,172.18	35,287.16	35.25	29.90	11,118.10	10,585.65
Mar - 19	37.70	32.00	38,748.54	35,926.94	37.65	31.85	11,630.35	10,817.00

vii **Distribution of Shareholding as on 31st March 2019**

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	73012	89.18	10840278	12.05
501 - 1000	4850	5.92	3974574	4.42
1001 - 2000	2053	2.51	3186265	3.54
2001 - 3000	664	0.81	1721401	1.91
3001 - 4000	279	0.34	1007843	1.12
4001 - 5000	269	0.33	1282036	1.42
5001 - 10000	395	0.48	2917342	3.24
10001 - And Above	352	0.43	65041735	72.30
Total :	**81874**	**100**	**89971474**	**100**

viii **Dematerialisation of Shares and liquidity :**

The Company's Equity shares are traded on BSE & NSE in compulsory demat form and the ISIN of the shares is INE148A01019. The shares are traded regularly on BSE & NSE. About 93% of the 8,99,71,474 outstanding shares have been dematerialised up to 31st March 2019. Balance shares are held in physical mode.

ix The Company has not issued any convertible instruments.

x **Plant Locations:** Manali Express Highway, Manali, Chennai-600068.

Address for Correspondence:

Investors may contact the Registrars and Share Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address:

M/s. Cameo Corporate Services Limited,
No.1 Club House Road, V Floor, "Subramanian Building", Chennai – 600 002
Phone: 044-2846734/735/24860395/24860390(4 lines), Fax: 044-28460129,
E-mail: investor@cameoindia.com

For other general matters or in case of any difficulties /grievances investors may contact the Company Secretary and Compliance Officer at the Registered Office of the Company at

The Company Secretary & Compliance Officer
Manali Express Highway, Manali, Chennai – 600 068
Telefax No.044-25945588, E-mail: secy-legal@tnpetro.com, investorgrievance@tnpetro.com,
website: www.tnpetro.com.

10. Other Disclosures

i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.

ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

iii. As stipulated under the Act and the Listing Regulations the Company has adopted a Whistle Blower mechanism for Directors and employees a Whistle Blower Policy has been framed and the text of the same is uploaded in the website of the Company. The Policy, inter alia, provides for access to the Chairman of the Audit Committee in exceptional cases and no person has been denied access to the Chairman of the Audit Committee.

iv. The Policy for determining material subsidiaries has been framed and the policy is available on our website (http://tnpetro.com/corporate-governance-policies/).

v. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.

vi. The Company has complied with all the mandatory requirements stipulated under the Listing Regulations.

vii. All the requirements of Corporate Governance report specified in Sub-Paras (2) to (10) of Para C of Schedule V to the Listing Regulations have been complied with.

viii. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations.

ix. Mrs. B Chandra, Practicing Company Secretary has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

x. During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xi. There were no payments to the Statutory Auditor or other entities in the network firm / network entity of which the statutory auditor is a part, by the Company or its subsidiaries, other than the audit fee as disclosed in the Financial Statements.

xii. Disclosure of Commodity Price risks and Commodity hedging activities:

The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activity undertaken by the Company. As regards the Foreign Exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the Financial Statements.

xiii. Disclosure with respect to demat suspense account/unclaimed suspense account.

No shares have been transferred to demat suspense account/unclaimed suspense account as the requirement is not applicable to the Company.

xiv. Compliance with Discretionary requirements

As stipulated under Regulation 27 read with Part E of Schedule II of Listing Regulations, the following discretionary requirements have been adopted / complied with by the Company.

a) There are no qualifications by the Auditors on the Stand Alone and Consolidated Financial Statements for the year 2018-19.

b) The Company has appointed a third party firm as the Internal Auditors which carries out the audit and the report is presented to the Audit Committee for review and further directions.

Declaration by WTD (OPERATIONS)

This is to declare that the respective Codes of Conduct envisaged by the Company for Members of the Board and Senior management Personnel have been complied with by all the Members of the Board and Senior Management Personnel of the Company respectively.

D Senthikumar
DIN: 00202578
Wholetime Director (Operations)

21st May 2019
Chennai – 600 068

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Tamilnadu Petroproducts Limited

I have examined the compliance of conditions of Corporate Governance by M/s. Tamilnadu Petroproducts Limited, for the year ended on 31st March, 2019, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2018 to 31st March 2019, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

2. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

ANNEXURE - II TO DIRECTORS' REPORT
PRACTICING COMPANY SECRETARIES' ANNUAL SECRETARIAL AUDIT REPORT

To,
The Members,
Tamilnadu Petroproducts Limited,
Manali Express Highway,
Manali, Chennai,
Tamil Nadu-600068

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Tamilnadu Petroproducts Limited,
Manali Express Highway,
Manali, Chennai - 600068.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Tamilnadu Petroproducts Limited bearing CIN L23200TN1984PLC010931 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Companies Act, 1956, (to the extent applicable)

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and By-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015;

   I am informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

   c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008

   d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

   e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013

(vii) In addition to the compliance with laws applicable to Factories and labour laws pertaining to the same, based on the study of the systems and processes in place and a review of the reports of (1) Occupier/Manager of the factories plant located at Manali which manufacture Petrochemicals (2) Internal Audit Reports (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, (4) a test check on the licences and returns made available by the Company on other applicable laws, I report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under to the extent it is applicable to them:

- Factories Act, 1948 and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
- The Insecticides Act, 1968
- Drugs and Cosmetics Act, 1940
- The Fertiliser (Control) Order, 1985
- The Environmental Impact Assessment Notification, 2006
- Explosives Act, 1884
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, I report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has not transferred the shares pertaining to unpaid /unclaimed dividend for a consecutive period of 7 years based on a legal opinion that for the transfer of shares to the IEPF Authority consequent to non-payment/non-claiming of dividend in terms of Section 124(6), there necessarily has to be declaration of dividend, in the first instance and that there have to be 7 such consecutive instances.

The legal opinion has however pointed out that the Circulars issued by the Ministry of Corporate Affairs have created certain ambiguity in the matter and to approach the MCA. Accordingly, it has been informed to me that the Company would approach the MCA and take further actions based on its Directions.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

ANNEXURE - III TO DIRECTORS' REPORT

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2019, are furnished below to the extent applicable:

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

a) Installation of Variable frequency drive in LAB plant resulting in savings to an extent of 0.72 lakh units which is around ₹ 5.76 lakh per year.

b) Replacement of membranes with anode coating in HCD unit has resulted in power savings of 23.5 lakh unit for the FY 2018-19 which is around ₹ 1.41 crore.

c) Installation of Chlorine recuperator in HCD unit which has resulted in the following savings:

a. Fuel oil of 226 MT in 2018-19 which is about ₹ 72 lakh.

b. Power savings by the way of reduction in cooling water circulation pump load of 5.17 lakh units in 2018-19 which is around ₹ 31 lakh.

d) LED bulbs installed in LAB & HCD units, resulting in energy savings of 0.27 lakh units which is around ₹ 1.82 lakh.

ii) Investment in conservation of energy

About ₹343 lakh investment was made during the year 2018-19.

B) Technology Absorption

i) Efforts made in technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution

Technology absorption was fully made in the initial years. In the recent past, there was no new technology updated by the Company.

Steps for process improvement to bring down the cost are being taken up for catering wide customer base.

ii) Expenditure on Research & Development : No expenditure on research & development incurred during the year under review.

C) Foreign Exchange Earnings and outgo:

i) Foreign exchange in terms of actual inflows: **NIL**

ii) Foreign exchange in terms of actual outflows: ₹**8585.23 lakh**

For and on behalf of the Board of Directors

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

KT Vijayagopal
DIN 02341353
Wholetime Director (Finance)

21st May 2019
Chennai – 600 068

TPL

ANNEXURE - IV TO DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L23200TN1984PLC010931
ii) Registration Date	22nd June 1984
iii) Name of the Company	Tamilnadu Petroproducts Limited
iv) Category / Sub-Category of the Company	Public Company limited by shares
v) Address of the Registered office and contact details	Manali Express Highway, Manali, Chennai - 600 068
vi) Whether listed Company	Yes, listed with BSE and NSE
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building", No. 1, Club House Road, Chennai – 600 002 Ph: 044 -2846 0390; E-mail: cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Linear Alkyl Benzene	20119	86
2	Caustic Soda Lye	24111	14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Holding/Subsidiary/Step Down Subsidiary/Associate	% of Shares Held	Applicable Section
1	Certus Investment & Trading Ltd, IFS Court Twenty Eight Cybercity Ebene Mauritius.	Subsidiary	100%	S.2(87)(i) & (ii)
2	Certus Investment & Trading (S) Pte Ltd, 31 Cantonment Road, Singapore – 089747.	Step Down Subsidiary	NIL	Explanation (a) to S.2(87)
3	Proteus Petrochemicals Private Limited, 31 Cantonment Road, Singapore 089747	Step Down Subsidiary	NIL	Explanation (a) to S.2(87)

IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Shareholding of Promoter and Promoter Group**									
1.	**Indian**									
a)	Bodies Corporate	15234375	Nil	15234375	16.93	15234375	Nil	15234375	16.93	Nil
b)	Banks / FI	15843751	Nil	15843751	17.61	15843751	Nil	15843751	17.61	Nil
2.	**Foreign**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter (A)= (A)(1)+ (A)(2)	31078126	Nil	31078126	34.54	31078126	Nil	31078126	34.54	-
B	**Public Shareholding**									
1.	**Institutions**									
a.	Mutual Funds	600	7700	8300	0.19	600	7700	8300	0.01	-
b.	Banks / FI	151928	18700	170628	0.19	179311	18700	198011	0.22	0.03
c.	Insurance Companies	4335054	300	4335354	4.82	4335054	300	4335354	4.82	-
d.	Foreign Portfolio Investor (Corporate) Category II	1701898	Nil	1701898	1.89	3792088	Nil	3792088	4.21	2.23
	Sub-total (B)(1)	6189480	26700	6216180	6.91	8307053	26700	8333753	9.26	2.36
2.	**Non-Institutions**									
	Bodies corporate	12132476	29950	12162426	13.52	6292998	28600	6321598	7.03	-6.49
	Individual shareholders holding nominal share capital upto ₹ 1 lakh	15718448	4564010	20282458	22.54	18149161	4195584	22344745	24.83	2.29
	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13120154	Nil	13120154	14.58	14904473	Nil	14904473	16.56	1.98
	Others	5227404	1884726	7112130	7.91	5142503	1846276	6988779	7.78	-0.13
	Sub-total(B) (2)	46198482	6478686	52677168	55.55	44489135	6070460	50559595	56.20	-2.35
	Total Public shareholding (B)=(B)(1)+ (B)(2)	**52387962**	**6505386**	**58893348**	**65.45**	**52796188**	**6097160**	**58893348**	**65.46**	**-**
C.	**Shares held by Custodian for GDRs & ADRs**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total (A+B+C)	**83466088**	**6505386**	**89971474**	**100.00**	**83874314**	**6097160**	**89971474**	**100.00**	**0.00**

TPL

(ii) **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Tamilnadu Industrial Development Corporation Ltd	15843751	17.61	Nil	15843751	17.61	Nil	Nil
2.	Southern Petrochemical Industries Corporation Limited	15234375	16.93	Nil	15234375	16.93	Nil	Nil

(iii) **Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the End of the year	
	Date wise Increase/ Decrease in Shareholding during the year	No. of shares	%	No .of shares	%	No. of shares	%
01	Life Insurance Corporation of India Limited	3850404	4.27	3850404	4.27	3850404	4.27
02	Shreyans Shantilal Shah	3834451	4.26	3834451	4.26	3834451	4.26
03	Hitesh Ramji Javeri,	2397700	2.66	2397700	2.66	239700	2.66
	Jt1 Radhabai Ramji Javeri						
	Jt2 Harsha Hitesh Javeri						
04	Ares Diversified	1443616	1.60	1443616	1.60		
	Purchased – 24.08.2018	107670	0.11	1551286	1.72		
	Sale – 04.05.2018	-107670	0.11	1443616	1.60		
	Purchased – 13.07.2018	107670	0.11	1551286	1.72		
	Purchased – 12.10.2018	131400	0.14	1682686	1.87		
	Purchased – 28.12.2018	13091	0.01	1695777	1.88		
	Purchased – 31.12.2018	21591	0.02	1717368	1.90		
	Purchased – 04.01.2019	78040	0.08	1795408	1.99		
	Purchased – 11.01.2019	51472	0.05	1846880	2.05		
	Purchased – 18.01.2019	134813	0.14	1981693	2.20		
	Purchased – 25.01.2019	45627	0.05	2027320	2.25		
	Purchased – 29.03.2019	254	0.00	2027574	2.25	2027574	2.25
05	Harsha Hitesh Javeri						
	Jt1 – Hitesh Ramji Javeri	1800000	2.00	1800000	2.00	1800000	2.00
	Jt2 – Harsha Hitesh Javeri						
06	Purico (IOM) Limited	1377800	1.53	1377800	1.53	1377800	1.53
07	Nathu Ram Puri	1675600	1.86	1675600	1.86	1675600	1.86
08	Vallabh Realtors Private Limited						
	Purchased – 28.09.2018	190000	0.21	1072572	1.19	1072572	1.19
09	TPL Employees Welfare Foundation	997831	1.10	997831	1.10	997831	1.10
10	Arial Holdings	17279	0.01	17279	0.01	17279	0.01
	Purchased – 24.08.2018	838086	0.93	855365	0.05		
	Sale – 04.05.2018	-838086	0.93	17279	0.01		
	Purchased – 20.07.2018	398086	0.44	415365	0.46		
	Purchased – 27.07.2018	44000	0.48	855365	0.95	855365	0.95

(iv) Shareholding of Directors and KMP

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Dr. K.U.Mada	3500	0.00	Nil	3500	0.00	Nil	Nil
2.	KT Vijayagopal	200	0.00	Nil	200	0.00	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Unsecured Loans	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	3599.45*	0.00	3599.45
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**0.00**	**3599.45***	**0.00**	**3599.45**
Change in Indebtedness during the financial year				
Addition	0.00	387.14*	0.00	387.14
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	387.14*	0.00	387.14*
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	3986.59*	0.00	3986.59
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**0.00**	**3986.59***	**0.00**	**3986.59**

* Working Capital facilities

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

The details of remuneration paid to the Wholetime Director (Operations) and Wholetime Director (Finance) & CFO was ₹124.23 lakh as per details furnished in the Report on Corporate Governance in Annexure I of Board's Report (excluding contribution to provident fund). No stock option, sweat equity or commission is given to these Directors.

B. Remuneration to other directors:

The Non- Executive Directors, including the Independent Directors are paid sitting fees details of which have also been furnished in the Report on Corporate Governance in Annexure I of Board's Report. No commission or other payments are made to any of the Directors.

C. Remuneration to other Key Managerial Personnel

Sl. no.	Particulars of Remuneration	Company Secretary
1.	Gross salary	₹ In Lakh
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.58
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.47
	Total	**9.05**

a. There is no stock option, sweat equity or commission to the above person.

b. The remuneration shown above is exclusive of contributions to provident and other funds.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

For and on behalf of the Board of Directors

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

KT Vijayagopal
DIN 02341353
Wholetime Director (Finance)

21st May 2019
Chennai – 600 068

ANNEXURE – V TO DIRECTORS' REPORT

Disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Mr. KT Vijayagopal, WTD (Finance) : 15.00 Mr. D. Senthikumar, WTD (Operations) : 13.00
b.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Percentage of increase in the remuneration of the Wholetime Director (Operations) was 65% and Company Secretary was 11%
c.	The percentage increase in the median remuneration of employees in the financial year;	10.67% for employees other than workman who are covered under wage settlement
d.	The number of permanent employees on the rolls of Company;	As at the year end there were 437 permanent employees including WTDs but other than trainees and probationers.
e.	Average percentile increase already made in the salaries of employees other than the Key Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase already made in the salaries of employees other than the Key Managerial Personnel in the last financial year is 10% against about 57% increase in the remuneration of the KMP, attributable to revision of the remuneration of WTD (Operations), which was done based on the recommendation of the NRC taking into various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed Executives in other companies and the like.

DISCLOSURES UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Details of Top 10 employees in terms of remuneration received during the year

S. No.	Name	Designation	(₹ In lakh) Remuneration	Qualification	Experience	DOJ in TPL	Age	Last Employment
1	KT Vijayagopal	WTD (F)	62.10	B.com, FCA	30	21-Aug-15	54	Managing Director - EDAC Engineering Limited
2	D Senthikumar	WTD (O)	54.12	B.Tech	29	18-Feb-16	55	VP (Projects) - Cetex Petrochemicals Limited
3	Kalyanasundaram N	AVP (O) - HCD	50.44	B.Sc., AMIE - Chemical Engineering	34	02-May-16	56	Senior Vice president - Chemfab alkalis limited
4	Karthikeyan M	AVP (O) - LAB	34.09	B.Tech	29	07-Jan-90	52	-
5	Venkatakrishnan M	AGM (Finance)	24.13	B.com, ACA	21	15-Feb-16	51	RM (Finance) - Crompton Greaves Limited
6	R M Raghunathan	GM (Projects)	19.65	B.E (Mechanical Eng.), MBA	21	05-Mar-18	51	PM Head - EDAC Ltd
7	Kumaragurubaran S	Manager (IT)	17.05	M.Sc.(IT)	19	02-Jun-15	48	Sr. Manager (IT) - Thirumalai Chemicals Limited
8	K Vasantha Kumar	AGM (HR)	16.47	B.Sc (Stat)., M.A.(PM&IR)., MLM	20	09-Dec-16	44	Senior Manager(IR) - India Yamaha Motors Pvt Ltd
9	J Uma Sankar	AGM (Marketing)	16.13	B. Tech (Chemical Eng.), MBA	13	07-Jun-18	39	Chief Marketing Officer - Kiran Global Chem Limited
10	N Lakshmanan	SR. Manager (Prod.) - HCD	14.35	B. Tech (Chemical Eng.)	30	12-Jul-17	53	Senior Manager (Operation) - HIL Ltd

Notes:

1. The above appointments are contractual.
2. As per the disclosures available with the Company, none of the above employees are related to any director and also do not hold any shares in the Company except Mr KT Vijayagopal who holds 200 equity shares of the Company.
3. The remuneration shown above includes contributions to Provident and other Funds.

For and on behalf of the Board of Directors

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

KT Vijayagopal
DIN 02341353
Wholetime Director (Finance)

21st May 2019
Chennai – 600 068

ANNEXURE VI TO DIRECTOR'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2018-19

1. **Brief outline of the Company's CSR Policy and related information**

The Policy

TPL appreciates that in any society inclusive growth of all the segments is of paramount importance. The Business Community owes its existence and growth to the other components of the Society at large. TPL is committed to contribute its mite for the sustained growth of the Society through various plans and programmes. TPL also believes that as a responsible organisation, it can, together with similar such entities, transform the neglected sections of the Society through concerted efforts.

TPL also endeavours to ensure environmental sustainability by adopting best environmental practices and encourages conservation/judicious use of natural resources.

TPL looks beyond mere financial resources and aims to undertake such of the activities which will provide long term benefits to the weaker sections and make them competent to face off the challenges in life.

The detailed CSR Policy is available in the website of the Company at https://tnpetro.com/corporate-governance-policies/

Overview of projects or programmes

Provision of sanitation and drinking water facilities in Government High School in Manali New Town was taken-up by the Company.

2. **Composition of the CSR Committee**

As on 31st March 2019, the CSR Committee Meeting met two time, viz., on 10th August, 2018 and 24th October 2018 and comprises of the following persons as the Members,

S.No.	Name of the Director	Designation	Meetings attended
1	Mr Ashwin C Muthiah	Chairman	2
2	Mr C Ramachandran, IAS Retd	Member	2
3	Mr Rameshchand Meena, IAS (From: 14.05.2018 Upto: 12.02.2019)	Member	2
4	Mr S Visakan, IAS (From: 12.02.2019 Upto: 29.03.2019)	Member	NA
5.	Mr D Senthikumar (From: 06.02.2018 Upto: 14.05.2018)	Member	NA

3. **Average net profit of the Company for the last three financial years:** ₹1,338.36 lakh
4. **Prescribed CSR expenditure :** ₹8.92 lakh
5. **Details of CSR spent during the financial year:**
   a) Total amount spent for the financial year: ₹5.91 lakh
   b) Amount unspent, if any: ₹3.01 lakh
6. **Manner of spending the amount :**

Sanitation and Drinking water facilities at schools : The Company has earmarked ₹28 lakh for provision of sanitation and drinking water facilities in Government High School in Manali New Town which was eastablished in 1989 and caters to the poor and downtrodden in the area. This is a co-education school and at present there are 760 students including 503 are in Primary Wing. After inspection and discussions with the concerned authorities, it is found that Sanitary facility available for both the boys and girls are inadequate and there is no roof for existing toilets making it difficult for use during rains. The activities have commenced during January 2019 after obtaining approvals from the concerned authorities. As on the date of the report a sum of ₹12.70 lakh has been spent by constructing the following,

   a) New toilet block for boys with a capacity of 28 urinals and 2 toilets.
   b) New Toilet block for girls with a capacity of 12 urinals and 2 toilets with necessary facilities.
   c) Roof sheet for existing toilet, other repairs and painting.
   d) Two wash basins with water connections.
   e) Rain water harvesting system in toilet blocks.

7. **Reasons for amount not spent :**

Your Company believes that the CSR activities undertaken should make a difference to the lives of the underprivileged and the society at large. The project of construction of toilets in the Government School needs approval from the concerned authorities where delays are experienced due to administrative issues. However 90% of the construction has been completed as on date of the Report and pending for white wash, water and sewage connection. The balance amount of ₹3.01 lakh has been spent as on 30th April 2019. The project is expected to be completed before the end of June 2019.

8. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company**

It is confirmed by the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR activities and Policy of the Company.

For and on behalf of the Board of Directors

	Ashwin C Muthiah	**D Senthikumar**
21st May 2019	DIN 00255679	DIN 00202578
Chennai – 600 068	Chairman of the CSR Committee	Wholetime Director (Operations)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Tamilnadu Petroproducts Limited ("the Company")** which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS, of the state of affairs of the Company as at 31st March 2019 and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Accounting for legal and other contractual claims:	Our Response
The Company's operations expose it to the risk of litigation and contractual claims from third parties including statutory authorities. The recognition and valuation of exposure to tax & other legal framework related disputes, demands and claims across various specific matters due to the range of potential expected outcome requires the exercise of management judgement in assessing the amounts recorded and the disclosures made in the financial statements. This depends upon the probability of their incurrence, involving management judgement. For those exposures where provision is made, the use of estimates within those provisions gives rise to inherent subjectivity in the amounts recorded in the financial statements. For those exposures where no provision has been made, the obligation to disclose the nature and estimate of its financial impact gives rise to further judgement in the disclosure within the financial statements.	We assessed and tested the judgements made by the management. In particular, we challenged, for example, by assessing against past history or agreeing to supporting evidence and compared against our expectations. Where applicable, we have agreed projected costs against historical cost experience. We have discussed the status of current litigation or regulatory issues with Company's Legal Counsel and external lawyers throughout our audit process, reviewing correspondence with third parties and related contractual agreements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, Management Discussion and Analysis Report, Report on Corporate Governance, which we obtained prior to the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under the Act read with Rules framed thereunder as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) With respect to other matters to be included in Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

3) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note No. 33 and No. 34A to the standalone Ind AS financial statements.

ii. The Company has certain long-term contracts for which there are no material foreseeable losses. The Company did not have any derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and Regulatory Requirements' section of our report of even date to the members of the Company on the standalone financial statements of the Company for the year ended 31st March, 2019)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The fixed assets were physically verified by the Management during the year in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination, we report that, the title deeds of land and the buildings constructed thereon are held in the name of the Company as at the balance sheet date. Also refer note.3A to the financial statements.

(ii) Physical verification of inventories has been conducted at reasonable intervals by the Management. The discrepancies noticed on physical verification which were not material have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans nor any guarantee or security to the Directors or to any Company, body corporate or to any other person covered by Section 185 of the Act. The investment made by the Company during the year is in compliance with Section 186 of the Act.

(v) The Company has not accepted any deposits and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) of Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) On the basis of our examination of books and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) There are no dues of income tax or sales tax or service tax or GST or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute as at 31st March 2019, except for:

(₹ in lakhs)

Nature of Statute	Nature of Dues	Forum where dispute is pending	Financial Year	Amount involved	Amount unpaid
Income Tax Act	Income Tax	DCIT	1998-99, 2002-03, 2003-04 & 2005-06	4676.72	135.92
		CIT (Appeals)	2000-01, 2006-07 to 2010-11, 2012-13, 2013-14& 2015-16	10,552.40	7042.20
		Dispute Resolution Panel	2011-12	824.94	248.99
		Supreme Court	2001-02	2645.60	151.16
Various States Sales Tax Acts	Sales Tax	High Court	2006-07	58.09	58.09
		Sales Tax Appellate Tribunal	1993-94	1629.00	1629.00
		Deputy Commissioner (Commercial Taxes)	1995-96 to 2002-03, 2005-06	44.17	32.97
Finance Act,1994	Service Tax	CESTAT, Chennai	2006-07 to 2008-09, 2011-12 to 2014-15	415.86	375.52
Central Excise Act	Excise Duty	High Court	1998-99	13.89	13.89
		Principal Commissioner GST & CE	1994-95 to 1996-97	23.47	23.47
		CESTAT, Chennai	2005-06 to 2012-13	405.13	375.98
Customs Act	Customs Duty	Deputy Commissioner of Customs	1999-00	34.25	34.25

(viii) According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from any financial institutions, banks or Government. The Company has not issued any debentures.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the 'Order' is not applicable.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither observed any instance of fraud by the Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence clause 3(xii) of the 'Order' is not applicable.

(xiii) Transactions with related parties have been disclosed in the standalone Ind AS financial statements with details as prescribed by Indian Accounting Standard 24 "Related Party Transactions". These transactions are in compliance with Section 177 and Section 188 of Companies Act, 2013.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Clause (f) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of the Company, on the Internal Financial Controls Over Financial Reporting, for the year ended 31st March, 2019.)

We have audited the internal financial controls over financial reporting of **Tamilnadu Petroproducts Limited ('the Company')** as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

Standalone Balance Sheet as at 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

ASSETS	Notes	As at 31st March, 2019	As at 31st March, 2018
Non-Current Assets			
a) Property, Plant and Equipment	3A	23,024.94	19,256.19
b) Capital work-in-progress		2,033.68	3,717.34
c) Investment Property	3B	20.68	-
d) Financial assets			
i) Investments :			
(a) Investment in subsidiaries	4A	9,645.13	9,645.13
(b) Other Investments	4B	135.72	318.92
ii) Other financial assets	5	106.68	120.01
e) Other non-current assets	6	787.10	422.66
Total Non-Current Assets		35,753.93	33,480.25
Current assets			
a) Inventories	7	7,876.31	10,589.34
b) Financial assets			
i) Trade Receivables	8	7,165.65	6,657.63
ii) Cash and Cash equivalents	9A	3.72	78.28
iii) Bank balances other than ii) above	9B	8,516.28	5,776.18
iv) Other financial assets	10	138.45	683.12
c) Other Current assets	11	1,807.99	1,567.46
d) Assets classified as held for sale	12	0.60	21.28
Total Current Assets		25,509.00	25,373.29
TOTAL ASSETS		61,262.93	58,853.54
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	8,997.15	8,997.15
b) Other Equity	14	31,863.15	26,937.72
Total Equity		40,860.30	35,934.87
Liabilities			
Non-Current liabilities			
a) Financial liabilities			
i) Other financial liabilities	15	26.14	21.82
b) Provisions	16	2,509.11	2,426.56
c) Deferred tax liabilities (net)	17	2,536.94	1,427.02
Total non-current liabilities		5,072.19	3,875.40
Current liabilities			
a) Financial liabilities			
i) Borrowings	18	3,986.59	3,599.46
ii) Trade payables			
Total Outstanding dues of Micro & Small Enterprises		91.97	49.13
Total Outstanding dues of creditors other than Micro & Small Enterprises	19	6,430.74	9,911.69
iii) Other current financial liabilities	20	450.13	408.68
b) Provisions	21	4,165.49	4,820.57
c) Other current liabilities	22	205.52	253.74
Total Current liabilities		15,330.44	19,043.27
Total liabilities		20,402.63	22,918.67
TOTAL EQUITY AND LIABILITIES		61,262.93	58,853.54
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operations	23	1,24,532.73	1,08,509.25
Other income	24	696.16	730.24
Total Revenue		1,25,228.89	1,09,239.49
EXPENSES			
Cost of Materials consumed	25	67,083.98	58,639.13
Purchase of Stock-in-trade	26	-	1,269.65
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	27	1,777.82	(3,460.64)
Excise duty		-	3,618.87
Employee benefits expense	28	3,580.73	3,204.25
Finance costs	29	685.35	671.82
Depreciation / Amortization Costs	30	1,999.66	2,222.10
Other expenses	31	42,933.38	36,306.08
Total expenses		1,18,060.92	1,02,471.26
Profit before exceptional item and taxes		7,167.97	6,768.23
Exceptional item	32	-	922.46
Profit before tax		7,167.97	7,690.69
Tax expense:			
a) Current tax		2,675.05	1,516.86
b) MAT Credit			
- Entitlement		-	(1,104.56)
- Utilisation		(1,120.67)	-
Deferred tax	17	(11.48)	2,107.99
Provision for tax relating to prior years		197.58	-
Net current tax expense		1,740.48	2,520.29
Profit for the year		5,427.49	5,170.40
Other Comprehensive income			
(i) Items that will not be reclassified to Profit or (Loss)			
Re-measurement of Defined Benefit Liabilities		40.32	(88.78)
Total Comprehensive income		5,467.81	5,081.62
Earnings per equity share (in ₹)			
Basic and Diluted		6.03	5.75
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2018	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2019	8997.15

B. Other Equity

	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Capital Reserve	Other Reserve*	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Liabilities	
Balance as at 1st April 2017	14,890.38	4,611.57	42.23	1,986.18	300.87	24.87	21,856.10
Profit for the year	-	-	-	-	5,170.40	-	5,170.40
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	(88.78)	(88.78)
Balance as at 31st March 2018	14,890.38	4,611.57	42.23	1,986.18	5,471.27	(63.91)	26,937.72
Balance as at 1st April 2018	14,890.38	4,611.57	42.23	1,986.18	5,471.27	(63.91)	26,937.72
Profit for the year	-	-	-	-	5,427.49	-	5,427.49
Dividend on Equity Shares	-	-	-	-	(542.38)	-	(542.38)
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	40.32	40.32
Balance as at 31st March 2019	14,890.38	4,611.57	42.23	1,986.18	10,356.38	(23.59)	31,863.15

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on 1st April 2016.

This is the Statement of Changes in Equity referred to in our report of even date.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

Standalone Cash Flows Statement for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

			Year ended 31st March, 2019		Year ended 31st March, 2018
A	**Cash flow from operating activities:**				
	Profit before tax		**7,167.97**		7,690.69
	Adjustments for				
	Depreciation / Amortization Costs	**1,999.66**		2,222.11	
	Loss on fixed assets sold/scrapped	**57.47**		367.27	
	Finance costs	**685.55**		671.82	
	Interest income	**(437.47)**		(221.72)	
	Income from Mutual funds	**(3.10)**		-	
	Provision for doubtful receivables	**27.69**		16.36	
	Employee benefit obligation	**40.32**		(88.78)	
			2,370.12		2,967.06
	Operating profit before working capital changes		**9,538.09**		10,657.75
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**2,713.03**		(3,522.21)	
	Trade receivables	**(535.71)**		146.57	
	Other financial assets	**597.16**		(297.56)	
	Other assets	**(457.16)**		1,298.72	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**(3,438.11)**		37.45	
	Provision and other current liabilities	**278.66**		2,036.05	
	Other financial liabilities	**53.32**		39.71	
			(788.81)		(261.27)
	Cash generated from operations		**8,749.28**		10,396.48
	Net income tax (paid)		**(1,529.96)**		(2,197.30)
	Net cash flow from / (used in) operating activities (A)		**7,219.32**		8,199.18
B	**Cash flow from investing activities:**				
	Payments to acquire property, plant and equipment, including capital advances	**(4,290.07)**		(2,360.19)	
	Investments in / (Sale of) Equity shares	**183.20**		(278.04)	
	Investments in Fixed deposits with Bank	**(3,711.18)**		(3,754.37)	
	Interest received - others	**398.31**		186.22	
	Income from Mutual funds	**3.10**		-	
	Bank balances not considered as cash and cash equivalents	**971.07**		(802.79)	
			(6,445.57)		(7,009.17)
	Net cash flow from / (used in) investing activities (B)		**(6,445.57)**		(7,009.17)

Standalone Cash Flows Statement for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

			Year ended 31st March, 2019		Year ended 31st March, 2018
C	**Cash flow from financing activities:**				
	Repayment of long-term borrowings	**-**		(216.17)	
	Net increase / (decrease) in working capital borrowings	**387.16**		(331.74)	
	Finance costs	**(685.55)**		(671.82)	
	Dividends paid	**(549.92)**		(14.10)	
			(848.31)		(1,233.83)
	Net cash from / (used in) financing activities (C)		**(848.31)**		(1,233.83)
	Net cash flows during the year (A+B+C)		**(74.56)**		(43.82)
	Cash and cash equivalents at the beginning of the year		**78.28**		122.10
	Cash and cash equivalents at the end of the year (Refer Note 9A)		**3.72**		78.28
	Net increase / (decrease) in cash and cash equivalents		**(74.56)**		(43.82)

The above Cash Flow Statement has been prepared under the "indirect method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow

The accompanying notes form an integral part of financial statements

In terms of our report attached

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

1. **General Information:**

Tamilnadu Petroproducts Limited ('TPL' or 'the Company') is a Public Limited Company incorporated and domiciled in India, jointly promoted by Southern Petrochemicals Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO) and listed with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd.(BSE). The registered office of the Company is situated at Chennai, Tamilnadu, India.

The Company is primarily engaged in the manufacturing and sale of petrochemical products viz., Linear Alkyl Benzene (LAB), Caustic Soda, Chlorine and its derivatives at its facilities situated at Manali, Chennai.

The financial statements were authorized for issuance by the Company's Board of Directors on 21st May 2019.

2. **Significant accounting policies:**

2.1 Statement of compliance:

The financial statements in all its material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under sec.133 of the Companies Act, 2013("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

All amounts included in the financial statements are reported in Indian Rupees Lakhs and have been rounded off to nearest decimal of Lakhs.

2.2 Basis of measurement:

The financial statements of the Company have been prepared on historical cost convention and on accrual basis under the historical cost convention except for the following material items that have been measured at fair value as required by the relevant Accounting Standard:

i. Certain financial assets and liabilities measured at fair value

ii. Defined benefit plan and long term employee benefits

The accounting policies have been consistently applied over all the periods presented in the financial statements.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value or measurement and/or disclosure purposes in these separate financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or a liability.

Use of Estimates:

In the application of the Company's accounting policies the Management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The areas involving critical estimates or judgments are:

i. **Depreciation and amortization:** Depreciation and amortization is based on management estimates of the future useful life and residual value of certain class of property, plant and equipment and intangible assets. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

ii. **Employee Benefits:** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. Actuarial gains/losses relating to defined benefit obligation is recognized in Other Comprehensive income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

iii. **Provision and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv. **Estimation of net realizable value of inventories:** Inventories are stated at the lower of cost or net realizable value. In estimating the net realizable value of inventories, the Company makes an estimate of future selling prices and cost necessary to make the sale.

v. **Fair valuation:** Fair value is the market based measurement of observable market transaction or available market information.

vi. **Taxes:** Significant judgments are required in determining the provision for taxes including the amount expected to be paid/recovered for uncertain tax positions.

The principal accounting policies are set out below:

2.3 Revenue recognition:

Accounting Policy on Revenue recognition

The Company derives revenue primarily from sale of industrial intermediate chemicals viz Linear Alkyl Benzene, Caustic Soda Lye and its Derivatives, besides Propylene Oxide. Revenue is measured at the fair value of the consideration received or receivable.

The Company adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to 1st April 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For sale of manufactured/traded products of the Company, the performance obligation is satisfied as and when the customer generally obtains control of the goods despatched.

In the absence of any specific performance obligation post sale of products, the Company recognizes revenue when there is no uncertainty as to measurement or collectability of the consideration.

Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

Disclosure under Ind AS 115

General:

The entire revenue from operations for the year ended 31st March 2019 and 31st March 2018 related to revenue from sale of industrial intermediate chemicals manufactured by the Company.

Disaggregation of revenue:

Revenue earned by the Company is disaggregated by its sources based on geographical location as disclosed in Note 23 to the financial statements.

Information about contract balances

The Company classifies the right to consideration as trade receivables.

Trade receivables are amounts billed to the customer, when control on goods sold are effectively passed on to the customers. Trade receivables is net of allowances for doubtful debts in the Balance Sheet.

Application of Ind AS 115, "Revenue from contract with customers" did not have any impact on the contracts for sale of goods serviced by the Company during the year ended 31st March 2019.

2.4 Recent accounting pronouncements

The following accounting standards / amendments to accounting standards are issued but not effective as at 31st March 2019

Ind AS 116 – Leases

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared to the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognize the cumulative impact of retrospective accounting against the opening balance of retained earnings at the date of initial application.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings, on the date of initial application (1st April 2019). Accordingly, the comparatives for the year ended 31st March 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant.

Ind AS 12 – Accounting for taxes on income

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognise the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognised the same . The amendment is effective from financial periods beginning on or after 1st April 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April 2019. The Company will adopt the amendments to the standard on 1st April 2019 and has decided to adjust the cumulative effect in equity on 1st April 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Ind AS 19 – Employee Benefits

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Company does not have any impact on account of this amendment.

2.5 Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

2.6 Foreign currencies:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.7 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expensed in the period in which they are incurred.

2.8 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

2.8.1 Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions. With regard to PF contribution made by the Company to a Self-Administered Trust, Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return. Such contribution and shortfall, if any are recognized as an expense in the year incurred.

2.8.2 Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.3 Short-term employee benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognized as an expense as per Company’s schemes based on expected obligation on an undiscounted basis.

2.8.4 Other long-term employee benefits:

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9 Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.10 Taxation

Income tax expense comprises current tax and deferred income tax.

- **Current tax**

  Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

- **Deferred tax**

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets include unused tax credits.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- **Current and deferred tax for the year**

  Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

  Deferred income taxes are not recognized on undistributed earnings of subsidiaries where it is expected that earnings of subsidiaries will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

  The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.11 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

i) Plant and Machinery used in Propylene Oxide plant – 20 years

ii) Furniture and Fixtures – 5 years

Each major part of property, plant and equipment with a cost that is significant in relation to its total cost of the item is depreciated separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated. Leasehold land and leasehold improvements are amortized over the period of lease.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

2.11.1 Intangible Assets:

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Research costs are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible assets with finite useful life are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. An intangible asset with an indefinite useful life is not amortized.

The amortization period and the amortization method for intangible assets are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

2.12 Impairment of assets:

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognized. The recoverable amount is the higher of the fair value less its cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount factor.

Investments in subsidiaries and associates are reviewed for impairment if there is an indication that carrying amount may not be recoverable.

Impairment losses, if any, are recognized in the statement of profit and loss and included in the depreciation and amortization expense when there is indication that previously recognized impairment loss no longer exists or may have decreased due to change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such reversal of impairment loss is recognized in the statement of profit or loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Inventories:

Raw materials and other inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

➢ Raw material, Stores and spares and packing materials – Weighted average cost.

➢ Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.

➢ Stock-in-trade – Weighted average cost

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

Fixed overheads are allocated on the basis of normal production facilities.

Goods in transit are stated at actual cost incurred up to the reporting date.

2.14 Exceptional item:

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognized only when there is a present obligation (legal and constructive) as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognized. It is disclosed only when the inflow of economic benefits is probable.

2.16 Financial instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.17 Financial assets:

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.18 Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for Fair value through other Comprehensive income (FVTOCI) debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.19 Effective interest method:

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

2.20 Investments in subsidiaries:

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.21 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

2.22 Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.23 Impairment of financial assets:

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.24 Derecognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2.25 Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

2.26 Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between lenders of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight- line basis in the Statement of Profit and Loss over the lease term.

Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Events after Reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at 31st March, 2019	As at 31st March, 2018
3A. Property, plant and equipment and capital work-in-progress		
Land	**1,687.33**	1,687.33
Buildings	**692.39**	792.34
Plant and Machinery	**20,597.10**	16,673.94
Furniture and Fixtures	**8.94**	16.32
Office Equipments	**29.45**	74.41
Vehicles	**9.73**	11.85
	23,024.94	19,256.19

Particulars	Land	Buildings	Plant & machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March 2017 (Deemed cost)	1,708.61	1,029.02	20,298.13	24.05	55.57	15.93	23,131.31
Additions	-	-	222.01	-	61.32	-	283.33
Disposals	-	(16.58)	(445.38)	-	(0.98)	-	(462.94)
Reclassified as held for sale	(21.28)	-	-	-	-	-	(21.28)
Balance at 31st March 2018	**1,687.33**	**1,012.44**	**20,074.76**	**24.05**	**115.91**	**15.93**	**22,930.42**
Additions	-	-	5,824.64	-	2.43	-	5,827.07
Disposals	-	-	(205.68)	-	(5.92)	-	(211.60)
Reclassified as held for sale	-	-	-	-	-	-	-
Balance at 31st March 2019	**1,687.33**	**1,012.44**	**25,693.72**	**24.05**	**112.42**	**15.93**	**28,545.89**

Accumulated Depreciation and Impairment	Land *	Buildings	Plant & machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March 2017	-	66.62	1,460.86	2.92	15.44	1.96	1,547.80
Depreciation expense	-	161.45	2,026.77	4.81	26.95	2.12	2,222.10
Eliminated on disposals	-	(7.97)	(86.81)	-	(0.89)	-	(95.67)
Balance at 31st March 2018	**-**	**220.10**	**3,400.82**	**7.73**	**41.50**	**4.08**	**3,674.23**
Depreciation expense	-	99.95	1,844.01	7.38	46.20	2.12	1,999.66
Eliminated on disposals	-	-	(148.21)	-	(4.73)	-	(152.94)
Balance at 31st March 2019	-	320.05	5,096.62	15.11	82.97	6.20	5,520.95
Carrying amount at 31st March 2019	1,687.33	692.39	20,597.10	8.94	29.45	9.73	23,024.94

* Includes 18 acres land at Manali, Chennai of value ₹122.04 lakhs categorized as Land acquired by Tamilnadu Government under Urban Land Ceiling Act. Writ petition filed by the Company challenging the proposed move by Government of Tamilnadu is pending adjudication before Honourable High Court of Madras.

Capital work in progress movement	Total
Balance at 1st April 2017	**1,527.37**
Additions during the year	2,232.35
Capitalised during the year	(42.38)
Balance at 31st March 2018	**3,717.34**
Additions during the year	854.71
Capitalised during the year	(2,538.37)
Balance at 31st March 2019	**2,033.68**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

3B Investment Property

	As at 31st March, 2019	As at 31st March, 2018
Land at Puducherry	**20.68**	-
	20.68	-

Fair value is ₹ 80 lakhs.

The Company has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop or for repairs, maintenance and enhancements of the Investment Properties.

Land at Puducherry		
Rental Income (A)	**-**	-
Direct operating expenses, that generated rental income. (B)	**-**	-
Direct operating expenses, that did not generate rental income. (C)	**16.13**	17.03
Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C)	**(16.13)**	(17.03)
Depreciation (D)	**-**	-
Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C)-(D)	**(16.13)**	(17.03)

4 Investments

Non-current investments:		
(A) Investments in subsidiaries - Equity Shares (fully paid) Unquoted (Trade): Instruments at cost		
2,04,190 (31st March 2018: 2,04,190) Equity shares of US $ 100 each fully paid up in Certus Investment & Trading Limited, Mauritius	**9,645.13**	9,645.13
Total - Investment in subsidiaries (A)	**9,645.13**	9,645.13
(B) Other Investments:		
(a) 1,00,000 Equity shares of ₹10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited)	**16.93**	16.93
(b) Ushdev Engitech Limited	**2.24**	2.24
22,463 Equity Shares of ₹10 each fully paid up		
(c) Watsun Infrabuild Private Limited.	**75.01**	267.99
7,50,141 (31st March 2018: 26,79,941 Equity shares of ₹10 each fully paid up		
(d) OPG Power Generation Private Limited	**20.24**	31.76
1,76,000 (31st March 2018: 2,76,200) Equity shares of ₹10 each fully paid up		
(e) AM Foundation	**0.16**	-
1,600 Equity shares of ₹10 each fully paid up		
(f) IL&FS Financial Services Limited	**0.04**	-
3,600 Units of Re.1 each fully paid up		
(g) Nagai Power Private Limited	**21.10**	-
2,11,000 Equity shares of ₹10 each fully paid up		
Total - Other investments (B)	**135.72**	318.92
Aggregate amount of unquoted investments (A+B)	**9,780.85**	9,964.05

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
5	**Other financial assets**		
	Security deposits	**81.10**	88.64
	Deferral deposit	**25.58**	31.37
		106.68	120.01
6	**Other Non-Current assets**		
	Capital advances	**261.61**	113.80
	Security deposits	**525.49**	308.86
		787.10	422.66
7	**Inventories**		
	Inventories		
	- Raw materials	**2,903.16**	3,703.96
	- Work-in-progress	**1,398.94**	101.42
	- Finished goods	**1,051.14**	4,126.48
	- Stores and spares	**2,523.07**	2,657.48
		7,876.31	10,589.34

Inventories are valued at lower of cost or net realisable value.

8	**Trade receivables (Unsecured)**		
	Considered good	**7,165.65**	6,657.63
	Doubtful	**77.78**	50.09
	Allowance for doubtful debts	**(77.78)**	(50.09)
		7,165.65	6,657.63

a) Trade receivables are generally due between 0 and 30 days. The terms of sale include charging of interest for delayed payment beyond agreed credit days. However, the Company charges interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

b) Two customers lift more than 10% of the total value of the turnover.

9A	**Cash and Cash equivalents**		
	Balances with Banks		
	- In current accounts	**3.10**	77.14
	- Cash on hand	**0.62**	1.14
		3.72	78.28
9B	**Bank balances other than above**		
	Margin money deposits	**960.28**	1,923.81
	Unclaimed dividend account (Refer note 20)	**36.73**	44.28
	Other Fixed deposits #	**7,519.27**	3,808.09
		8,516.28	5,776.18
	Total	**8,520.00**	5,854.46

represents deposits with original maturity of more than three months.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
10	**Other Financial Assets**		
	Security deposits	**18.56**	33.53
	Loans and advances to employees	**-**	0.59
	Balances with Government Authorities		
	(i) GST credit receivable	**30.67**	591.50
	(ii) Customs duty	**-**	5.76
	Interest accrued on Deposits	**74.66**	35.50
	Other loans and advances	**14.56**	16.24
		138.45	683.12
11	**Other Current assets**		
	Advances given to Suppliers	**1,552.21**	974.28
	Prepaid expenses	**175.09**	321.04
	Balances with Customs, Sales tax and Excise Authorities	**80.69**	272.14
		1,807.99	1,567.46
12	**Assets classified as held for Sale**		
	Asset held for sale- Land *	**0.60**	21.28
		0.60	21.28

* Represents Land at Gujarat; Puducherry Land reclassified under Investment Property

13	**Equity Share Capital**		
	Authorised Share capital		
	200,000,000 (as at 31st March 2018: 200,000,000) fully paid equity shares of ₹10 each with voting rights	**20,000.00**	20,000.00
	Issued		
	89,976,899 (as at 31st March 2018: 89,976,899) equity shares of ₹ 10 each with voting rights	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 (as at 31st March 2018: 89,971,474) equity shares of ₹ 10 each with voting rights	**8,997.15**	8,997.15
		8,997.15	8,997.15

13.01 In December 1993, the Company came out with Rights cum Public Issue of Equity Shares. The difference between issued and subscribed capital of 5,425 shares (previous year 5,425 shares) is due to said shares kept in abeyance under Section 126 of the Companies Act, 2013.

13.02 There has been no movement in the Share Capital during the period. The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held.

	Number of shares	Amount
Balance as at 1st April, 2017	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2018	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2019	89,971,474	8,997.15

Fully paid equity shares, which have a par value of ₹10, carry one vote per share and carry a right to dividends.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

13.03 Details of shares held by each shareholders holding more than 5% shares:

	As at 31st March, 2019		As at 31st March, 2018	
	No.of shares held	% of holding	No.of shares held	% of holding
Fully paid equity shares				
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	17.61	15,843,751	17.61
Southern Petrochemical Industries Corporation Limited	**15,234,375**	16.93	15,234,375	16.93
Sri Kesavan Advisory Services Private Limited	**-**	-	6,682,862	7.43

13.04 Dividend of ₹1 per share is proposed for the year ended 31st March 2019. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, upon which the liability will be recorded in the books.

14 Other Equity

		As at 31st March, 2019	As at 31st March, 2018
I.	**Reserves and Surplus**		
A.	General reserve	**14,890.38**	14,890.38
B.	Securities premium	**4,611.57**	4,611.57
C.	Capital Reserve	**42.23**	42.23
D.	Other Reserve	**1,986.18**	1,986.18
E.	Surplus in Statement of Profit and Loss	**10,356.38**	5,471.27
II.	**Other Comprehensive income**		
F.	Remeasurement of Defined Benefit Liabilities	**(23.59)**	(63.91)
		31,863.15	26,937.72

	31st March, 2019	31st March, 2018
A. General reserve		
Balance at beginning of year	**14,890.38**	14,890.38
Movements	**-**	-
Balance at end of year	**14,890.38**	14,890.38
B. Securities premium		
Balance at beginning of year	**4,611.57**	4,611.57
Movements	**-**	-
Balance at end of year	**4,611.57**	4,611.57
C. Capital reserve		
Balance at beginning of year	**42.23**	42.23
Movements	**-**	-
Balance at end of year	**42.23**	42.23
D. Other Reserve*		
Balance at beginning of year	**1,986.18**	1,986.18
Movements	**-**	-
Balance at end of year	**1,986.18**	1,986.18

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on 1st April 2016.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
E.	**Surplus in Statement of Profit and Loss**		
	Opening balance	**5,471.27**	300.87
	Add: Profit for the year	**5,427.49**	5,170.40
	Less: Dividend for 2017-18	**(449.91)**	-
	Less: Dividend Distribution Tax	**(92.47)**	-
	Closing balance	**10,356.38**	5,471.27
F.	**Re-measurement of Defined Benefit Liabilities**		
	Opening balance	**(63.91)**	24.87
	Movements	**40.32**	(88.78)
	Closing balance	**(23.59)**	(63.91)

		As at 31st March, 2019	As at 31st March, 2018
15	**Other financial liabilities**		
	Security deposit received	**9.21**	4.89
	Other payables *	**16.93**	16.93
		26.14	21.82

* Represents advance received against disposal of equity interests (1,00,000 equity shares) in SEPC Power (Private) Limited upon completion of power project.

		As at 31st March, 2019	As at 31st March, 2018
16	**Provisions**		
	Provision for:		
	Compensated absences	**321.51**	347.09
	Gratuity payable	**162.29**	317.92
	Contingencies	**2,025.31**	1,761.55
		2,509.11	2,426.56
17	**Deferred tax balances**		
	Deferred tax liabilities in relation to :		
	Property, plant and equipment	**3,795.55**	3,844.72
		3,795.55	3,844.72
	Deferred tax assets in relation to :		
	Employee benefits	**153.55**	130.12
	Allowance for doubtful debts	**27.18**	17.50
	Expenses allowable on payment basis	**742.00**	812.80
		922.73	960.42
	Deferred Tax	**2,872.82**	2,884.30
	Opening	**2,884.30**	776.31
	For the year	**(11.48)**	2,107.99
	For the period based on effective tax rate method	**(11.48)**	2,107.99
	Closing	**2,872.82**	2,884.30
	MAT Credit Entitlement	**335.88**	1,457.28
	Deferred tax liabilities (net)	**2,536.94**	1,427.02

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Reconciliation between book and taxable profits

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before Tax	**7,167.97**	7,690.69
Enacted tax rates in India	**34.94%**	21.34%
Computed expected tax expense	**2,504.49**	1,534.63
Tax effect of non deductible expenses	**170.56**	(17.89)
Income tax expense	**2,675.05**	1,516.86
Minimum Alternate Tax Credit	**(1,120.67)**	(1,104.56)
Income Tax Expense for the year	**1,554.38**	412.30
Tax Provisions relating to earlier years*	**197.58**	-

* Income tax expense for current year includes ₹197.58 lakhs on account of adjudication of disputed matters.

The applicable Indian corporate statutory tax rate for the year ended 31.3.2019 and 31.3.2018 are 34.94% and 21.34% respectively.

For the year ended 31.3.2018, the Company was liable to pay tax under minimum alternate tax regime under sec.115JB of the Income Tax Act. For the year ended 31.3.2019, income tax was payable under normal tax provisions resulting in increased tax rate.

	As at 31st March, 2019	As at 31st March, 2018
18 Borrowings		
Secured		
Loan repayable on demand from Banks	**3,986.59**	3,599.46
Total current borrowings	**3,986.59**	3,599.46

Working capital loans are secured by hypothecation of inventories both on hand and in transit, book debts and other receivables, both present and future and further secured by way of mortgage by deposit of title deeds of immovable properties, both present and future, on second charge basis ranking pari passu amongst them.

The above loans carry varying rates of interests with the maximum rate of interest being 14.20% (As at 31st March 2018: 15.10%) per annum. The weighted average rate of interest of these loans is 12.78% (2017-18: 12.86%) per annum.

19 Trade payables		
Acceptances	**-**	586.73
Trade payables		
(i) dues to Micro and Small Enterprises (Refer note 34B)	**91.97**	49.13
(ii) dues to other than Micro and Small Enterprises	**6,237.44**	8,984.94
(iii) dues towards capital commitments	**183.69**	330.41
(iv) dues to related parties	**9.61**	9.61
	6,522.71	9,960.82
20 Other Current Financial Liabilities		
Interest accrued but not due	**-**	0.95
Unclaimed dividends *	**36.73**	44.28
Deposits	**10.00**	10.00
Others	**403.41**	353.45
	450.13	408.68
* Amount to be credited to Investor Education and Protection Fund	**Nil**	Nil

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
21	**Provisions**		
	Provision for:		
	(a) Employee Benefits		
	(i) Compensated absences	**117.91**	76.11
	(ii) Others	**348.00**	178.00
	(b) Provision for taxation (net of advance)	**3,435.50**	4334.91
	(c) Contingencies	**264.08**	231.55
		4,165.49	4,820.57
22	**Other Current Liabilities**		
	Other Payables		
	Statutory remittances due	**181.07**	137.96
	Others	**24.45**	115.78
		205.52	253.74

23. Revenue from operations

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products	**1,24,141.96**	1,08,158.63
Sale of services	**13.93**	24.40
Other operating revenues	**376.84**	326.22
	1,24,532.73	1,08,509.25
Less: Excise Duty	**-**	3,618.87
	1,24,532.73	1,04,890.38
Sale of services comprise		
Effluent Treatment / Hydrogen Testing / Storage	**-**	12.49
Others	**13.93**	11.91
Total - Sale of Services	**13.93**	24.40
Other operating revenue comprises		
Scrap sales	**376.84**	326.22
Total - Other operating revenue	**376.84**	326.22

Basis on which the entity identifies the fulfillment of performance obligations

Upon Shipment (Ex-works)	9,000.86
Upon Delivery (FOR Sales)	115,141.10

Payment Terms (• Generally between 0 and 30 days. Refer note 8 a)

Reconciliation of the amount of revenue recognised in Statement of Profit & Loss with discount etc. given to customers

Particulars		
Gross Revenue	**1,29,806.35**	1,17,621.22
Less : Discounts	**5,273.62**	9,111.97
Total	**1,24,532.73**	1,08,509.25

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
Disaggregation of Revenue		
Revenue by Product Lines		
LAB	**1,03,437.38**	92,899.93
Caustic Soda Lye	**13,751.59**	12,212.98
Chlorine and its Dervatives	**5,375.81**	3,045.72
Propylene Oxide	**1,577.18**	-
Total	**1,24,141.96**	1,08,158.63
Revenue by Geographical Region		
India	**1,24,141.96**	1,07,774.50
Others	**-**	384.13
Total	**1,24,141.96**	1,08,158.63
Revenue by timing of transfer of goods/services		
At a point in time		
(i) Product line	**1,24,141.96**	1,08,158.63
(ii) Others	**390.77**	350.62
Over a period of time	**-**	-
Total	**1,24,532.73**	1,08,509.25

24. Other income

Interest		
From bank deposits	**414.40**	204.21
From others	**23.07**	17.51
Dividend income from long term investment	**-**	0.05
Profit on sale of assets	**0.81**	-
Rental income from operating leases	**0.79**	-
Insurance claim received	**250.08**	489.52
Others	**7.01**	18.95
	696.16	730.24

25. Cost of materials consumed

Opening stock	**3,703.96**	3,892.18
Add: Purchases	**66,283.18**	58,450.91
	69,987.14	62,343.09
Less: Closing Stock	**2,903.16**	3,703.96
Cost of material consumed	**67,083.98**	58,639.13
Material consumed comprises:		
Kerosene	**37,317.28**	27,728.48
Benzene	**19,009.77**	19,965.02
Normal Paraffin	**8,150.23**	9,673.14
Propylene	**819.17**	-
Salt	**1,162.96**	1,078.71
others	**624.57**	193.78
	67,083.98	58,639.13

26. Purchase of Stock in trade

Linear Alkyl Benzene	**-**	1,269.65
	-	1,269.65

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		Year ended 31st March, 2019	Year ended 31st March, 2018
27.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year		
	Finished goods	**1,051.14**	4,126.48
	Work-in-progress	**1,398.94**	101.42
		2,450.08	4,227.90
	Inventories at the beginning of the year		
	Finished goods	**4,126.48**	467.33
	Work-in-progress	**101.42**	299.93
		4,227.90	767.26
		1,777.82	(3,460.64)
28.	**Employee benefits expense**		
	Salaries and wages	**2,833.85**	2,346.62
	Contributions to provident and other funds	**356.84**	428.26
	Staff welfare expenses	**390.04**	429.37
		3,580.73	3,204.25
29.	**Finance costs**		
	Interest expense on borrowings	**502.10**	426.07
	Interest expense on tax demand relating to earlier years	**-**	78.13
	Bank charges	**183.25**	167.62
		685.35	671.82
30.	**Depreciation /Amortization**		
	Depreciation for the year	**1,999.66**	2,222.10
		1,999.66	2,222.10
31.	**Other expenses**		
	Consumption of stores and spare parts	**3,884.33**	3,333.02
	Utilities consumed	**782.22**	438.27
	Power and fuel	**26,172.87**	20,604.07
	Renewable Energy Power Obligation (RPO)	**296.76**	1,163.39
	Rent including lease rentals	**164.71**	166.18
	Repairs to buildings	**327.73**	351.32
	Repairs to machinery	**2,140.55**	1,190.76
	Payment to Auditors:		
	Towards audit fee	**12.50**	12.50
	For other services	**7.75**	7.75
	Insurance	**358.44**	324.16
	Rates and Taxes	**270.49**	230.50
	Freight and forwarding	**2,998.42**	2,787.82
	Loss on fixed assets sold/scrapped	**57.47**	367.27
	Provision for doubtful receivables	**27.69**	16.36
	Advances written off	**-**	241.50
	Increase / (decrease) of excise duty on inventory	**-**	3.95
	Referral Charges	**4,057.56**	3,569.14
	Corporate Social Responsibility expense	**5.91**	-
	Miscellaneous expenses	**1,367.98**	1,498.12
		42,933.38	36,306.08

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		Year ended 31st March, 2019	Year ended 31st March, 2018
32.	**Exceptional item**		
a)	Insurance claim received (Refer note.37)	-	922.46
		-	922.46

33. Contingent Liabilities and commitments

Particulars

Contingent liabilities:

A. Disputed Demands under Appeals

i)	Sales Tax	**1,731.25**	1,731.25
ii)	Excise Duty	**245.66**	312.70
iii)	Service Tax	**415.86**	415.86
iv)	Income Tax	**2,982.80**	2,390.00

Demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

v)	Electricity Tax	**1,054.93**	1,054.93

The Tamilnadu Government vide Government Order dated 23rd September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self -generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962".

The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries.

The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15th May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.

In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012.

The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favourable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to ₹1054.93 lakhs. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.

vi)	Cross Subsidy Charge under Group Captive Scheme	**6,130.48**	6,130.48

The Company has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed form various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the Company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the Company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand.This is expected to be disposed off in favour of the power producers.

B. Commitments

Capital commitments	**750.33**	833.42

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

34A. Provision for Contingencies:

Particulars	2018-19	2017-18
Opening Balance	**1,993.10**	165.99
Additions	**309.88**	2,326.47
Reversals/Utilised*	**(13.59)**	(499.36)
Closing Balance	**2,289.39**	1,993.10
Non Current Provision for Contingencies	**2,025.31**	1,761.55
Current Provision for Contingencies	**264.08**	231.55
Total	**2,289.39**	1,993.10

Provisions for Contingencies includes Provision made for litigations with respect to cases pending under Excise Duty, Electricity, Open Space Reservation and Lease Charges.

*The Company had re-assessed the provision for differential excise duty demand of ₹499 Lakhs relating to financial years 2001 - 02 to 2004 - 05 made in the earlier year (FY 2017 - 18) in the light of certain evidences for payment of the original demand submitted to the authorities and accordingly reversed the above provision in compliance with Ind AS 8.

34B. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Principal amount remaining unpaid to suppliers is ₹91.97 lakhs (Refer Note: 19) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. There were no overdue amounts / interest payable to Micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date or any time during the year.

35. Employee benefit plans

a) Defined contribution plans

The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	**For the year**	
	2018-19	2017-18
Contribution to provident fund recognised in profit and loss	**104.91**	89.64

b) Defined benefit plans

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation carried out at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

The details of actuarial valuation in respect of Gratuity are as given below:

	As at 31st March, 2019	As at 31st March, 2018
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value DBO at the beginning of the year	**849.02**	670.54
Service cost	**51.00**	115.82
Interest cost	**61.22**	48.61
Remeasurment(gain)/loss	**92.69**	(7.35)
Actuarial (gain)/loss arising from experience adjustments	**-**	101.40
Benefits paid	**(52.41)**	(80.00)
Present value DBO at the end of the year	**1,001.52**	849.02

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
ii)	**Change in fair value of plan assets during the year:**		
	Fair value of plan assets as at beginning of the year	**531.09**	567.57
	Expected return on planned assets	**39.87**	38.25
	Contributions	**187.20**	-
	Benefits paid	**(51.95)**	(80.00)
	Re-measurement gain/(loss)	**133.01**	5.27
	Fair value of plan asset at the end of the year	**839.22**	531.09
iii)	**Amount recognised in the balance sheet**		
	Present value DBO at the end of the year	**1,001.52**	849.02
	Fair value of the plan assets at the end of the year	**839.22**	531.09
	(Liability) / Asset recognised in the Balance sheet - net	**(162.30)**	(317.93)
iv)	**Components of employer expenses:**		
	Current service cost	**51.00**	115.82
	Interest cost/ (income) on net defined benefit obligation	**21.35**	10.36
	Expense recognised in Statement of Profit and Loss	**72.34**	126.18
v)	**Re-measurement on the net defined benefit obligation**		
	Return on plan assets (excluding interest income)	**52.51**	(5.27)
	Actuarial loss arising from changes in financial assumptions	**(10.83)**	(7.35)
	Actuarial loss arising from changes in experience adjustments	**(82.00)**	101.40
	Re-measurements Expense/(Income) recognised as other comprehensive income	**(40.32)**	88.78
	Total defined benefit cost recognised	**32.02**	214.96

ASSUMPTIONS

The principal assumptions used for the purposes of the actuarial valuations are given below:

	As at 31st March, 2019	As at 31st March, 2018
Discount rate	**7.18%**	7.44%
Salary escalation rate	**5%**	5%
Employee turnover rates	**10%**	10%
Mortality rates *	**IALM 2012-14**	**IALM 2006-08**

* IALM : Indian Assured Lives Moratality modified Ult.

Sensitivity analysis - DBO at the end of the year

		As at 31st March, 2019	As at 31st March, 2018
i	Discount +1%	**961.87**	830.31
ii	Discount -1%	**1,044.74**	868.54
iii	Escalation +1%	**1,044.63**	868.73
iv	Escalation -1%	**961.29**	829.80
v	Mortality x 95%	**848.92**	848.92
vi	Mortality x 105%	**949.11**	949.11
vii	Attrition : 25% increase	**1,011.56**	846.82
viii	Attrition : 25% decrease	**989.10**	851.12

All amounts are in ₹ Lakhs unless otherwise stated

36. Details on derivative instruments and unhedged foreign currency exposures

i. **Outstanding forward exchange contracts entered into by the Company as on 31st March, 2019:** NIL

II. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency	Amount in Foreign Currency	Amount (₹ in lakhs)
Amount receivable in foreign currency - Exports	USD	-	-
	USD	-	-
Amount payable in foreign currency - Imports	USD	89,333	61.77
	USD	(203,819)	(132.82)
	EURO	-	-
	EURO	(1,493)	(1.19)

Figures in brackets are in respect of previous year

37. The Company received ₹ 922.46 Lakhs during the financial year 2017-18 from the Insurers as final settlement against claims made towards material damage and business interruption owing to unprecedented rainfall and consequent floods during December 2015 and January 2016. The same has been disclosed as Exceptional Item.

38. The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment of operation.

39. Financial instruments

(i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and

- Maintain an optimal capital structure to reduce the weighted average cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

(ii) Loan covenants

The Company has no term loans outstanding as on 31st March, 2019.The covenants are restricted to working capital facilities offered by the bankers.

Categories of financial instruments

Particulars	Particulars	
	31st March, 2019	31st March, 2018
A. Financial assets		
Measured at Fair value through profit or loss (FVTPL):		
Security Deposits	**106.68**	120.01
Investments in equity instruments under Group Captive Scheme	**135.72**	318.92
Measured at Amortised cost		
- Cash and bank balances	**8,519.99**	5,854.46
- other financial assets	**7,304.10**	7,340.75
Measured at Cost		
Investments in Equity instruments in subsidiaries	**9,645.13**	9,645.13
	25,711.62	23,279.27
B. Financial liabilities		
Measured at amortised cost (including trade payable balances)	**17,865.70**	21,491.65

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities as at 31st March 2019 is as follows:

Particulars	Total	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in equity instruments	135.72	-	-	135.72
	(318.92)	-	-	(318.92)
Other Investments	106.68	-	-	106.68
	(120.01)	-	-	(120.01)

Figures in brackets relate to previous year.

(iii) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk. The table given below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
a. Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis Credit ratings Financial analysis	Diversification of Short term investments, review of credit limits and credit locks and secured mode of payment
b. Market risk			
i. Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
ii. Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
c. Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The Company's risk management is governed by policies monitored by Risk Management Committee, a sub-committee of the Board and as well approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity in short term Fixed Deposits / Mutual debt funds.

a. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a (i) Trade receivables

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release. Further where required the Company obtains bank guarantee as security for goods sold.

All amounts are in ₹ Lakhs unless otherwise stated

a (ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in deposits with reputed banks and short-term liquid funds

The Company has no exposure to credit risk relating to these cash deposits as at: 31st March 2019.

b Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks .

b (i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters approved by Board of Directors. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum of 12 month period of forecasted receipts and payments. Exposures relating to capital expenditure beyond a threshold are hedged as per Company policy at the time of commitment.

b (ii) Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount not future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107. The Company at the end of March 2019, does not carry any loans with variable interest.

40. Related Party Disclosure (Ind AS - 24)

i) The list of related parties as identified by the Management for disclosure are as under:

A) Joint Venturers	1	Southern Petrochemical Industries Corporation Limited (SPIC)
	2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B) Subsidiaries	1.	Certus Investment and Trading Limited (CITL), Mauritius
	2.	Certus Investment and Trading (S) Private Limited, Singapore
	3.	Proteus Petrochemicals Private Limited, Singapore
C) Associates of Joint Venturers	1.	Manali Petrochemicals limited
	2.	Tuticorin Alkali Chemicals and Fertilizers Ltd.,
	3.	AMCHEM Speciality Chemical Pvt. Ltd., Singapore
D) Post Employment Benefit plan of TPL	1.	TPL Employees Providend Fund Trust
	2.	HCD Employees Providend Fund Trust
	3.	TPL Employees Group Gratuity Scheme Trust
E) Key Management Personnel	1.	Mr. KT Vijayagopal, Whole Time Director (Finance) & CFO
	2.	Mr. D Senthi Kumar, Whole Time Director (Operations)

ii) The following transactions were carried out with the Related Parties.

Particulars	Joint Venturers	Associates of Joint Ventures	Post Employment Benefit plans of TPL	Subsidiaries	Key Managerial Personnel (KMP)
Sale of Goods					
a) SPIC	63.79 (90.16)				
b) MPL		3,048.78 (823.33)			
Sale of services					
a) MPL		13.45 (33.24)			

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plans of TPL	Subsidiaries	Key Managerial Personnel (KMP)
Purchase of goods a) MPL		71.25 (84.22)			
b) TAC		29.05 (20.57)			
Services Availed a) MPL - i) Effluent Line Usage ii) Management services		15.46 (13.33) - (251.17)			
b) AMCHEM Speciality Chemicals		106.03 (47.35)			
Reimbursement of expenses a) SPIC	0.62 (0.49)				
b) MPL		- (2.66)			
c) TAC		3.35 (10.93)			
Remuneration to Key Management Personnel is given below: Short term benefits Other benefits					124.23 (99.76) 7.77 (6.24)
Contributions to PF Trust - TPL Employees PF Trust - HCD Employees PF Trust			73.19 (222.41) 31.73 (68.12)		
Balance outstanding **Trade Receivables** a) SPIC	10.08 (10.15)				
b) MPL Deposit with MPL		1,087.92 (161.67) 168.78 (188.76)			
Other Receivables a) SPIC	- (0.25)				
b) MPL		15.91 (49.82)			
Other payables a) SPIC	0.35 -				
b) MPL		47.45 (322.08)			
c) CITL				9.61 (9.61)	
d) PF Trust - TPL PF Trust - HCD PF Trust			23.58 (18.82) 7.78 (5.56)		

Transactions with related parties in the nature of sale of goods, rendering of service, purchase of goods, procurement of service are at arm's length price.

Figures in brackets relate to previous year.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

41. The Company has leased land and warehouse under operating lease agreements that are renewable on a periodic basis.

Rental expense under this lease is ₹89.83 lakhs for the year ended 31st March 2019 and ₹84.98 lakhs for the year ended 31st March 2018.

Future Minimum Rentals Payable under non-cancellable operating leases are as follows:

Lease Rentals:	**As at 31st March, 2019**	As at 31st March, 2018
Within one year	**97.64**	88.60
After one year, but not more than five years	**28.32**	28.32
Later than five years	**-**	-

42. Earnings per share

Profit after tax	**5,427.49**	5,170.40
Weighted average number of equity shares outstanding	**89,971,474**	89,971,474
Basic and diluted earnings per share- (Face value – ₹10 per share) (in ₹)	**6.03**	5.75

43. Events after the reporting period

The Board of Directors have recommended a dividend of ₹1 per share (10%) on 8,99,71,474 equity shares of ₹10 each for the Financial Year 2018-19 subject to approval of Members at the Annual General Meeting.

44. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 21st May 2019.

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Whole Time Director (Finance) & CFO	Whole Time Director (Operations)
Firm Regn No.002785S	DIN:02341353	DIN:00202578
Mahesh Krishnan		**K Priya**
Partner		Company Secretary
M.No. 206520		M. No. A31383
Place : Chennai		
Date : 21st May, 2019		

CONSOLIDATED FINANCIAL STATEMENTS 2018-19

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **Tamilnadu Petroproducts Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprises the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Consolidated state of affairs of the Group, as at 31st March 2019 and its Consolidated Profit and comprehensive income, the Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for legal and other contractual claims:	Our Response
The Holding Company's operations expose it to the risk of litigation and contractual claims from third parties including statutory authorities. The recognition and valuation of exposure to tax & other legal framework related disputes, demands and claims across various specific matters due to the range of potential expected outcome requires the exercise of management judgement in assessing the amounts recorded and the disclosures made in the financial statements. This depends upon the probability of their incurrence which is a perspective involving management judgement. For those exposures where provision is made, the use of estimates within those provisions gives rise to inherent subjectivity in the amounts recorded in the financial statements. For those exposures where no provision has been made, the obligation to disclose the nature and estimate of its financial impact gives rise to further judgement in the disclosure within the financial statements.	We assessed and tested the judgements made by the management. In particular, we challenged, for example, by assessing against past history or agreeing to supporting evidence and compared against our expectations. Where applicable, we have agreed projected costs against historical cost experience. We have discussed the status of current litigation or regulatory issues with the Holding Company's Legal Counsel and external lawyers throughout our audit process, reviewing correspondence with third parties and related contractual agreements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, Management Discussion and Analysis Report, Report on Corporate Governance. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Consolidated Ind AS Financial

Statements, that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance including Other Comprehensive income, Consolidated cash flows and Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act, read with relevant Rules framed thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the Financial Statements of three Subsidiaries whose Consolidated Financial Statements reflect total assets of ₹.11,326.80 lakhs as at 31st March, 2019 (PY: ₹ 10,416.79 lakhs), total revenue of ₹ 317.50 lakhs for the year ended on that date (PY: ₹ 201.60 lakhs), total net profit after tax of ₹ 275.77 lakhs (PY ₹ 160.87 lakhs), net cash flows amounting to ₹833.72 lakhs (PY ₹190.39 lakhs) and Other Comprehensive Income of NIL (PY- NIL) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The financial statements of these subsidiaries have been audited by other auditors whose report have been furnished to us by the Management of the Holding Company and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters, with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors, as applicable, on the respective Financial Statements and other financial information of the Subsidiaries, incorporated outside India referred in the Other Matters Paragraph above, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

   b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer our report in **Annexure-A**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls with reference to consolidated financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS Financial Statements discloses the impact of pending litigations on the Consolidated Financial position of the Group. Refer Note.No.33 and 34A to the Consolidated Ind AS Financial Statements.

      ii. The Holding Company has certain long-term contracts for which there are no material foreseeable losses. The Holding Company did not have any derivative contracts.

      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. This clause is not applicable in respect of its Subsidiaries.

2. With respect to other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Clause (f) of Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on the Consolidated Ind AS Financial Statements of the Holding Company, for the year ended 31st March, 2019

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group, as of and for the year ended 31st March 2019, we have audited the Internal Financial Controls Over Financial Reporting of **Tamilnadu Petroproducts Limited** (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is incorporated in India, is responsible for establishing and maintaining Internal Financial Controls based on the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s Internal Financial Controls Over Financial Reporting. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness.

Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s Internal Financial Controls Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, adequate Internal Financial Controls over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2019, based on the Internal Controls over Financial Reporting criteria stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May, 2019

TPL

Consolidated Balance Sheet As at 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

ASSETS	Notes	As at 31st March, 2019	As at 31st March, 2018
Non-Current Assets			
a) Property, Plant and Equipment	3A	23,024.94	19,256.19
b) Capital work-in-progress		2,033.68	3,717.34
c) Investment Property	3B	20.68	-
d) Financial assets			
i) Investments :			
Other Investment	4	135.72	318.92
ii) Other financial assets	5	106.68	120.01
e) Other non-current assets	6	787.10	417.89
Total Non-Current Assets		26,108.80	23,830.35
Current assets			
a) Inventories	7	7,876.31	10,589.34
b) Financial assets			
i) Trade Receivables	8	7,165.65	6,657.63
ii) Cash and Cash equivalents	9A	11,313.17	10,479.45
iii) Bank balances other than ii) above	9B	8,516.28	5,776.18
iv) Other financial assets	10	138.45	683.12
c) Other Current assets	11	1,825.35	1,573.44
d) Assets classified as held for sale	12	0.60	21.28
Total Current Assets		36,835.81	35,780.44
TOTAL ASSETS		62,944.61	59,610.79
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	8,997.15	8,997.15
b) Other Equity	14	33,516.94	27,684.81
Total Equity		42,514.09	36,681.96
Liabilities			
Non-Current liabilities			
a) Financial liabilities			
i) Other financial liabilities	15	26.14	21.81
b) Provisions	16	2,509.11	2,426.56
c) Deferred tax liabilities (net)	17	2,536.94	1,427.02
Total non-current liabilities		5,072.19	3,875.39
Current liabilities			
a) Financial liabilities			
i) Borrowings	18	3,986.59	3,599.46
ii) Trade payables			
Total Outstanding dues of Micro & Small Enterprises		91.97	49.14
Total Outstanding dues of creditors other than Micro & Small Enterprises	19	6,451.13	9,921.85
iii) Other current financial liabilities	20	450.13	408.68
b) Provisions	21	4,172.98	4,820.57
c) Other current liabilities	22	205.52	253.74
Total Current liabilities		15,358.32	19,053.44
Total liabilities		20,430.51	22,928.83
TOTAL EQUITY AND LIABILITIES		62,944.61	59,610.79
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

TPL

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operations	23	1,24,532.73	1,08,509.25
Other income	24	1,013.65	931.85
Total Revenue		1,25,546.38	1,09,441.10
EXPENSES			
Cost of Materials consumed	25	67,083.98	58,639.13
Purchase of Stock-in-trade	26	-	1,269.65
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	27	1,777.82	(3,460.64)
Excise duty		-	3,618.87
Employee benefits expense	28	3,580.73	3,204.25
Finance costs	29	685.35	671.82
Depreciation / Amortization Costs	30	1,999.66	2,222.10
Other expenses	31	42,967.60	36,338.34
Total expenses		1,18,095.14	1,02,503.52
Profit before exceptional item and taxes		7,451.24	6,937.58
Exceptional item	32	-	922.46
Profit before tax		7,451.24	7,860.04
Tax expense:			
a) Current tax		2,682.57	1,525.33
b) MAT Credit			
- Entitlement		-	(1,104.56)
- Utilisation		(1,120.67)	-
Deferred tax	17	(11.48)	2,107.99
Provision for tax relating to prior years		197.58	-
Net current tax expense		1,748.00	2,528.76
Profit for the year		5,703.24	5,331.28
Other Comprehensive income			
(i) Items that will not be reclassified to Profit or (Loss)			
Re-measurement of Defined Benefit Liabilities (Net)		40.32	(88.78)
(ii) Items that will be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		630.95	68.23
Total Comprehensive income		6,374.51	5,310.73
Earnings per equity share (in ₹)			
Basic and Diluted		6.34	5.93
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2018	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2019	8997.15

B. Other Equity

	Reserves and Surplus					Other Comprehensive Income		Total
	General Reserve	Securities Premium	Capital Reserve	Other Reserve*	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Liabilities	Exchange Gain/ (Loss) arising on translation of foreign Operations	
Balance as at 1st April 2017	13,859.94	4,611.57	42.23	1,986.18	2,089.55	24.87	(240.26)	22,374.08
Profit for the year	-	-	-	-	5,331.28	-	-	5,331.28
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	(88.78)	-	(88.78)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	68.23	68.23
Balance as at 31st March 2018	13,859.94	4,611.57	42.23	1,986.18	7,420.83	(63.91)	(172.03)	27,684.81
Balance as at 1st April 2018	13,859.94	4,611.57	42.23	1,986.18	7,420.83	(63.91)	(172.03)	27,684.81
Profit for the year	-	-	-	-	5,703.24	-	-	5,703.24
Dividend on Equity Shares	-	-	-	-	(542.38)	-	-	(542.38)
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	40.32	630.95	671.27
Balance as at 31st March 2019	13,859.94	4,611.57	42.23	1,986.18	12,581.69	(23.59)	458.92	33,516.94

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on 1st April 2016.

This is the Statement of Changes in Equity referred to in our report of even date.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

TPL

Consolidated Cash Flows Statement for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		Year ended 31st March, 2019		Year ended 31st March, 2018	
A	**Cash flow from operating activities:**				
	Profit before tax		**7,451.24**		7,860.04
	Adjustments for				
	Depreciation / Amortization Costs	**1,999.66**		2,222.10	
	Loss on fixed assets sold/scrapped	**57.47**		367.27	
	Finance costs	**685.35**		671.82	
	Interest income	**(754.96)**		(423.33)	
	Income from Mutual funds	**(3.10)**			
	Provision for doubtful receivables	**27.69**		16.36	
	Employee benefit obligation	**40.32**		(88.78)	
	Exchange differences in translating the financial statements of foreign operations	**630.95**		68.23	
			2,683.38		2,833.67
	Operating profit before working capital changes		**10,134.62**		10,693.71
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**2,713.03**		(3,522.21)	
	Trade receivables	**(535.71)**		146.57	
	Other financial assets	**597.16**		(297.56)	
	Other assets	**(473.31)**		1,309.38	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**(3,427.90)**		32.05	
	Provision and other current liabilities	**278.67**		2,036.05	
	Other financial liabilities	**53.33**		39.71	
			(794.73)		(256.01)
	Cash generated from operations		**9,339.89**		10,437.70
	Net income tax (paid)		**(1,529.96)**		(2,205.94)
	Net cash flow from / (used in) operating activities (A)		**7,809.93**		8,231.76
B	**Cash flow from investing activities:**				
	Payments to acquire property, plant and equipment, including capital advances	**(4,290.07)**		(2,360.19)	
	Investments in / (Sale of) Equity shares	**183.20**		(278.04)	
	Investments in Fixed deposits with Bank	**(3,711.18)**		(3,754.36)	
	Interest received - others	**715.80**		387.83	
	Income from Mutual funds	**3.10**			
	Bank balances not considered as cash and cash equivalents	**971.07**		(802.79)	
			(6,128.08)		(6,807.55)
	Net cash flow from / (used in) investing activities (B)		**(6,128.08)**		(6,807.55)

Consolidated Cash Flows Statement for the year ended 31st March, 2019 (continued)

All amounts are in ₹ Lakhs unless otherwise stated

		Year ended 31st March, 2019		Year ended 31st March, 2018	
C	**Cash flow from financing activities:**				
	Repayment of long-term borrowings	-		(216.16)	
	Net increase / (decrease) in working capital borrowings	**387.14**		(331.74)	
	Finance costs	**(685.35)**		(671.82)	
	Dividends paid	**(549.92)**		(14.10)	
			(848.13)		(1,233.82)
	Net cash from / (used in) financing activities (C)		**(848.13)**		(1,233.82)
	Net cash flows during the year (A+B+C)		**833.72**		190.39
	Cash and cash equivalents at the beginning of the year		**10,479.45**		10,289.06
	Cash and cash equivalents at the end of the year (Refer Note 9A)		**11,313.17**		10,479.45
	Net increase / (decrease) in cash and cash equivalents		**833.72**		190.39

The above Cash Flow Statement has been prepared under the " indirect method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow

The accompanying notes form an integral part of financial statements

In terms of our report attached

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

1. **General Information:**

Tamilnadu Petroproducts Limited (TPL) is a Public Limited Company incorporated and domiciled in India, jointly promoted by Southern Petrochemicals Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO) and listed with National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd.(BSE). The registered office of the Group is situated at Chennai, Tamilnadu India.

The consolidated financial statements comprise the TPL and its subsidiaries (referred to collectively as the “Group”).

The details of subsidiaries, jointly controlled entity and associates of the Company are as given below

Name of the Company	Relationship	Country of incorporation	Proportion of ownership interest	Accounts drawn upto/whether audited
Certus Investment and Trading Ltd	Subsidiary	Mauritius	100 %	31.03.2019 audited
Certus Investment and Trading(S) Pvt Ltd*	Subsidiary	Singapore	100 %	31.03.2019 audited
Proteus Petrochemical Pvt Ltd*	Subsidiary	Singapore	100 %	31.03.2019 audited

*Shareholding is through Certus Investment & Trading Limited

TPL Group manufactures and sells mainly petrochemical products viz., Linear Alkyl Benzene (LAB) and Caustic Soda Lye.

2. **Significant accounting policies:**

2.1 Statement of compliance:

The financial statements in all its material aspects have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under sec.133 of the Companies Act, 2013(“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

All amounts included in the financial statements are reported in Indian Rupees Lakhs and have been rounded off to nearest decimal of Lakhs.

2.2 Basis of preparation and presentation:

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Parent Group functional currency. The financial statements of the Group have been prepared on historical cost convention and on accrual basis under the historical cost convention except for the following material items that have been measured at fair value as required by the relevant Accounting Standard:

i. Certain financial assets and liabilities measured at fair value

ii. Defined benefit plan and long tern employee benefits

The accounting policies have been consistently applied over all the periods presented in the financial statements.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months’ period from the balance sheet date.

Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value or measurement and/or disclosure purposes in these separate financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or a liability.

Use of Estimates:

In the application of the Group's accounting policies the Management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The areas involving critical estimates or judgments are:

i. **Depreciation and amortization:** Depreciation and amortization is based on management estimates of the future useful life and residual value of certain class of property, plant and equipment and intangible assets. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

ii. **Employee Benefits:** The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. Actuarial gains/losses relating to defined benefit obligation is recognized in Other Comprehensive income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

iii. **Provision and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv. **Estimation of net realizable value of inventories:** Inventories are stated at the lower of cost or net realizable value. In estimating the net realizable value of inventories, the Group makes an estimate of future selling prices and cost necessary to make the sale.

v. **Fair valuation:** Fair value is the market based measurement of observable market transaction or available market information.

vi. **Taxes:** Significant judgments are required in determining the provision for taxes including the amount expected to be paid/ recovered for uncertain tax positions

2.3 Basis of consolidation:

a) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist.

b) Foreign currency translation

The consolidated financial statements are presented in Indian Rupee, which is the TPL's functional and presentation currency and include the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the entity operates (i.e. their functional currency) and translated as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates

- All resulting exchange differences are recognized in other comprehensive income

The principal accounting policies are set out below:

2.4 Revenue recognition:

Accounting Policy on Revenue recognition

The Company derives revenue primarily from sale of industrial intermediate chemicals viz Linear Alkyl Benzene, Caustic Soda Lye and its Derivatives, besides Propylene Oxide. Revenue is measured at the fair value of the consideration received or receivable.

The Company adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For sale of manufactured/traded products of the Company, the performance obligation is satisfied as and when the customer generally obtains control of the goods despatched.

In the absence of any specific performance obligation post sale of products, the Company recognizes revenue when there is no uncertainty as to measurement or collectability of the consideration.

Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

Disclosure under Ind AS 115

General:

The entire revenue from operations for the year ended 31st March 2019 and 31st March 2018 related to revenue from sale of industrial intermediate chemicals manufactured by the Company.

Disaggregation of revenue:

Revenue earned by the Company is disaggregated by its sources based on geographical location as disclosed in Note 23 to the financial statements.

Information about contract balances

The Company classifies the right to consideration as trade receivables.

Trade receivables are amounts billed to the customer, when control on goods sold are effectively passed on to the customers. Trade receivables is net of allowances for doubtful debts in the Balance Sheet.

Application of Ind AS 115, "Revenue from contract with customers" did not have any impact on the contracts for sale of goods serviced by the Company during the year ended 31st March 2019.

2.5 Recent accounting pronouncements

The following accounting standards / amendments to accounting standards are issued but not effective as at 31st March 2019

Ind AS 116 – Leases

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared to the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognize the cumulative impact of retrospective accounting against the opening balance of retained earnings at the date of initial application.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings, on the date of initial application (1st April 2019). Accordingly, the comparatives for the year ended 31st March 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant.

Ind AS 12 – Accounting for taxes on income

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognise the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognised the same . The amendment is effective from financial periods beginning on or after 1st April 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April 2019. The Company will adopt the amendments to the standard on 1st April 2019 and has decided to adjust the cumulative effect in equity on 1st April 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Ind AS 19 – Employee Benefits

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Company does not have any impact on account of this amendment.

2.6 Foreign currencies:

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.7 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expensed in the period in which they are incurred.

2.8 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

2.8.1 Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

With regard to PF contribution made by the Group to a Self-Administered Trust, Group is liable for any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contribution and shortfall, if any, as an expense in the year incurred.

2.8.2 Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.3 Short-term employee benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognized as an expense as per Group's schemes based on expected obligation on an undiscounted basis.

2.8.4 Other long-term employee benefits:

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.9 Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.10 Taxation

Income tax expense comprises current tax and deferred income tax.

- **Current tax**

  Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

- **Deferred tax**

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets include unused tax credits.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- **Current and deferred tax for the year**

  Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

  Deferred income taxes are not recognized on undistributed earnings of subsidiaries where it is expected that earnings of subsidiaries will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

  The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.11 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

i) Plant and Machinery used in Propylene Oxide plant – 20 years

ii) Furniture and Fixture – 5 years

Each major part of property, plant and equipment with a cost that is significant in relation to its total cost of the item is depreciated separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated. Leasehold land and leasehold improvements are amortized over the period of lease.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

2.11.1 Intangible Assets:

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Research costs are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible assets with finite useful life are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. An intangible asset with an indefinite useful life is not amortized.

The amortization period and the amortization method for intangible assets are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

2.12 Impairment of assets:

The Group assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Group estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognized. The recoverable amount is the higher of the fair value less its cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount factor.

Investments in subsidiaries and associates are reviewed for impairment if there is an indication that carrying amount may not be recoverable.

Impairment losses, if any, are recognized in the statement of profit and loss and included in the depreciation and amortization expense when there is indication that previously recognized impairment loss no longer exists or may have decreased due to change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such reversal of impairment loss is recognized in the statement of profit or loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Inventories:

Raw materials and other inventories are valued at lower of cost or net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

- Raw material, Stores and spares and packing materials – Weighted average cost.
- Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
- Stock-in-trade – Weighted average cost

Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

Fixed overheads are allocated on the basis of normal production facilities.

Goods in transit are stated at actual cost incurred up to the reporting date.

2.14 Exceptional item:

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognized only when there is a present obligation (legal and constructive) as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognized. It is disclosed only when the inflow of economic benefits is probable.

2.16 Financial instruments:

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.17 Financial assets:

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.18 Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for Fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.19 Effective interest method:

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

2.20 Investments in subsidiaries:

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.21 Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

2.22 Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.23 Impairment of financial assets:

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.24 Derecognition of financial assets:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2.25 Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

2.26 Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the ‘Other income’ line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Leases:

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight- line basis in the Statement of Profit and Loss over the lease term.

Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Events after Reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at 31st March, 2019	As at 31st March, 2018
3A. Property, plant and equipment and capital work-in-progress		
Land	**1,687.33**	1,687.33
Buildings	**692.39**	792.34
Plant and Machinery	**20,597.10**	16,673.94
Furniture and Fixtures	**8.94**	16.32
Office Equipments	**29.45**	74.41
Vehicles	**9.73**	11.85
	23,024.94	19,256.19

Particulars	Land	Buildings	Plant & machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March 2017 (Deemed cost)	1,708.61	1,029.02	20,298.13	24.05	55.57	15.93	23,131.31
Additions	-	-	222.01	-	61.32	-	283.33
Disposals	-	(16.58)	(445.38)	-	(0.98)	-	(462.94)
Reclassified as held for sale	(21.28)	-	-	-	-		(21.28)
Balance at 31st March 2018	**1,687.33**	**1,012.44**	**20,074.76**	**24.05**	**115.91**	**15.93**	**22,930.42**
Additions	-	-	5,824.64	-	2.43	-	5,827.07
Disposals	-	-	(205.68)	-	(5.92)	-	(211.60)
Reclassified as held for sale	-	-	-	-	-	-	-
Balance at 31st March 2019	**1,687.33**	**1,012.44**	**25,693.72**	**24.05**	**112.42**	**15.93**	**28,545.89**

Accumulated Depreciation and Impairment	Land *	Buildings	Plant & machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March 2017	-	66.62	1,460.86	2.92	15.44	1.96	1,547.80
Depreciation expense	-	161.45	2,026.77	4.81	26.95	2.12	2,222.10
Eliminated on disposals	-	(7.97)	(86.81)	-	(0.89)	-	(95.67)
Balance at 31st March 2018	**-**	**220.10**	**3,400.82**	**7.73**	**41.50**	**4.08**	**3,674.23**
Depreciation expense	-	99.95	1,844.01	7.38	46.20	2.12	1,999.66
Eliminated on disposals	-	-	(148.21)	-	(4.73)	-	(152.94)
Balance at 31st March 2019	-	320.05	5,096.62	15.11	82.97	6.20	5,520.95
Carrying amount at 31st March 2019	1,687.33	692.39	20,597.10	8.94	29.45	9.73	23,024.94

* Includes 18 acres land at Manali, Chennai of value ₹122.04 lakhs categorized as 'Land acquired by Tamilnadu Government' under Urban Land Ceiling Act. Writ petition filed by the Company challenging the proposed move by Government of Tamilnadu is pending adjudication before Honourable High Court of Madras.

Capital work in progress movement	Total
Balance at 1st April 2017	1,527.37
Additions during the year	2,232.35
Capitalised during the year	(42.38)
Balance at 31st March 2018	**3,717.34**
Additions during the year	854.71
Capitalised during the year	(2,538.37)
Balance at 31st March 2019	**2,033.68**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
3B	**Investment Property**		
	Land at Puducherry	**20.68**	-
		20.68	-

Fair value is ₹ 80 lakhs.

The Company has no restrictions on the disposal of its Investment Property and no contractual obligations to purchase, construct or develop or for repairs, maintenance and enhancements of the Investment Properties.

Land at Puducherry		
Rental Income (A)	**-**	-
Direct operating expenses, that generated rental income. (B)	**-**	-
Direct operating expenses, that did not generated rental income. (C)	**16.13**	17.03
Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C)	**(16.13)**	(17.03)
Depreciation (D)	**-**	-
Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C)-(D)	**(16.13)**	(17.03)

4 Investments

Non-current investments:

(A) Other Investments:

(a)	1,00,000 Equity shares of ₹10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited)	**16.93**	16.93
(b)	Ushdev Engitech Limited 22,463 Equity Shares of ₹10 each fully paid up	**2.24**	2.24
(c)	Watsun Infrabuild Private Limited. 7,50,141 (31st March 2018: 26,79,941 Equity shares of ₹10 each fully paid up	**75.01**	267.99
(d)	OPG Power Generation Private Limited 1,76,000 (31st March 2018: 2,76,200) Equity shares of ₹10 each fully paid up	**20.24**	31.76
(e)	AM Foundation 1,600 Equity shares of ₹10 each fully paid up	**0.16**	-
(f)	IL&FS Financial Services Limited 3,600 Units of Re.1 each fully paid up	**0.04**	-
(g)	Nagai Power Private Limited 2,11,000 Equity shares of ₹10 each fully paid up	**21.10**	-
	Total - Other investments (B)	**135.72**	318.92
	Aggregate amount of unquoted investments (A+B)	**135.72**	318.92

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Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
5	**Other financial assets**		
	Security deposits	**81.10**	88.64
	Deferral deposit	**25.58**	31.37
		106.68	120.01
6	**Other Non-Current assets**		
	Capital advances	**261.61**	113.80
	Security deposits	**525.49**	304.09
		787.10	417.89
7	**Inventories**		
	Inventories		
	- Raw materials	**2,903.16**	3,703.96
	-Work-in-progress	**1,398.94**	101.42
	-Finished goods	**1,051.14**	4,126.48
	-Stores and spares	**2,523.07**	2,657.48
		7,876.31	10,589.34
	Inventories are valued at lower of cost or net realisable value		
8	**Trade receivables (Unsecured)**		
	Considered good	**7,165.65**	6,657.63
	Doubtful	**77.78**	50.09
	Allowance for doubtful debts	**(77.78)**	(50.09)
		7,165.65	6,657.63

a) Trade receivables are generally due between 0 and 30 days. The terms of sale include charging of interest for delayed payment beyond agreed credit days. However, the Company charges interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

b) Two customers lift more than 10% of the total value of the turnover.

		As at 31st March, 2019	As at 31st March, 2018
9A	**Cash and Cash equivalents**		
	Balances with Banks		
	- In current accounts	**11,312.55**	10,478.31
	- Cash on hand	**0.62**	1.14
		11,313.17	10,479.45
9B	**Bank balances other than above**		
	Margin money deposits	**960.28**	1,923.81
	Unclaimed dividend account (Refer note 20)	**36.73**	44.28
	Other Fixed deposits #	**7,519.27**	3,808.09
		8,516.28	5,776.18
	Total	**19,829.45**	16,255.63

represents deposits with original maturity of more than three months.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
10	**Other Financial Assets**		
	Security deposits	**18.56**	33.53
	Loans and advances to employees	**-**	0.59
	Balances with Government Authorities		
	(i) GST credit receivable	**30.67**	591.50
	(ii) Customs duty	**-**	5.76
	Interest accrued on Deposits	**74.66**	35.50
	Other loans and advances	**14.56**	16.24
		138.45	683.12
11	**Other Current assets**		
	Advances given to Suppliers	**1,552.21**	974.28
	Prepaid expenses	**192.45**	327.02
	Balances with Customs, Sales tax and Excise Authorities	**80.69**	272.14
		1,825.35	1,573.44
12	**Assets classified as held for Sale**		
	Asset held for sale- Land *	**0.60**	21.28
		0.60	21.28
	* Represents Land at Gujarat; Puducherry Land reclassified under Investment Property		
13	**Equity Share Capital**		
	Authorised Share capital		
	200,000,000 (as at 31st March 2018: 200,000,000) fully paid equity shares of ₹10 each with voting rights	**20,000.00**	20,000.00
	Issued		
	89,976,899 (as at 31st March 2018: 89,976,899) equity shares of ₹10 each with voting rights	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 (as at 31st March 2018: 89,971,474) equity shares of ₹10 each with voting rights	**8,997.15**	8,997.15
		8,997.15	8,997.15

13.01 In December 1993, the Company came out with Rights cum Public Issue of Equity Shares. The difference between issued and subscribed capital of 5,425 shares (previous year 5,425 shares) is due to said shares kept in abeyance under Section 126 of the Companies Act, 2013.

13.02 There has been no movement in the Share Capital during the period. The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held.

	Number of shares	Amount
Balance as at 1st April 2017	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March 2018	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March 2019	89,971,474	8,997.15

Fully paid equity shares, which have a par value of ₹10, carry one vote per share and carry a right to dividends.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

13.03 Details of shares held by each shareholders holding more than 5% shares:

	As at 31st March, 2019		As at 31st March, 2018	
	No.of shares held	% of holding	No.of shares held	% of holding
Fully paid equity shares				
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	17.61	15,843,751	17.61
Southern Petrochemical Industries Corporation Limited	**15,234,375**	16.93	15,234,375	16.93
Sri Kesavan Advisory Services Private Limited	**-**	-	6,682,862	7.43

13.04 Dividend of ₹1 per share is proposed for the year ended 31st March 2019. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, upon which the liability will be recorded in the books.

14 Other Equity

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
I. Reserves and Surplus		
A. General reserve	**13,859.94**	13,859.94
B. Securities premium	**4,611.57**	4,611.57
C. Capital reserve	**42.23**	42.23
D. Other Reserve	**1,986.18**	1,986.18
E. Surplus in Statement of Profit and Loss	**12,581.69**	7,420.83
II. Other Comprehensive income		
F. Remeasurement of Defined Benefit Liabilities	**(23.59)**	(63.91)
G. Exchange Gain/(Loss) arising on translation of foreign Operations	**458.92**	(172.03)
	33,516.94	27,684.81

A. General reserve		
Balance at beginning of year	**13,859.94**	13,859.94
Movements	**-**	-
Balance at end of year	**13,859.94**	13,859.94
B. Securities premium		
Balance at beginning of year	**4,611.57**	4,611.57
Movements	**-**	-
Balance at end of year	**4,611.57**	4,611.57
C. Capital reserve		
Balance at beginning of year	**42.23**	42.23
Movements	**-**	-
Balance at end of year	**42.23**	42.23
D. Other Reserve*		
Balance at beginning of year	**1,986.18**	1,986.18
Movements	**-**	-
Balance at end of year	**1,986.18**	1,986.18

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on 1st April 2016.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
E.	**Surplus in Statement of Profit and Loss**		
	Opening balance	**7,420.83**	2,089.55
	Add: Profit for the year	**5,703.24**	5,331.28
	Less: Dividend for 2017-18	**(449.91)**	-
	Less: Dividend Distribution Tax	**(92.47)**	-
	Closing balance	**12,581.69**	7,420.83
F.	**Re-measurement of Defined Benefit Liabilities**		
	Opening balance	**(63.91)**	24.87
	Movements	**40.32**	(88.78)
	Closing balance	**(23.59)**	(63.91)
G.	**Exchange Gain/(Loss) arising on translation of foreign Operations**		
	Opening balance	**(172.03)**	(240.26)
	Movements	**630.95**	68.23
	Closing balance	**458.92**	(172.03)
15	**Other financial liabilities**		
	Security deposit received	**9.21**	4.89
	Other payables*	**16.93**	16.93
		26.14	21.81

* Represents advance received against disposal of equity interests (100,000 equity shares) in SEPC Power (Private) Limited upon completion of power project.

16	**Provisions**		
	Provision for:		
	Compensated absences	**321.51**	347.09
	Gratuity payable	**162.29**	317.92
	Contingencies	**2,025.31**	1,761.55
		2,509.11	2,426.56
17	**Deferred tax balances**		
	Deferred tax liabilities in relation to :		
	Property, plant and equipment	**3,795.55**	3,844.72
		3,795.55	3,844.72
	Deferred tax assets in relation to :		
	Employee benefits	**153.55**	130.12
	Allowance for doubtful debts	**27.18**	17.50
	Expenses allowable on payment basis	**742.00**	812.80
		922.73	960.42
	Deferred Tax	**2,872.82**	2,884.30
	Opening	**2,884.30**	776.31
	For the year	**(11.48)**	2,107.99
	For the period based on effective tax rate method	**(11.48)**	2,107.99
	Closing	**2,872.82**	2,884.30
	MAT Credit Entitlement	**335.88**	1,457.28
	Deferred tax liabilities (net)	**2,536.94**	1,427.02

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Reconciliation between book and taxable profits

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before Tax	**7,451.24**	7,860.04
Enacted tax rates in India	**34.94%**	21.34%
Computed expected tax expense	**2,511.94**	1,543.22
Tax effect of non deductible expenses	**170.63**	(17.89)
Income tax expense	**2,682.57**	1,525.33
Minimum Alternate Tax Credit	**(1,120.67)**	(1,104.56)
Income Tax Expense for the year	**1,561.90**	412.30
Tax Provisions relating to earlier years*	**197.58**	-

*Income tax expense for current year includes ₹197.58 lakhs on account of adjudication of disputed matters.

The applicable Indian corporate statutory tax rate for the year ended 31.3.2019 and 31.3.2018 are 34.94% and 21.34% respectively.

For the year ended 31.3.2018, the Company was liable to pay tax under minimum alternate tax regime under sec.115JB of the Income Tax Act. For the year ended 31.3.2019, income tax was payable under normal tax provisions resulting in increased tax rate.

18 Borrowings

Secured		
Loan repayable on demand from Banks	**3,986.59**	3,599.46
Total current borrowings	**3,986.59**	3,599.46

Working capital loans are secured by hypothecation of inventories both on hand and in transit, book debts and other receivables, both present and future and further secured by way of mortgage by deposit of title deeds of immovable properties, both present and future, on second charge basis ranking pari passu amongst them.

The above loans carry varying rates of interests with the maximum rate of interest being 14.20% (As at 31 March 2018: 15.10%) per annum. The weighted average rate of interest of these loans is 12.78% (2017-18: 12.86%) per annum.

19 Trade payables

Acceptances	**-**	586.73
Trade payables		
(i) dues to Micro and Small Enterprises (Refer note 34B)	**91.97**	49.14
(ii) dues to other than Micro and Small Enterprises	**6,257.83**	8,995.10
(iii) dues towards capital commitments	**183.69**	330.41
(iv) dues to related parties	**9.61**	9.61
	6,543.10	9,970.99

20 Other Current Financial Liabilities

Interest accrued but not due	**-**	0.95
Unclaimed dividends *	**36.73**	44.28
Deposits	**10.00**	10.00
Others	**403.41**	353.45
	450.13	408.68
* Amount to be credited to Investor Education and Protection Fund	**Nil**	Nil

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
21	**Provisions**		
	Provision for:		
	(a) Employee Benefits		
	(i) Compensated absences	**117.91**	76.11
	(ii) Others	**348.00**	178.00
	(b) Provision for taxation (Net of Advance)	**3,442.99**	4,334.91
	(c) Contingencies	**264.08**	231.55
		4,172.98	4,820.57
22	**Other Current Liabilities**		
	Other Payables		
	Statutory remittances due	**181.07**	137.96
	Others	**24.45**	115.78
		205.52	253.74

23. Revenue from operations

	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of products	**1,24,141.96**	1,08,158.63
Sale of services	**13.93**	24.40
Other operating revenues	**376.84**	326.22
	1,24,532.73	1,08,509.25
Less: Excise Duty	**-**	3,618.87
	1,24,532.73	1,04,890.38
Sale of services comprise		
Effluent Treatment / Hydrogen Testing / Storage	**-**	12.49
Others	**13.93**	11.91
Total - Sale of Services	**13.93**	24.40
Other operating revenue comprises		
Scrap sales	**376.84**	326.22
Total - Other operating revenue	**376.84**	326.22

Basis on which the entity identifies the fulfillment of performance obligations

Upon Shipment (Ex-works)	9,000.86
Upon Delivery (FOR Sales)	115,141.10

Payment Terms (• Generally between 0 and 30 days. Refer note 8 a)

Reconciliation of the amount of revenue recognised in Statement of Profit & Loss with discount etc. given to customers

Particulars		
Gross Revenue	**1,29,806.35**	1,17,621.22
Less : Discounts	**5,273.62**	9,111.97
Total	**1,24,532.73**	1,08,509.25

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
Disaggregation of Revenue		
Revenue by Product Lines		
LAB	**1,03,437.38**	92,899.93
Caustic Soda Lye	**13,751.59**	12,212.98
Chlorine and its Dervatives	**5,375.81**	3,045.72
Propylene Oxide	**1,577.18**	-
Total	**1,24,141.96**	1,08,158.63
Revenue by Geographical Region		
India	**1,24,141.96**	1,07,774.50
Others	**-**	384.13
Total	**1,24,141.96**	1,08,158.63
Revenue by timing of transfer of goods/services		
At a point in time		
(i) Product line	**1,24,141.96**	1,08,158.63
(ii) Others	**390.77**	350.62
Over a period of time	**-**	-
Total	**1,24,532.73**	1,08,509.25

24. Other income

Interest		
From bank deposits	**728.78**	204.21
From others	**26.18**	219.12
Dividend income from long term investment	**-**	0.05
Profit on sale of assets (net)	**0.81**	-
Rental income from operating leases	**0.79**	-
Insurance claim received	**250.08**	489.52
Others	**7.01**	18.95
	1,013.65	931.85

25. Cost of materials consumed

Opening stock	**3,703.96**	3,892.18
Add: Purchases	**66,283.18**	58,450.91
	69,987.14	62,343.09
Less: Closing Stock	**2,903.16**	3,703.96
Cost of material consumed	**67,083.98**	58,639.13
Material consumed comprises:		
Kerosene	**37,317.28**	27,728.47
Benzene	**19,009.77**	19,965.02
Normal Paraffin	**8,150.23**	9,673.14
Propylene	**819.17**	-
Salt	**1,162.96**	1,078.71
others	**624.57**	193.79
	67,083.98	58,639.13

26. Purchase of Stock in trade

Linear Alkyl Benzene	**-**	1,269.65
	-	1,269.65

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		Year ended 31st March, 2019	Year ended 31st March, 2018
27.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year		
	Finished goods	**1,051.14**	4,126.48
	Work-in-progress	**1,398.94**	101.42
		2,450.08	4,227.90
	Inventories at the beginning of the year		
	Finished goods	**4,126.48**	467.33
	Work-in-progress	**101.42**	299.93
		4,227.90	767.26
		1,777.82	(3,460.64)
28.	**Employee benefits expense**		
	Salaries and wages	**2,833.85**	2,346.62
	Contributions to provident and other funds	**356.84**	428.26
	Staff welfare expenses	**390.04**	429.37
		3,580.73	3,204.25
29.	**Finance costs**		
	Interest expense on borrowings	**502.10**	426.07
	Interest expense on tax demand relating to earlier years	**-**	78.13
	Bank charges	**183.25**	167.62
		685.35	671.82

30. Depreciation /Amortization

	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation for the year	**1,999.66**	2,222.10
	1,999.66	2,222.10

31. Other expenses

Consumption of stores and spare parts	**3,884.33**	3,333.02
Utilities consumed	**782.22**	438.27
Power and fuel	**26,172.87**	20,604.07
Renewable Energy Power Obligation (RPO)	**296.76**	1,163.39
Rent including lease rentals	**164.71**	166.18
Repairs to buildings	**327.73**	351.32
Repairs to machinery	**2,140.55**	1,190.76
Payment to Auditors:		
Towards audit fee	**14.52**	14.76
For other services	**7.75**	7.75
Insurance	**358.44**	324.16
Rates and Taxes	**270.49**	230.50
Freight and forwarding	**2,998.42**	2,787.82
Loss on fixed assets sold/scrapped	**57.47**	367.27
Provision for doubtful receivables	**27.69**	16.36
Advances written off	**-**	241.50
Increase / (decrease) of excise duty on inventory	**-**	3.95
Referral Charges	**4,057.56**	3,569.14
Corporate Social Responsibility expense	**5.91**	-
Miscellaneous expenses	**1,400.18**	1,528.12
	42,967.60	36,338.34

32. Exceptional item

a) Insurance claim received (Refer note.37)	**-**	922.46
	-	922.46

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

33. Contingent Liabilities and commitments

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contingent liabilities:		
A. Disputed Demands under Appeals		
i) Sales Tax	**1,731.25**	1,731.25
ii) Excise Duty	**245.66**	312.70
iii) Service Tax	**415.86**	415.86
iv) Income Tax	**2,982.80**	2,390.00

Demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

v) Electricity Tax	**1,054.93**	1,054.93

The Tamilnadu Government vide Government Order dated 23rd September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self - generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962".

The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries.

The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15th May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.

In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012.

The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favourable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to ₹1054.93 lakhs. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.

vi) Cross Subsidy Charge under Group Captive Scheme	**6,130.48**	6,130.48

The Company has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed form various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the Company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the Company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand.This is expected to be disposed off in favour of the power producers.

B. Commitments

Capital commitments	**750.33**	833.42

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

34A. Provision for Contingencies:

Particulars	2018-19	2017-18
Opening Balance	1,993.10	165.99
Additions	309.88	2,326.47
Reversals/Utilised*	(13.59)	(499.36)
Closing Balance	2,289.39	1,993.10
Non Current Provision for Contingencies	2,025.31	1,761.55
Current Provision for Contingencies	264.08	231.55
Total	**2,289.39**	1,993.10

Provisions for Contingencies includes Provision made for litigations with respect to cases pending under Excise Duty, Electricity, Open Space Reservation and Lease Charges.

*The Company had re-assessed the provision for differential excise duty demand of ₹499 Lakhs relating to financial years 2001 - 02 to 2004 - 05 made in the earlier year (FY 2017 - 18) in the light of certain evidences for payment of the original demand submitted to the authorities and accordingly reversed the above provision in compliance with Ind AS 8.

34B. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development

Principal amount remaining unpaid to suppliers is ₹91.97 lakhs (Refer Note: 19) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. There were no overdue amounts / interest payable to Micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date or any time during the year.

35. Employee benefit plans

a) Defined contribution plans

The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	For the year	
	2018-19	2017-18
Contribution to provident fund recognised in profit and loss	**104.91**	89.64

b) Defined benefit plans

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation carried out at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

The details of actuarial valuation in respect of Gratuity are as given below:

		As at 31st March, 2019	As at 31st March, 2018
i)	**Change in Defined Benefit Obligation (DBO) during the year:**		
	Present value DBO at the beginning of the year	**849.02**	670.54
	Service cost	**51.00**	115.82
	Interest cost	**61.22**	48.61
	Remeasurment(gain)/loss	**92.69**	(7.35)
	Actuarial (gain)/loss arising from experience adjustments	**-**	101.40
	Benefits paid	**(52.41)**	(80.00)
	Present value DBO at the end of the year	**1,001.52**	849.02
ii)	**Change in fair value of plan assets during the year:**		
	Fair value of plan assets as at beginning of the year	**531.09**	567.57
	Expected return on planned assets	**39.87**	38.25
	Contributions	**187.20**	-
	Benefits paid	**(51.95)**	(80.00)
	Re-measurement gain/(loss)	**133.01**	5.27
	Fair value of plan asset at the end of the year	**839.22**	531.09

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

		As at 31st March, 2019	As at 31st March, 2018
iii)	**Amount recognised in the balance sheet**		
	Present value DBO at the end of the year	**1,001.52**	849.02
	Fair value of the plan assets at the end of the year	**839.22**	531.09
	(Liability) / Asset recognised in the Balance sheet - net	**(162.30)**	(317.93)
iv)	**Components of employer expenses:**		
	Current service cost	**51.00**	115.82
	Interest cost/ (income) on net defined benefit obligation	**21.35**	10.36
	Expense recognised in Statement of Profi t and Loss	**72.34**	126.18
v)	**Remeasurement on the net defined benefit obligation**		
	Return on plan assets (excluding interest income)	**52.51**	(5.27)
	Actuarial loss arising from changes in financial assumptions	**(10.83)**	(7.35)
	Actuarial loss arising from changes in experience adjustments	**(82.00)**	101.40
	Re-measurements Expense/(Income) recognised as other comprehensive income	**(40.32)**	88.78
	Total defined benefit cost recognised	**32.02**	214.96

Assumptions

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	**7.18%**	7.44%
Salary escalation rate	**5%**	5%
Employee turnover rates	**10%**	10%
Mortality rates *	**IALM 2012-14**	IALM 2006-08

* IALM : Indian Assured Lives Moratality modified Ult.

Sensitivity analysis - DBO at the end of the year

		As at 31st March, 2019	As at 31st March, 2018
i	Discount +1%	**961.87**	830.31
ii	Discount -1%	**1,044.74**	868.54
iii	Escalation +1%	**1,044.63**	868.73
iv	Escalation -1%	**961.29**	829.80
v	Mortality x 95%	**848.92**	848.92
vi	Mortality x 105%	**949.11**	949.11
v	Attrition : 25% increase	**1,011.56**	846.82
vi	Attrition : 25% decrease	**989.10**	851.12

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

36. Details on derivative instruments and unhedged foreign currency exposures

i. Outstanding forward exchange contracts entered into by the Company as on 31st March, 2019: NIL

ii. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency	Amount in Foreign Currency	Amount (₹ in lakhs)
Amount receivable in foreign currency - Exports	USD	-	-
	USD	-	-
Amount payable in foreign currency - Imports	USD	89,333	61.77
	USD	(2,03,819)	(132.82)
	EURO	-	-
	EURO	(1,493)	(1.19)

Figures in brackets are in respect of previous year

37 The Company received ₹ 922.46 Lakhs during the financial year 2017-18 from the Insurers as final settlement against claims made towards material damage and business interruption owing to unprecedented rainfall and consequent floods during December 2015 and January 2016. The same has been disclosed as Exceptional Item.

38 The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment of operation.

39. Financial instruments

(i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and

- Maintain an optimal capital structure to reduce the weighted average cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

(ii) Loan covenants

The Company has no term loans outstanding as on 31st March, 2019.The covenants are restricted to working capital facilities offered by the bankers.

Categories of financial instruments

Particulars	**Particulars**	
	31st March, 2019	31st March, 2018
A. Financial assets		
Measured at Fair value through profit or loss (FVTPL):		
Security Deposits	**106.68**	120.01
Investments in equity instruments under Group Captive Scheme	**135.72**	318.92
Measured at Amortised cost		
- Cash and bank balances	**19,829.45**	16,255.63
- other financial assets	**7,304.10**	7,340.75
Measured at Cost		
Investments in Equity instruments in subsidiaries	**-**	-
	27,375.95	24,035.31
B. Financial liabilities		
Measured at amortised cost (including trade payable balances)	**17,893.58**	21,501.81

All amounts are in ₹ Lakhs unless otherwise stated

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities as at 31st March 2019 is as follows:

Particulars	Total	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in equity instruments	135.72	-	-	135.72
	(318.92)	-	-	(318.92)
Other Investments	106.68	-	-	106.68
	(120.01)	-	-	(120.01)

Figures in brackets relate to previous year.

(iii) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk. The table given below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
a. Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis Credit ratings Financial analysis	Diversification of Short term investments, review of credit limits and credit locks and secured mode of payment
b. Market risk			
i. Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
ii. Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
c. Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The Company's risk management is governed by policies monitored by Risk Management Committee, a sub-committee of the Board and as well approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity in short term Fixed Deposits / Mutual debt funds.

a. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a (i) Trade receivables

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release. Further where required the Company obtains bank guarantee as security for goods sold.

a (ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in deposits with reputed banks and short-term liquid funds

The Company has no exposure to credit risk relating to these cash deposits as at: 31st March 2019.

All amounts are in ₹ Lakhs unless otherwise stated

b **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks .

b (i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters approved by Board of Directors. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum of 12 month period of forecasted receipts and payments. Exposures relating to capital expenditure beyond a threshold are hedged as per Company policy at the time of commitment.

b (ii) Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount not future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107. The Company at the end of March 2019, does not carry any loans with variable interest.

40. Related Party Disclosure (Ind AS - 24)

i) The list of related parties as identified by the Management for disclosure are as under:

A)	Joint Venturers	1.	Southern Petrochemical Industries Corporation Limited (SPIC)
		2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B)	Subsidiaries	1.	Certus Investment and Trading Limited (CITL), Mauritius
		2.	Certus Investment and Trading (S) Private Limited, Singapore
		3.	Proteus Petrochemicals Private Limited, Singapore
C)	Associates of Joint Venturers	1.	Manali Petrochemicals limited
		2.	Tuticorin Alkali Chemicals and Fertilizers Ltd.,
		3.	AMCHEM Speciality Chemical Pvt. Ltd., Singapore
D)	Post Employment Benefit plan of TPL	1.	TPL Employees Providend Fund Trust
		2.	HCD Employees Providend Fund Trust
		3.	TPL Employees Group Gratuity Scheme trust
E)	Key Management Personnel	1.	Mr. KT Vijayagopal, Whole Time Director (Finance) & CFO
		2.	Mr. D Senthi Kumar, Whole Time Director (Operations)

ii) The following transactions were carried out with the Related Parties.

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plan	Subsidiaries	Key Management Personnel (KMP)
Sale of Goods					
a) SPIC	63.79 (90.16)				
b) MPL		3,048.78 (823.33)			
Sale of services					
a) MPL		13.45 (33.24)			
Purchase of goods					
a) MPL		73.38 (84.22)			
b) TAC		29.05 (20.57)			

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plan	Subsidiaries	Key Management Personnel (KMP)
Services Availed					
a) MPL - i) Effluent Line Usage		15.46 (13.33)			
ii) Management services		- (251.17)			
b) AMCHEM Speciality Chemicals		106.03 (47.35)			
Reimbursement of expenses					
a) SPIC	0.62 (0.49)				
b) MPL		- (2.66)			
c) TAC		3.35 (10.93)			
Remuneration to Key Personnel is given below					
Short term benefits					124.23 (99.76)
Other benefits					7.77 (6.24)
Contributions to PF Trust					
- TPL Employees PF Trust			73.19 (222.41)		
- HCD Employees PF Trust			31.73 (68.12)		
Balance outstanding					
Trade Receivables					
a) SPIC	10.08 (10.15)				
b) MPL		1,087.92 (161.67)			
Deposit with MPL		168.78 (188.76)			
Other Receivables					
a) SPIC	- (0.25)				
b) MPL		15.91 (49.82)			
Other payables					
a) SPIC	0.35 -				
b) MPL		47.45 (322.08)			
c) CITL				9.61 (9.61)	
d) PF Trust					
- TPL PF Trust			23.58 (18.82)		
- HCD PF Trust			7.78 (5.56)		

Transactions with related parties in the nature of sale of goods, rendering of service, purchase of goods, procurement of service are at arm's length price.

Figures in brackets relate to previous year.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

41. Additional information as required in Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets*		Share of profit or loss		Share in OCI#		Share in TCI@	
	As % of Consolidated Net Assets	Amount in lakhs	As % of Consolidated Profit or Loss	Amount in lakhs	As % of Comprehensive Income	Amount in lakhs	As % of Total Comprehensive Income	Amount in lakhs
Parent								
Tamilnadu Petroproducts Limited	73.42%	31,214.35	95.17%	5,427.47	100.00%	40.32	85.78%	5,467.79
Subsidiaries - Foreign								
1 Certus Investments and Trading Limited, Mauritius	23.25%	9,883.80	4.29%	244.62	100.00%	630.95	13.74%	875.57
2 Certus Investments and Trading Limited, Singapore	2.35%	997.41	0.50%	28.27	-	-	0.44%	28.27
3 Proteus Petrochemicals Private Limited, Singapore	0.98%	418.53	0.05%	2.88	-	-	0.05%	2.88
Total	**100.00%**	**42,514.09**	**100.00%**	**5,703.24**	**100.00%**	**671.27**	**100.00%**	**6,374.51**

* Total Assets - Total Liabilities, # Other Comprehensive Income, @ Total Comprehensive Income

42. The Company has leased land and warehouse under operating lease agreements that are renewable on a periodic basis.

Rental expense under this lease is ₹89.83 lakhs for the year ended 31st March 2019 and ₹84.98 lakhs for the year ended 31st March 2018.

Future Minimum Rentals Payable under non-cancellable opearting leases as at 31st March are as follows:

Lease Rentals:	**As at 31st March, 2019**	As at 31st March, 2018
Within one year	**97.64**	88.60
After one year , but not more than five years	**28.32**	28.32
Later than five years	**-**	-

43. Earnings per share

Profit after tax	**5,703.24**	5,331.28
Weighted average number of equity shares outstanding	**89,971,474**	89,971,474
Basic and diluted earnings per share-(Face value – ₹10 per share) (in ₹)	**6.34**	5.93

44. Events after the reporting period

The Board of Directors have recommended a dividend of ₹1 per share (10%) on 8,99,71,474 equity shares of ₹10 each for the Financial Year 2018-19 subject to approval of Members at the Annual General Meeting.

45. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 21st May, 2019.

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture

Part "A": Subsidiaries

	Name of the Subsidiaries					
Particulars	**Certus Investments and Trading Limited, Mauritius**		**Certus Investments and Trading (S) Private Limited, Singapore**		**Proteus Petrochemicals Private Limited, Singapore**	
	31st March 2019		**31st March 2019**		**31st March 2019**	
	Rupees in lakhs*	**In USD (In Million)**	**Rupees in lakhs***	**In USD (In Million)**	**Rupees in lakhs***	**In USD (In Million)**
Capital	14,119.74	20.42	1,296.80	1.88	207.45	0.30
Reserves	(2,939.14)	(4.25)	(299.39)	(0.43)	211.08	0.31
Total assets	11,199.76	16.20	1,001.38	1.45	418.53	0.61
Total liabilities	11,199.76	16.20	1,001.38	1.45	418.53	0.61
Investments	1,296.80	1.88	-	-	-	-
Turnover (including other income)	266.30	0.39	304.11	0.44	6.96	0.01
Profit / (Loss) before tax	252.09	0.36	28.31	0.04	2.88	0.00
Provision for taxation	7.49	0.01	0.04	0.00	-	-
Profit / (Loss) after tax	244.60	0.35	28.27	0.04	2.88	0.00
% of Shareholding	100%		100% @		100% @	

* Translated at exchange rate prevailing as on 31.03.2019

1 USD = ₹69.15

@ Held by Certus Investments and Trading Limited, Mauritius

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

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FINANCIAL HIGHLIGHTS

(₹ in crores)

Details	Ind AS			Previous GAAP						
	2018-19	2017-18	2016-17[$]	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue from Operations	**1,245.33**	1,085.09	888.85	700.63	949.87	1,051.82	1,281.42	1,248.19	1,066.46	905.08
Other Income	**6.96**	7.30	2.89	2.71	11.56	12.12	5.54	11.64	7.89	8.96
Total Revenue	**1,252.29**	1,092.39	891.74	703.33	961.43	1,063.94	1,286.96	1,259.82	1,074.35	914.03
EBIDTA	**98.53**	96.62	66.82	12.76	(17.55)	7.09	(0.35)	75.30	73.68	65.44
PBT	**71.68**	76.91	41.71	38.15	(71.39)	(55.60)	(72.53)	6.45	29.38	13.32
PAT	**54.27**	51.70	9.30	38.15	(53.07)	(37.30)	(50.56)	5.94	29.47	10.77
Equity Capital	**89.97**	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97
Reserves & Surplus	**318.63**	269.38	218.56	209.01	151.01	218.19	255.70	306.45	305.94	287.13
Net Worth	**388.98**	340.13	288.67	279.12	221.12	288.30	325.61	376.16	375.45	356.44
Face value of share ₹	**10.00**	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per share ₹	**6.03**	5.75	1.03	4.24	(5.90)	(4.15)	(5.62)	0.66	3.28	1.20
Dividend %	**10 ***	5	-	-	-	-	-	5	10	5
Book value per share ₹	**45.41**	39.94	34.29	33.23	26.78	34.25	38.42	44.06	44.00	41.91
EBIDTA / Net Revenue %	**7.91**	8.90	7.52	1.82	(1.85)	0.67	(0.03)	6.03	6.91	7.23
PBT / Net Revenue %	**5.76**	7.09	4.69	5.45	(7.52)	(5.29)	(5.66)	0.52	2.75	1.47
Return on Networth %	**13.95**	15.20	3.22	13.67	(24.00)	(12.94)	(15.53)	1.58	7.85	3.02
Return on Capital Employed %	**17.10**	18.69	13.77	(1.68)	(14.88)	(6.60)	(8.91)	7.32	6.68	7.38

[*] Subject to declaration at the AGM
[$] Restated as per Ind AS

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TAMILNADU PETROPRODUCTS LIMITED

Registered Office & Factory: Manali Express Highway,
Manali, Chennai – 600 068.
CIN:L23200TN1984PLC010931
E Mail: secy-legal@tnpetro.com
Website: www.tnpetro.com

TAMILNADU PETROPRODUCTS LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

5th AUGUST 2019

34TH ANNUAL REPORT
2018-19

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FINANCIAL HIGHLIGHTS

(₹ in crores)

Details	Ind AS			Previous GAAP						
	2018-19	2017-18	2016-17$	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue from Operations	**1,245.33**	1,085.09	888.85	700.63	949.87	1,051.82	1,281.42	1,248.19	1,066.46	905.08
Other Income	**6.96**	7.30	2.89	2.71	11.56	12.12	5.54	11.64	7.89	8.96
Total Revenue	**1,252.29**	1,092.39	891.74	703.33	961.43	1,063.94	1,286.96	1,259.82	1,074.35	914.03
EBIDTA	**98.53**	96.62	66.82	12.76	(17.55)	7.09	(0.35)	75.30	73.68	65.44
PBT	**71.68**	76.91	41.71	38.15	(71.39)	(55.60)	(72.53)	6.45	29.38	13.32
PAT	**54.27**	51.70	9.30	38.15	(53.07)	(37.30)	(50.56)	5.94	29.47	10.77
Equity Capital	**89.97**	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97
Reserves & Surplus	**318.63**	269.38	218.56	209.01	151.01	218.19	255.70	306.45	305.94	287.13
Net Worth	**388.98**	340.13	288.67	279.12	221.12	288.30	325.61	376.16	375.45	356.44
Face value of share ₹	**10.00**	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per share ₹	**6.03**	5.75	1.03	4.24	(5.90)	(4.15)	(5.62)	0.66	3.28	1.20
Dividend %	**10 ***	5	-	-	-	-	-	5	10	5
Book value per share ₹	**45.41**	39.94	34.29	33.23	26.78	34.25	38.42	44.06	44.00	41.91
EBIDTA / Net Revenue %	**7.91**	8.90	7.52	1.82	(1.85)	0.67	(0.03)	6.03	6.91	7.23
PBT / Net Revenue %	**5.76**	7.09	4.69	5.45	(7.52)	(5.29)	(5.66)	0.52	2.75	1.47
Return on Networth %	**13.95**	15.20	3.22	13.67	(24.00)	(12.94)	(15.53)	1.58	7.85	3.02
Return on Capital Employed %	**17.10**	18.69	13.77	(1.68)	(14.88)	(6.60)	(8.91)	7.32	6.68	7.38

* Subject to declaration at the AGM

$ Restated as per Ind AS

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NOTICE FOR THE THIRTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting (AGM) of the Company will be held at 3.00 PM on Monday, the 5th August, 2019, at Rajah Annamalai Mandram, No. 5, Esplanade Road (Opp. to High Court), Chennai – 600 108 to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2019 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2019 and the Reports of Directors, Auditors and Secretarial Auditor be and are hereby received, considered and adopted.

2. **To declare a dividend by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of ₹1.00 per equity share on 8,99,71,474 Equity Shares of ₹10/- each, absorbing ₹8,99,71,474 (Rupees eight crore ninety nine lakh seventy one thousand four hundred and seventy four only), subject to rounding off, is declared out of the profits for the year ended 31st March 2019 and the same be paid:

   i. In respect of shares held in physical form, to those members whose names appear on the Register of Members on 5th August 2019 and

   ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 31st July 2019.

3. **To reappoint Mr. Ramesh Chand Meena, IAS, (DIN: 08009394), Director who retires by rotation and being eligible offers himself for re-election, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Ramesh Chand Meena, IAS, (DIN: 08009394), a Director retiring by rotation being eligible and offering himself for re-election, is re-appointed as a Director of the Company, liable to retire by rotation.

4. **To fix the remuneration of Auditors by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. R.G.N. Price & Co., Chartered Accountants, Chennai having ICAI Registration Number 002785S, the Auditors of the Company is fixed as ₹30,00,000/- (Rupees thirty lakh only) per year for audit and related services plus reimbursement of out of pocket expenses and applicable taxes, which shall be applicable till the end of their present term ending with FY 2021 - 22.

SPECIAL BUSINESS

5. **To approve the appointment of Mr. N. Muruganandam, IAS, (DIN: 00540135) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. N Muruganandam, IAS, (DIN: 00540135) is appointed as a Director of the Company not liable to retire by rotation.

6. **To approve the appointment of Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010) is appointed as a Director of the Company liable to retire by rotation.

7. **To approve the appointment of Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company for a period of five years from 1st September 2018 is approved.

8. **To approve the appointment of Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) as an Independent Director of the Company for a period of five years from 1st April 2019 is approved.

9. **To approve the appointment of Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) as an Independent Director of the Company for a period of five years from 1st April 2019 is approved.

10. **To approve the appointment of Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) is appointed as a Director of the Company, not liable to retire by rotation.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) as an Independent Director of the Company for a period of five years from 21st May 2019 is approved.

11. **To approve the reappointment of Mr. Dhananjay N Mungale (DIN: 00007563) as an Independent Director for a second term by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Dhananjay N Mungale (DIN: 00007563), is appointed as a Director of the Company, not liable to retire by rotation.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, the reappointment of Mr. Dhananjay N Mungale (DIN: 00007563), as an Independent Director for a further period of five years from 27th May 2019 is approved.

12. **To approve the reappointment of Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director for a second term by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Articles of Association of the Company, the proposal for reappointment of Ms. Sashikala Srikanth (DIN: 01678374), as an Independent Director for a further period of five years from 12th August 2019 is approved.

13. **To approve the reappointment and remuneration of Mr. D Senthikumar (DIN: 00202578) as the Wholetime Director (Operations) by passing the following as Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 of the Companies Act, 2013 ('the Act'), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the reappointment of Mr. D Senthikumar, (DIN: 00202578) as the Wholetime Director (Operations) of the Company on the following terms and conditions:

    A. PERIOD OF APPOINTMENT: 3 YEARS (19.02.2019 TO 18.02.2022)

    B. NATURE OF APPOINTMENT: CONTRACTUAL

    C. REMUNERATION: Mr. D Senthikumar (DIN: 00202578) shall be paid remuneration as detailed below:

       i. Total annual remuneration shall be ₹70.40 lakh including annual performance pay of ₹18.75 lakh and all other allowances.

       ii. Contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

       iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. D Senthikumar.

       iv. The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

       v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

       vi. The aforesaid revised remuneration shall be applicable from 1st April 2019.

    D. The following shall not be deemed to be remuneration to Mr. D Senthikumar, (DIN: 00202578)

       i. Provision of car with driver for official use

       ii. Provision of telephone at residence and mobile phone.

       iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

       iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

    E. All the other terms and conditions of appointment and remuneration shall remain the same.

14. **To approve the reappointment and remuneration of Mr. KT Vijayagopal (DIN: 02341353) as the Wholetime Director (Finance) by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Articles of Association of the Company, Mr. KT Vijayagopal (DIN: 02341353) be and is hereby appointed as a Director of the Company liable to retire by rotation.

    RESOLVED THAT pursuant to the provisions of Sections 196 & 197 of the Companies Act, 2013 ('the Act'), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the reappointment of Mr. KT Vijayagopal, (DIN: 02341353) as the Wholetime Director (Finance) of the Company on the following terms and conditions:

A. PERIOD OF APPOINTMENT: 3 YEARS (12.02.2019 TO 11.02.2022)

B. NATURE OF APPOINTMENT: CONTRACTUAL

C. REMUNERATION: Mr. KT Vijayagopal, (DIN: 02341353) shall be paid remuneration as detailed below:

   i. Total annual remuneration shall be ₹70.40 lakh including annual performance pay of ₹18.75 lakh and all other allowances.

   ii. Contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

   iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. KT Vijayagopal.

   iv The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

   v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

   vi. The aforesaid revised remuneration shall be applicable from 1st April 2019.

D. The following shall not be deemed to be remuneration to Mr. KT Vijayagopal, (DIN: 02341353)

   i. Provision of car with driver for official use

   ii. Provision of telephone at residence and mobile phone.

   iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

   iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

E. All the other terms and conditions of appointment and remuneration shall remain the same.

15. **To ratify the remuneration to the Cost Auditors for the year 2018-19 by passing the following as an Ordinary Resolution:**

    RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration of ₹2,50,000/- (Rupees two lakh and fifty thousand only) to M/s. M. Krishnaswamy and Associates., Cost Accountants, Chennai for the year 2018-19 be and is hereby ratified.

16. **To approve the transactions with Manali Petrochemicals Limited by passing the following as an Ordinary Resolution:**

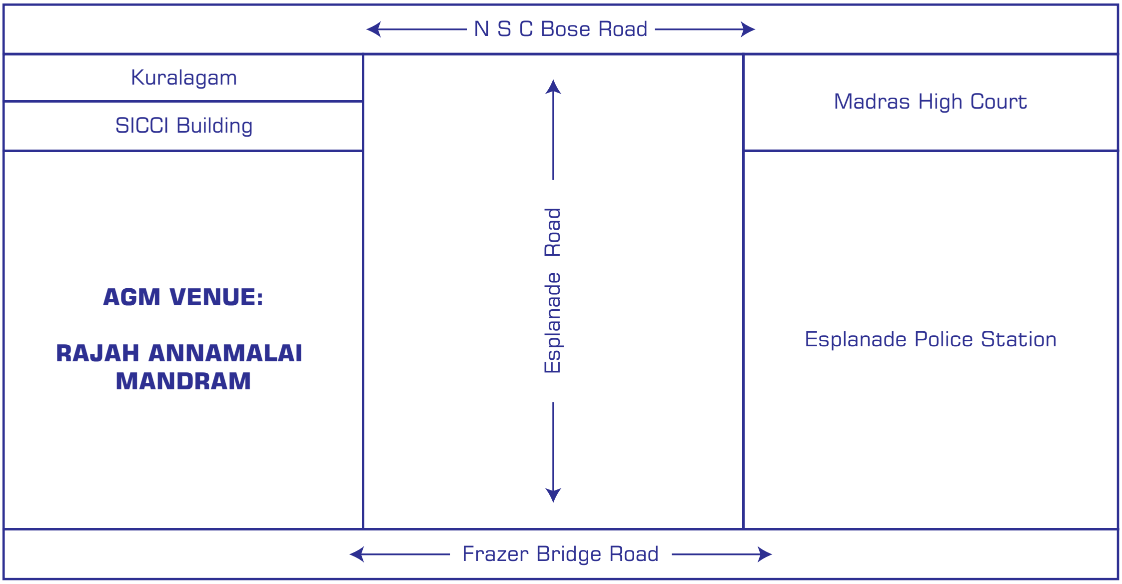
    RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval is accorded for the transactions with Manali Petrochemicals Limited during the year 2019-20 for purchase and sale of goods and services and other transactions for aggregate value upto ₹ 200 crore (Rupees two hundred crore) plus applicable taxes.

Regd.Office:
Manali Express Highway
Manali,
Chennai-600 068
21st May 2019

By order of the Board
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary

LANDMARK FOR THE AGM VENUE:
OPPOSITE TO WESTERN ENTRANCE TO MADRAS HIGH COURT



IMPORTANT NOTES:

1. The Register of Members and Share Transfer books of the Company will remain closed from 1st August 2019 to 5th August 2019 (both days inclusive) in connection with the Annual General Meeting (AGM) and payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Business at the meeting, is annexed hereto which may be regarded as a disclosure under Regulation 36 of the Listing Regulations.
3. Particulars of the Directors seeking appointment/reappointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF SELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Member holding more than 10% of the total share capital of the Company is entitled to appoint a single proxy, who cannot be proxy of any other member. **The Proxy holder shall prove his/her identity at the time of attending the Meeting and shall not be entitled to speak at the meeting, but only vote on poll, if the member has not exercised e-voting.**
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
6. Electronic copy of the full version of the Annual Report for the year 2018-19 and the notice of the 34th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged

Annual Report for the year are being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/Registrar and receive full version of the Annual Report and other communications in electronic form to contribute their mite to green environment.

7. Full version of the Annual Report and the Notice of the AGM are available in the Company's website viz., www.tnpetro.com. Members desirous of receiving printed copy of the complete annual report may send a request in writing to the Registrar or the Company by post/courier or email with a scanned copy of the request, duly signed.
8. Pursuant to the stipulations in Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 108 of the Companies Act, 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. The detailed process for participating in e-voting is provided in the Annexure to the Notice in Page no. 18 and 19.
9. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. However as per Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended, facility for voting shall be made available at the meeting by polling papers and members who have not cast their vote by e-voting shall be entitled to exercise their right at the meeting.
10. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case, electronic payment is not possible, the bank account details, if available will be printed on the warrant / other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
11. As per Section125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹29,81,386 /- being the unpaid and unclaimed dividend amount pertaining to the year 2010-11 to the IEPF on 5th November 2018. The details of such transfer are available in the website of the Company.
12. The details of unpaid dividend relating to the year 2011-12 as on 7th August 2018, being the date of last AGM is available in the website of the Company www.tnpetro.com. The updated details of unpaid dividend as on the date of ensuing AGM relating to the years 2011-12 and 2017-18 will be uploaded in the website of the Company in due course.
13. Dividend for the year 2011-12 remaining unclaimed and unpaid will be transferred to IEPF during the month of November 2019. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.
14. As per the extant law, investors are entitled to claim the unpaid dividends transferred to the IEPF for which they are required to submit the request online in Form IEPF–5. The procedure for making the claim is available in the website of the Company and also the IEPF.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar.

17. SEBI vide circular dated 20th April 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly in July 2018 individual letters were sent to the those shareholders whose PAN and Bank Account details are not available with the Company, followed by two reminders, but many of such shareholders have not furnished the information. As per the Circular, the shareholders who have not furnished the information have been placed under “enhanced watch” and so their requests would be processed subject to enhanced due diligence.
18. ***Pursuant to Proviso to Regulation 40 (1) of the Regulations, effective 1st April 2019, the Company is not permitted to process requests for transfer of securities, other than transmission or transposition of names in physical form. So, persons holding shares in physical form are requested to take actions for dematerialization of their holdings to ensure hassle free transactions in the shares.***
19. Members who have registered for e-communication are also entitled to receive communication in physical form by post, free of cost upon making a request for the same. For any information, the Members may also send requests to the Registrar.
20. Members may avail nomination facility in respect of their holdings. Those holding shares in physical form may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.
21. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Holidays, up to and including the date of the AGM.
22. Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.
23. **Members may note that as per the Secretarial Standard – 2 notified by the Government, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting and hence there will be no distribution of packaged items at the meeting.**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

The following statements sets out all material facts relating to the special business mentioned in the accompanying notice:

Items 5 & 6

Mr. N Muruganandam, IAS, (DIN: 00540135) Principal Secretary to Government of Tamilnadu, Industries Department was appointed as an Additional Director of the Company and also as the Chairman of the Board at the Board Meeting held on 12th February 2019 and he holds office till the AGM.

Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010), Executive Director of Tamilnadu Industrial Development Corporation Limited (TIDCO), was appointed as an Additional Director of the Company through a Circular Resolution effective from 5th April 2019 and he holds office till the AGM.

Proposals has been received from Tamilnadu Industrial Development Corporation Limited (TIDCO) for their appointments as Directors of the Company under Section 160 of the Act. Since the proposals have been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointees is given in the Annexure.

In terms of the Joint Venture Agreement entered between the promoters, TIDCO is entitled to have three nominees on the Board of TPL. Accordingly, the Board recommends the resolution for the consideration of the Members as an Ordinary resolution.

Except Mr. N Muruganandam, IAS, (DIN: 00540135), Mr. Ramesh Chand Meena IAS, (DIN: 08009394) and Dr. Aneesh Sekhar. S, IAS (DIN: 07887010), all being the nominees of TIDCO none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No.7-10

Dr. N. Sundaradevan, IAS (Retd.), (DIN: 00223399) was appointed as an Additional Director of the Company through a Circular Resolution effective from 1st September 2018 and also as an Independent Director for a period of five years from the said date.

Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) and **Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285)** were appointed as Additional Directors of the Company at the meeting held on 25th March 2019 effective from 1st April 2019 and also as Independent Directors for a period of five years from the said date.

Mr. Debendranath Sarangi, IAS (Retd.), (DIN: 01408349) was appointed as an Additional Director of the Company at the meeting held on 21st May 2019 and also as an Independent Director for a period of five years from the said date.

All the above appointments as Additional Directors have been made under Section 162 and so they hold office till the AGM. Proposals have been received for their appointment as Directors under Section 160 of the Act for which there is no requirement of any deposit pursuant to Proviso to Section 160(1) of the Act. Further in terms of Section 149(13) of the Act, the above appointees will not be liable to retirement by rotation.

It may be noted that their appointments as Independent Directors have been made under Section 149 read with the other provisions, Rules and Schedule IV to the Act. As per Section 150, these appointments are to be approved by the Shareholders.

Brief profiles of the aforesaid Directors are given in the Annexure from which it could be seen that they have good qualification and rich experience in various segments, positions and fields. It is viewed that they individually and also collectively possess many of the skills determined for the Board.

Considering their qualification, experience, stature, standing and based on the declaration and other disclosures received, in the opinion of the Board, all the above Directors are qualified to be Independent Directors of the Company and their association and guidance would be of great value to the Company. Accordingly, the Board recommends all the above proposals for consideration and approval of the Members by way of Ordinary Resolutions.

Except, the respective appointees none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposals.

Item No.11 & 12

Mr. Dhananjay N Mungale (DIN: 00007563) and **Ms. Sashikala Srikanth (DIN: 01678374)** the Independent Directors would be completing their first term of office on 26th May 2019 and 11th August 2019 respectively. As per Section 149(10) of the Act, they shall be eligible for reappointment on passing of a Special Resolution by the Members and disclosure of the same in the Board's Report. Further as per para 4 of Schedule IV to the Act, such reappointment shall be on the basis of report of performance evaluation.

In this connection, Board at the meeting held on 21st May 2019 has, based on the evaluation of the performance of the above two directors, concluded that they be reappointed for a further term of five years, subject to approval of the Members as stated above. The proposals have also been considered by the Nomination and Remuneration Committee and duly recommended to the Board. Since Mr Dhananjay N Mungale's first term would end on 26th May 2019, the Board has appointed him as an Additional Director and Independent Director effective from 27th May 2019. Board also appointed Ms Sashikala Srikanth as an Independent Director effective from 12th August 2019 which has to be approved by the Members.

Brief profile of the appointees are given in the Annexure, from which it could be seen that they are Chartered Accountants with rich experience in various fields. They are serving on the Boards of other listed companies and their committees. They have many of the skills determined by the Board and further their performance has been found to be good. Therefore their continued association would be beneficial to the Company and so the Board recommends the proposals for consideration and approval of the Members by Special Resolutions.

Except for the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No. 13 & 14

Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 12th February 2019 reappointed Mr. D Senthikumar (DIN: 00202578) as the Wholetime Director (Operations) for a period of three years with effect from 19th February 2019, subject to approval of the Members.

The tenure of Mr. KT Vijayagopal (DIN: 02341353) as Wholetime Director (Finance) ended on 31st January 2019. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board at the Meeting held on 12th February 2019 appointed him as an Additional Director and also as Wholetime Director (Finance) with effect from 12th February 2019 subject to approval of the Members.

The brief profiles of the appointees are given in the Annexure from which it could be seen that they have adequate qualifications and requisite experience to be the Wholetime Directors of the Company and discharge their responsibilities.

Based on the recommendation of the NRC, the remuneration of the aforesaid Wholetime Directors have been revised as detailed in the Resolutions.

The revised remunerations are considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

Statement pursuant to Clause (iv) of second proviso to of Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolutions for the consideration of the Members. Except the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No. 15

At the Board Meeting held on 10th August 2018, M/s M. Krishnaswamy & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditor of the Company for the year 2018-19 on a remuneration of ₹2,50,000/- [Rupees two lakh fifty thousand only] as recommended by the Audit Committee of the Company. As per Section 148 of the Act read with Companies (Audit and Auditors), Rules 2014, remuneration to the Cost Auditor as recommended by Audit Committee, and approved by the Board is to be ratified by the Members and hence the same is placed for consideration and approval at the AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 16

The Company has been having transactions with Manali Petrochemicals Limited (MPL) for more than 3 decades for purchase/sale of various goods/services. During the year 2017-18, MPL has been identified as a Related Party under the Ind AS- 24 and so the requirements relating to transactions with Related Parties are being complied with. The transactions between MPL and TPL have always been in the ordinary course of business at arms' length and so they are not covered under Section 188 of the Act. However the stipulations in the Listing Regulations are attracted. In this connection it may be noted that TPL has commenced production of Propylene Oxide during January 2019 and the product would be sold to MPL, which would be in addition to the other products/ services. The total value of the transactions during the year 2019-20 is expected to be more than 10% of the consolidated turnover of TPL in FY 2018-19 and so the transactions would be deemed material in terms of the Policy of the Company read with Regulation 23 of the Listing Regulations.

Pursuant to Regulation 23 (4) all material related party transactions shall require approval of the Shareholders through resolution without the participation of the related parties of the Company.

It is important to continue the transactions with MPL as it has been one of the major customers of TPL for more than three decades and the transactions have always been in the ordinary course of business at arms' length. The Audit Committee of TPL has accorded prior approval for the said transactions. In the light of these, the Board recommends the resolution for consideration and approval of the Members as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

Regd.Office:
Manali Express Highway
Manali,
Chennai-600 068
21st May 2019

By order of the Board
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary

Annexure

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 34TH AGM.

Items 3, 5 to 14 of the Notice

Brief Profiles of the proposed appointees

Mr. Ramesh Chand Meena, IAS (DIN: 08009394), 53, holds B. Tech (Electrical) and M. Tech (Communication and Radar Engineering) degrees. He has more than 25 years of wide experience in public administration and has held critical and important positions in the Government of Tamil Nadu. He was appointed as a Director of the Company on 16th January 2018.

At present he serves as Chairman and Managing Director of Tamilnadu Industrial Development Corporation Limited (TIDCO). He is also Chairman and Director of TICEL Bio Park Limited, TIDEL Park Coimbatore Limited and Director of State Industries Promotion Corporation of Tamilnadu Limited (SIPCTL), TIDEL Park Limited, Titan Company Limited (TCL), TRIL Infopark Limited (TIL), Ascendas IT Park (Chennai) Limited, Marine Infrastructure Developer Private Limited, Tamilnadu Trade Promotion Organisation (a Sec.8 Company), Electronics Corporation of Tamil Nadu Limited (ECTL). He is also a Member of Tamilnadu Industrial Guidance and Export Promotion Bureau (Society).

He is a Member of Audit Committee of TPL, TIL, ECTL and Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Executive Sub Committee of TIDCO and NRC, Ethics Committee and Executive Committee of TCL. He is also Member of Tender Committee of SIPCTL.

Mr N Muruganandam, IAS (DIN: 00540135), 51, is an Engineering graduate in Computer Science and also MBA. A 1991 batch IAS Officer, he has held many key positions in the Government of Tamil Nadu and Government of India such as District Collector, Coimbatore/ Karur / Chennai, Managing Director, Poompuhar Shipping corporation, Joint Secretary, Ports and Joint Secretary, Rural Development in the Government of India.

He was the Project Director of World Bank funded poverty alleviation programme, Pudhu Vazhvu. Prior to becoming the Principal Secretary, Industries Department in 2019, he was the Principal Resident Commissioner of Tamilnadu House in New Delhi.

At present he serves as Chairman of State Industries Promotion Corporation of Tamilnadu Limited, Tamilnadu Industrial Investment Corporation Limited, TIDEL Park Limited, Titan Company Limited, Tamilnadu Minerals Limited, Tamilnadu Newsprint and Papers Limited, Tamilnadu Industrial Guidance and Export Promotion Bureau (Society) and Director of Tamilnadu Industrial Development Corporation Limited, Tamil Nadu Generation and Distribution Corporation Board, IIT Madras Research Park (a Sec.8 Company), Entrepreneurship Development Institute. He is also a Member in Chennai Metropolitan Development Authority and Mono Rail Empowered Committee.

Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010), 33, holds M.B.B.S degree. A 2011 batch IAS Officer, he has held many key positions in the Government of Tamil Nadu such as the Commissioner, Corporation of Madurai, Managing Director, Madurai Smart City Limited, Director, Tamilnadu State Transport Corporation (Madurai) Limited and Joint Commissioner (Enforcement) Commercial Taxes Coimbatore.

At present he serves as Executive Director of Tamilnadu Industrial Development Corporation Limited (TIDCO), State Industries Promotion Corporation of Tamilnadu Limited and Managing Director of Tamilnadu Polymer Industries Park Limited.

He is the Chairman of Tanflora Infrastructure Park Limited (TIPL) and Director of TICEL Bio Park Limited, Manali Petrochemicals Limited and Tamilnadu Trade Promotion Organisation (a Sec. 8 Company).

He is the Chairman of Audit Committee and Project Monitoring Committee of TIPL, Member of Executive Sub Committee of TIDCO and Member of NRC, CSR, Risk Management Committee (RMC), Stakeholders' Relationship Committee (SRC) of TPL.

Dr. N. Sundaradevan, IAS (Retd.), (DIN: 00223399), 66, holds a Master's degree in Chemistry and also a Ph. D in Sociology (Applied Demography). He was in Indian Revenue Service as an Income Tax Officer from July 1977 to July 1979 and later joined the Indian Administrative Service.

Dr. Sundaradevan has more than three decades of experience in administrative services in various departments like District Administration, Civil Supplies, Revenue, Health and Family Welfare, Environment and Pollution control, Industries. After distinguished service he retired in September 2012.

During his services to the Government, Dr. Sundaradevan has held various offices such as Sub-Collector, Regional Manager of Tamilnadu Civil Supplies Corporation, Chairman and Managing Director of State Industries Corporation (SIPCOT), District Collector of Kanniyakumari and Tiruchirapalli, Managing Director of Tamilnadu Textbook Society, Director of Handlooms & Textiles, Secretary of State Election Commission, Officer on Special Duty in Chief Minister's Office, Secretary to the Chief Minister, Secretary of Health and Family Welfare Department, Director of Guidance Bureau, Secretary of Revenue Department, Chairman of Tamilnadu Pollution Control Board, Secretary of Forests and Environment Department, Commissioner of Revenue Administration, Principal / Additional Chief Secretary of Industries Department, CMD of TIDCO, Tamilnadu Mineral Ltd. (TAMIN), Tamilnadu Industrial Explosives Ltd., Chairman of Tamilnadu Cements Corporation Ltd., Director of Chennai Metro Rail and TANGEDCO. He was also an Independent External Monitor of the Chennai Petroleum Corporation Ltd and NLC India Limited.

At present he is Director of Ascendas IT Park (Chennai) Ltd., (AIPL), The State Trading Corporation of India Ltd. (STCIL), Information Technology Park Ltd., Bangalore (ITPL), TIDEL Park Coimbatore Limited, Tamilnadu Water Investment Company Limited, Jansons Industries Limited. He is the Member of Audit Committee of AIPL, STCIL and ITPL.

He is also Managing Trustee of Adigaratty Trust, The Nilgiris, and Trustees of Nilgiri Swami Vivekananda Foundation, The Nilgiris, Nelikolu Trust, The Nilgiris and IC Centre for Governance, Coimbatore.

Mr. Dhananjay N Mungale (DIN: 00007563), 65, B.Com, A.C.A., L.L.B., is a renowned Consultant having wide experience in International Finance, Capital Markets and Merchant Banking. Mr. Mungale has had a long and distinguished career stints with Bank of America and DSP Merrill Lynch, in Corporate and Private and Investment Banking, in India and Europe. He serves on the Boards of various entities and institution ranging from the publicly held, private to non-governmental. Based in Mumbai, with advisory engagement across India, and Europe, he performs a wide repertoire of roles across various sectors, both corporate as well as pro-bono. He is member of National Committee of the Mahindra United World College. He is Director in Chowgule Steamships Ltd., Mahindra & Mahindra Financial Services Ltd. (MMFSL), Mahindra CIE Automotive Ltd. (MCAL), NOCIL Limited, Samson Maritime Ltd. (SML), Kalpataru Limited (KL), I-nestor Advisors Private Limited, LICHFL Trustee Company Private Limited, Mentor Technologies Private Limited and DSP Investment Managers Private Limited.

He is Chairman of Audit Committee and NRC of Chowgule Steamships Ltd. He is also Chairman of SRC of MCAL and Chairman of NRC of KL.

He is the Member of Audit Committee of MMFSL, NOCIL, MCAL, KL, SML and TPL. He is the Member of NRC of MMFSL, NOCIL and SML. He is the Member of RMC of MMFSL and also Member of CSR of MCAL.

Ms. Sashikala Srikanth (DIN: 01678374), 62, is a graduate in Economics and a Chartered Accountant. At present she is providing consultancy services to various corporates including in the area of CSR. Prior to this she was Senior General Manager - Resources of IAL Group and Group Financial Controller of

Shattaff Group, in Dubai from 2003 to 2005 and held various positions in MAC Group of Companies from 1996 to 2003. She was associated with AF Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995 where she had also done her internship during 1984-87. Presently she is a Director in Manali Petrochemicals Limited (MPL), Sicagen India Limited (SIL), Southern Petrochemical Industries Corporation Limited (SPIC), Greenstar Fertilizers Limited (GFL), EDAC Engineering Limited (EEL), Merchantile Ventures Limited (MVL), AM Foundation, Trust Properties Development Co Private Limited and Certus Investments and Trading Limited, Mauritius, subsidiary of TPL. She is also trustee of AM Educational Foundation.

She is the Chairperson of Audit Committee of SPIC, GFL, SIL and TPL. She is also Member of Audit Committee of EEL, MVL and MPL. She is the Member of NRC of MVL, GFL, EEL and SIL. She is the Chairperson of RMC of TPL, MPL and MVL and Member of SRC of MVL. She is the Chairperson of CSR of MVL and Member of CSR of TPL, MPL, GFL and SIL.

Lt. Col. (Retd.) Shankar Chatapuram Swaminathan, (DIN: 08397818), 60, is a Chemical Engineer and served Indian Oil Corporation Limited for 37 years. He retired as its Executive Director and during his tenure had headed various verticals within the organization, namely - Aviation, LPG, Director Secretariat, Petrochemicals, Corporate Training & Development, Planning and Co-ordination, Law and Quality control.

Concurrently, Lt. Col. (Retd.) Shankar was commissioned in the Indian Territorial Army as an Officer in 1983 and had been an active soldier for over 30 years. He had headed Battalion in relief and rescue operations during the Gujarat earthquake, Odisha super cyclone, Andaman’s tsunami and various other critical operations of national importance. A passionate trainer and motivational speaker Lt. Col. (Retd.) Shankar has presented technical papers at various National and International forums.

Mr. Shankar is a Director in Manali Petrochemicals Limited. He is a Member of the NRC of TPL.

Mr. Govindarajan Dattatreyan Sharma, (DIN: 08060285), 64, is a Post Graduate in Personnel Management and Industrial Relations from Tata Institute of Social Sciences, is a Senior HR professional with over 40 years’ experience across industry verticals. He has held senior positions and led the HR function in various corporates such as BGR Energy Systems, Larsen & Toubro, Vedanta (Sterlite) Group, SRA Systems, E.I.D. Parry and SPIC.

At present he is Principal Consultant, Beeline HR Advisory, his own HR & Management Consulting Firm, advising major organizations, Institutions and individuals on managing growth and helping them realize their potential.

Mr. Sharma is a well-respected HR veteran, with rich experience in the complete spectrum of the human resources functions across varied business segments. He has had exposure to multi-national mergers and acquisitions, cross-cultural change management, large scale integration facilitation skills and the like. He has designed and successfully implemented management and leadership development initiatives across the enterprise, and is well-versed in strategically aligning HR with Business. Mr. Sharma also plays an active role in Education/Academia and Training, and is associated as Advisor, Adjunct Faculty, Visiting Faculty, and Mentor with prestigious B-Schools and leading Business houses.

He is a much sought-after trainer, speaker, rapporteur, facilitator and moderator in professional, social and cultural circles. Mr. Sharma has won many Awards and Distinctions. He was the Best Outgoing Student of the 1979 batch of M.A (PM & IR) at TISS and a Gold Medalist. His other Awards include Rotary Foundation Group Study Exchange Fellowship in 1985; Fellowship of AOTS in 1996; Leadership Excellence Award from ITM University in 2006; Lifetime Achievement Awards by HR Sangam in 2016 and HR Caucus in 2018. He has held several National and State-level positions in Professional & Industry Bodies, such as the CII, EFSI, SICCI & NIPM.

Mr. Sharma is a Director in Manali Petrochemicals Limited (MPL). He is the Chairman of NRC of MPL, TPL and a Member of the Audit Committee and SRC of MPL, TPL.

Mr. Debendranath Sarangi, (DIN: 01408349), 66, is a retired IAS (1977) Officer from Tamilnadu cadre. He holds Master’s degrees in Political Science from Delhi University and in Economics from University of Swansea, UK.

While in service he held senior level responsibilities like Additional Chief Secretary/Principal Secretary of eight Departments including as Chairman of Tamilnadu Industrial Development Corporation and TITAN. He eventually retired as the Chief Secretary in 2012. He is an Independent Director on the Boards of Voltas Ltd, Universal Comfort Products Ltd (UCPL) and Rohini Industrial Electrical Ltd (RIEL) (both wholly owned subsidiaries of Voltas), the Chairman (Independent Director) of Shriram City Union Finance Ltd (SCUFL) and Independent Director in SPIC. He is also Director in Etica Developers Pvt Ltd (EDPL), He is the Member of Audit Committee in Voltas Ltd, UCPL and RIEL and Member of Risk Management Committee of Voltas. He is also Member of Nomination and Remuneration Committee of RIEL and SCUFL and CSR Committee of SCUFL.

Mr. D Senthikumar, (DIN: 00202578), 54, holds B.TECH (Chemical Engineering Degree) from Anna University and also completed his EMBA in IIBM. He has more than 29 years of experience in the industry. He started his career as a trainee in TPL and became the AVP (Operations). He has handled many areas in TPL and has good knowledge about the operations and other functions of all the units of the Company. His qualification and knowledge about TPL will be very useful to the Company. Presently he is the WTD (Operations) of TPL and a Director of TPL Employees Welfare Foundation. He is a member of the Risk Management Committee, CSR Committee and Stakeholders Relationship Committee of TPL.

Mr. KT Vijayagopal, (DIN: 02341353), 53, is a graduate in Commerce and a Fellow member of the Institute of Chartered Accountants of India (ICAI). He has more than 30 years of experience mostly in Oil & Gas, Power, Engineering and Manufacturing sectors and has held various positions in multinational companies & premier Indian Companies including Board level assignments. He has widely travelled and has worked with various nationalities like British, Canadians, Americans etc., In addition to the general corporate experience, his commercial acumen combined with people skills is expected to be useful to the Company. He is the Chief Financial Officer of the Company and the WTD (Finance) from 1st February 2016. Presently he is a Director of TPL Employees Welfare Foundation. He doesn't hold any committee memberships.

None of the above appointees hold any shares in the Company except Mr. KT Vijayagopal who holds 200 equity shares and none of the above appointees has any relationship with other Directors or other Key Managerial Personnel of the Company. The details of meetings attended by these Directors during the year 2018-19 are furnished in the Corporate Governance Report.

STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISO TO PARAGRAPH B TO SECTION II OF PART II OF SCHEDULE V TO THE ACT

I. GENERAL INFORMATION

(1)	Nature of Industry	Chemical and Petrochemical (Manufacture and Sale of Linear Alkyl Benzene, Caustic Soda and Chlorine & Derivatives and Propylene Oxide).			
(2)	Commencement of commercial Production	Linear Alkyl Benzene - April 1988 Caustic Soda and Chlorine & Derivatives - The Chlor Alkali plant owned by SPIC was taken over by the Company during August 2000. Propylene Oxide – January 2019			
(3)	Financial Performance				(₹ in Crore)
		Financial Parameters	**2016-17**	**2017-18**	**2018-19**
		Revenue from Operations	888.85	1085.09	1245.33
		Profit After Tax	9.30	51.70	54.27
		Export Sales	26.68	3.84	Nil
		Dividend	Nil	5%	10%
(4)	Foreign investments or collaborations, if any	The Company has invested ₹96 crore in its Wholly Owned Subsidiary Certus Investments and Trading Limited, Mauritius.			

II. INFORMATION ABOUT THE APPOINTEES:

Mr. D Senthikumar (DIN: 00202578)

(1) Background details	Furnished in the explanatory statement.
(2) Past Remuneration	₹62.12 lakh per annum including ₹16.50 lakh as annual Performance Pay and all other allowances excluding contribution to Provident and Other Funds, leave gratuity and other benefits in accordance with applicable law/service rules of the Company till 31.03.2019.
(3) Job Profile and Suitability	As Wholetime Director (Operations) of the Company he will be responsible for the Plant-Operations, Projects and other matters of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company from time to time. He is also the Key Management Personnel under section 203(1)(i) of the Companies Act, 2013. Taking into account his previous experience, educational background, knowledge about the industry, past performance in TPL and the nature and size of operations of the Company, he is a fit and proper person to be the Wholetime Director (Operations) of the Company.
(4) Remuneration proposed to the Appointee	As given in the Special Resolution.
(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
(6) Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any	NIL

Mr. KT Vijayagopal, (DIN: 02341353)

(1) Background details	Furnished in the explanatory statement.
(2) Past Remuneration	₹62.12 lakh per annum including ₹11.88 lakh as annual Performance Pay and all other allowances excluding contribution to Provident and Other Funds, leave gratuity and other benefits in accordance with applicable law/service rules of the Company till 31.03.2019.
(3) Job Profile and Suitability	As Wholetime Director (Finance) of the Company he will be responsible for management of financial affairs of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company from time to time.
(4) Remuneration proposed to the Appointee	As given in the Special Resolution.
(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
(6) Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any	NIL

III. OTHER DISCLOSURES

1	Information on remuneration package	Details furnished in the relevant resolutions.
2	Other disclosures	The elements of remuneration are basic salary, allowances, annual performance pay, annual benefits, contributions, etc. details of which have been furnished in the Resolutions/ Corporate Governance Report annexed to the Directors' Report for the year 2018-19. Terms of service are as per the service rules of the Company governed by the applicable laws. No stock option is applicable.

Regd.Office:
Manali Express Highway
Manali,
Chennai-600 068
21st May 2019

By order of the Board
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

(i) The voting period begins on **2nd August 2019 at 9.00 AM and ends on 4th August 2019 at 5.00 PM.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, 29th July 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders/Members.

(v) Now Enter your User ID
  a. For CDSL: 16 digits beneficiary ID,
  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  c. Members holding shares in Physical Form should enter their Folio Number allotted by the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Tamilnadu Petrochemicals Limited and you will be directed to the E-Voting Screen.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

REQUEST TO SHAREHOLDERS FOR INFORMATION UNDER SECTION 88 OF THE COMPANIES ACT, 2013 AND TO REGISTER THEIR E-MAIL IDs

1. As per Section 88 of the Companies Act, 2013 (the Act) the Register of Members is required to be updated with certain additional particulars, such as PAN, CIN/UIN etc. Persons holding shares in physical form are requested to furnish the relevant information to enable the Company to comply with the said requirements of the Act.

2. The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report, notices and other communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein. Accordingly for receiving the annual report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents in the format given in our website viz. www.tnpetro.com duly signed and sent to the Registrar and Share Transfer Agents through post, courier or by e-mail with the scanned copy of the duly signed form or hanover at the AGM Venue. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

Tamilnadu Petroproducts Limited

ATTENDANCE SLIP

TPL

CIN:L23200TN1984PLC010931
Registered Office & Factory: Manali Express Highway, Manali, Chennai – 600 068
Telefax: 25945588, E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Name of the attending Member(s)	:	Folio/DP ID-Client ID No.	:
No. of Shares held	:		

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade Road (Opp to High Court), Chennai - 600 108 at 3.00 PM on Monday, the 5th August, 2019.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

Please see overleaf for details of Folio No. / DP ID - Client ID & No. of Shares

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Tamilnadu Petroproducts Limited

PROXY FORM

TPL

CIN:L23200TN1984PLC010931
Registered Office & Factory: Manali Express Highway, Manali, Chennai – 600 068
Telefax: 25945588, E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014].

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio/DP ID-Client ID No.	:

I/We being the member(s) holding_______________________________ shares of the above named Company, hereby appoint

(1) Name: ………………………………….................... Address: …………………………………...
E-mail Id: …………………………….................... Signature…………………….................................... or failing him/her

(2) Name: ………………………………….................... Address: …………………………………...
E-mail Id: …………………………….................... Signature…………………….................................... or failing him/her

(3) Name: ………………………………….................... Address: …………………………………...
E-mail Id: …………………………….................... Signature…………………….................................... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, the 5th August, 2019 at 3:00 PM at **RAJAH ANNAMALAI MANDRAM**, Esplanade Road (Opp to High Court), Chennai - 600 108, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No. of Resolutions (as in the Notice annexed)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

(Tick Mark the Sl. No. of Resolutions for which the proxy is appointed)

Signed this _________ day of ______________________ 2019.

Affix
30 paise
Revenue
Stamp

Signature of Shareholder(s) ____

Notes:

a. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

b. In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.

c. The Proxy holder shall prove his / her identity at the time of attending the Meeting.

TAMILNADU PETROPRODUCTS LIMITED
Registered Office & Factory: Manali Express Highway,
Manali, Chennai – 600 068.
CIN:L23200TN1984PLC010931
E Mail: secy-legal@tnpetro.com
Website: www.tnpetro.com

TAMILNADU PETROPRODUCTS LIMITED

34TH ANNUAL REPORT
2018-19

FINANCIAL HIGHLIGHTS

(₹ in crores)

Details	Ind AS			Previous GAAP						
	2018-19	2017-18	2016-17$	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue from Operations	**1,245.33**	1,085.09	888.85	700.63	949.87	1,051.82	1,281.42	1,248.19	1,066.46	905.08
Other Income	**6.96**	7.30	2.89	2.71	11.56	12.12	5.54	11.64	7.89	8.96
Total Revenue	**1,252.29**	1,092.39	891.74	703.33	961.43	1,063.94	1,286.96	1,259.82	1,074.35	914.03
EBIDTA	**98.53**	96.62	66.82	12.76	(17.55)	7.09	(0.35)	75.30	73.68	65.44
PBT	**71.68**	76.91	41.71	38.15	(71.39)	(55.60)	(72.53)	6.45	29.38	13.32
PAT	**54.27**	51.70	9.30	38.15	(53.07)	(37.30)	(50.56)	5.94	29.47	10.77
Equity Capital	**89.97**	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97
Reserves & Surplus	**318.63**	269.38	218.56	209.01	151.01	218.19	255.70	306.45	305.94	287.13
Net Worth	**388.98**	340.13	288.67	279.12	221.12	288.30	325.61	376.16	375.45	356.44
Face value of share ₹	**10.00**	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per share ₹	**6.03**	5.75	1.03	4.24	(5.90)	(4.15)	(5.62)	0.66	3.28	1.20
Dividend %	**10 ***	5	-	-	-	-	-	5	10	5
Book value per share ₹	**45.41**	39.94	34.29	33.23	26.78	34.25	38.42	44.06	44.00	41.91
EBIDTA / Net Revenue %	**7.91**	8.90	7.52	1.82	(1.85)	0.67	(0.03)	6.03	6.91	7.23
PBT / Net Revenue %	**5.76**	7.09	4.69	5.45	(7.52)	(5.29)	(5.66)	0.52	2.75	1.47
Return on Networth %	**13.95**	15.20	3.22	13.67	(24.00)	(12.94)	(15.53)	1.58	7.85	3.02
Return on Capital Employed %	**17.10**	18.69	13.77	(1.68)	(14.88)	(6.60)	(8.91)	7.32	6.68	7.38

Subject to declaration at the AGM

$ Restated as per Ind AS

Please Refer to Page No. 18 & 19 for important information on E-voting.

TPL

Board of Directors*

N. Muruganandam, IAS	DIN:00540135	Chairman
Ashwin C Muthiah	DIN:00255679	Vice Chairman
Dhananjay N Mungale	DIN:00007563	Independent Director
Sashikala Srikanth	DIN:01678374	Independent Director
Dr. N. Sundaradevan, IAS (Retd)	DIN:00223399	Independent Director
Lt. Col. (Retd.) C S Shankar	DIN:08397818	Independent Director
G D Sharma	DIN:08060285	Independent Director
Debendranath Sarangi, IAS (Retd)	DIN:01408349	Independent Director
Ramesh Chand Meena, IAS	DIN:08009394	Director
Dr. Aneesh Sekhar. S, IAS	DIN:07887010	Director
D Senthikumar	DIN:00202578	Wholetime Director (Operations)
KT Vijayagopal	DIN:02341353	Wholetime Director (Finance) & CFO

* As on 21st May 2019

Company Secretary
K Priya

Registered Office & Factory
Manali Express Highway
Manali, Chennai – 600 068
Telefax: 044-25945588
CIN:L23200TN1984PLC010931
E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

Registrar & Share Transfer Agent (RTA)
Cameo Corporate Services Limited
"Subramanian Building", 1, Club House Road
Chennai – 600 002

Auditors
R.G.N. Price & Co,
Chartered Accountants,
"Simpsons Buildings",
No: 861, Anna Salai,
Chennai – 600 002

Cost Auditor
M. Krishnaswamy & Associates
Flat 1K, Ramaniyam Ganga,
Door No: 27-30, First Avenue,
Ashok Nagar, Chennai – 600 083.

Secretarial Auditor
B Chandra
Company Secretaries,
AG3, Navin's Ragamalika,
26, Kumaran Colony Main Road,
Vadapalani, Chennai – 600 026.

Internal Auditors
Sundar Srini & Sridhar
Chartered Accountants,
1st Floor, New No: 9 Rajamannar Street
T Nagar, Chennai – 600 017

Bankers
IDBI Bank Ltd
State Bank of India
The Federal Bank Ltd
Union Bank of India

CONTENTS

NOTICE FOR THE THIRTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting (AGM) of the Company will be held at 3.00 PM on Monday, the 5th August, 2019, at Rajah Annamalai Mandram, No. 5, Esplanade Road (Opp. to High Court), Chennai – 600 108 to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2019 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2019 and the Reports of Directors, Auditors and Secretarial Auditor be and are hereby received, considered and adopted.

2. **To declare a dividend by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of ₹1.00 per equity share on 8,99,71,474 Equity Shares of ₹10/- each, absorbing ₹8,99,71,474 (Rupees eight crore ninety nine lakh seventy one thousand four hundred and seventy four only), subject to rounding off, is declared out of the profits for the year ended 31st March 2019 and the same be paid:

   i. In respect of shares held in physical form, to those members whose names appear on the Register of Members on 5th August 2019 and

   ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 31st July 2019.

3. **To reappoint Mr. Ramesh Chand Meena, IAS, (DIN: 08009394), Director who retires by rotation and being eligible offers himself for re-election, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Ramesh Chand Meena, IAS, (DIN: 08009394), a Director retiring by rotation being eligible and offering himself for re-election, is re-appointed as a Director of the Company, liable to retire by rotation.

4. **To fix the remuneration of Auditors by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. R.G.N. Price & Co., Chartered Accountants, Chennai having ICAI Registration Number 002785S, the Auditors of the Company is fixed as ₹30,00,000/- (Rupees thirty lakh only) per year for audit and related services plus reimbursement of out of pocket expenses and applicable taxes, which shall be applicable till the end of their present term ending with FY 2021 - 22.

SPECIAL BUSINESS

5. **To approve the appointment of Mr. N. Muruganandam, IAS, (DIN: 00540135) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. N Muruganandam, IAS, (DIN: 00540135) is appointed as a Director of the Company not liable to retire by rotation.

6. **To approve the appointment of Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010) is appointed as a Director of the Company liable to retire by rotation.

7. **To approve the appointment of Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Dr. N. Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company for a period of five years from 1st September 2018 is approved.

8. **To approve the appointment of Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) as an Independent Director of the Company for a period of five years from 1st April 2019 is approved.

9. **To approve the appointment of Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) is appointed as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) as an Independent Director of the Company for a period of five years from 1st April 2019 is approved.

10. **To approve the appointment of Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) as an Independent Director of the Company by passing the following as an Ordinary Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) is appointed as a Director of the Company, not liable to retire by rotation.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and the Articles of Association of the Company the appointment of Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) as an Independent Director of the Company for a period of five years from 21st May 2019 is approved.

11. **To approve the reappointment of Mr. Dhananjay N Mungale (DIN: 00007563) as an Independent Director for a second term by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Dhananjay N Mungale (DIN: 00007563), is appointed as a Director of the Company, not liable to retire by rotation.

    RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, the reappointment of Mr. Dhananjay N Mungale (DIN: 00007563), as an Independent Director for a further period of five years from 27th May 2019 is approved.

12. **To approve the reappointment of Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director for a second term by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Articles of Association of the Company, the proposal for reappointment of Ms. Sashikala Srikanth (DIN: 01678374), as an Independent Director for a further period of five years from 12th August 2019 is approved.

13. **To approve the reappointment and remuneration of Mr. D Senthikumar (DIN: 00202578) as the Wholetime Director (Operations) by passing the following as Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 of the Companies Act, 2013 ('the Act'), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the reappointment of Mr. D Senthikumar, (DIN: 00202578) as the Wholetime Director (Operations) of the Company on the following terms and conditions:

    A. PERIOD OF APPOINTMENT: 3 YEARS (19.02.2019 TO 18.02.2022)

    B. NATURE OF APPOINTMENT: CONTRACTUAL

    C. REMUNERATION: Mr. D Senthikumar (DIN: 00202578) shall be paid remuneration as detailed below:

       i. Total annual remuneration shall be ₹70.40 lakh including annual performance pay of ₹18.75 lakh and all other allowances.

       ii. Contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

       iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. D Senthikumar.

       iv. The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

       v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

       vi. The aforesaid revised remuneration shall be applicable from 1st April 2019.

    D. The following shall not be deemed to be remuneration to Mr. D Senthikumar, (DIN: 00202578)

       i. Provision of car with driver for official use

       ii. Provision of telephone at residence and mobile phone.

       iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

       iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

    E. All the other terms and conditions of appointment and remuneration shall remain the same.

14. **To approve the reappointment and remuneration of Mr. KT Vijayagopal (DIN: 02341353) as the Wholetime Director (Finance) by passing the following as a Special Resolution:**

    RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Articles of Association of the Company, Mr. KT Vijayagopal (DIN: 02341353) be and is hereby appointed as a Director of the Company liable to retire by rotation.

    RESOLVED THAT pursuant to the provisions of Sections 196 & 197 of the Companies Act, 2013 ('the Act'), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the reappointment of Mr. KT Vijayagopal, (DIN: 02341353) as the Wholetime Director (Finance) of the Company on the following terms and conditions:

A. PERIOD OF APPOINTMENT: 3 YEARS (12.02.2019 TO 11.02.2022)

B. NATURE OF APPOINTMENT: CONTRACTUAL

C. REMUNERATION: Mr. KT Vijayagopal, (DIN: 02341353) shall be paid remuneration as detailed below:

   i. Total annual remuneration shall be ₹70.40 lakh including annual performance pay of ₹18.75 lakh and all other allowances.

   ii. Contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

   iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. KT Vijayagopal.

   iv The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

   v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

   vi. The aforesaid revised remuneration shall be applicable from 1st April 2019.

D. The following shall not be deemed to be remuneration to Mr. KT Vijayagopal, (DIN: 02341353)

   i. Provision of car with driver for official use

   ii. Provision of telephone at residence and mobile phone.

   iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

   iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

E. All the other terms and conditions of appointment and remuneration shall remain the same.

15. **To ratify the remuneration to the Cost Auditors for the year 2018-19 by passing the following as an Ordinary Resolution:**

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration of ₹2,50,000/- (Rupees two lakh and fifty thousand only) to M/s. M. Krishnaswamy and Associates., Cost Accountants, Chennai for the year 2018-19 be and is hereby ratified.

16. **To approve the transactions with Manali Petrochemicals Limited by passing the following as an Ordinary Resolution:**

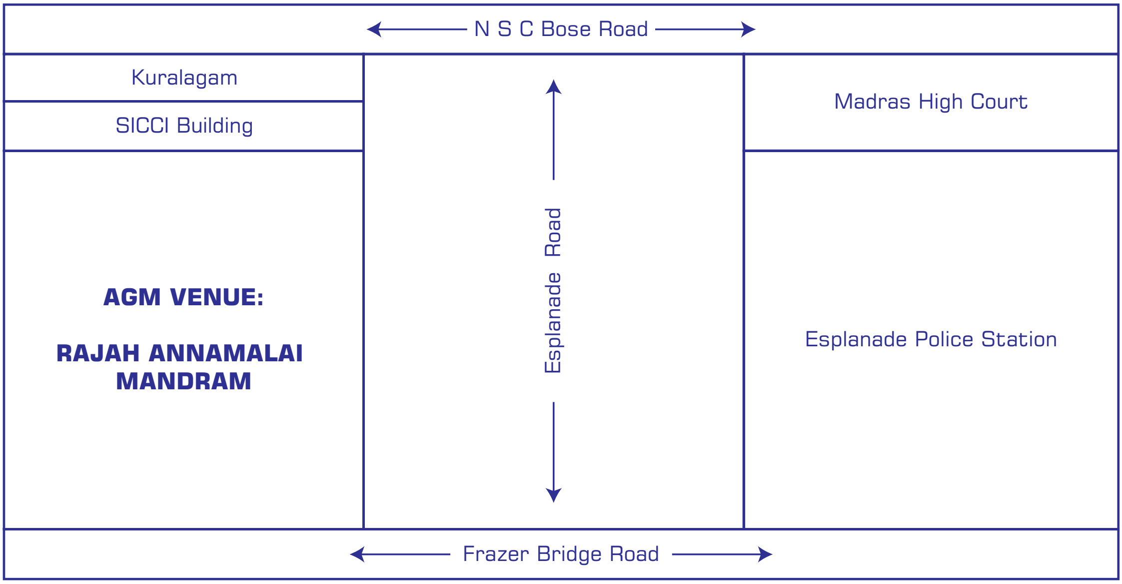
RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval is accorded for the transactions with Manali Petrochemicals Limited during the year 2019-20 for purchase and sale of goods and services and other transactions for aggregate value upto ₹ 200 crore (Rupees two hundred crore) plus applicable taxes.

Regd.Office:
Manali Express Highway
Manali,
Chennai-600 068
21st May 2019

By order of the Board
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary

LANDMARK FOR THE AGM VENUE:
OPPOSITE TO WESTERN ENTRANCE TO MADRAS HIGH COURT



IMPORTANT NOTES:

1. The Register of Members and Share Transfer books of the Company will remain closed from 1st August 2019 to 5th August 2019 (both days inclusive) in connection with the Annual General Meeting (AGM) and payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Business at the meeting, is annexed hereto which may be regarded as a disclosure under Regulation 36 of the Listing Regulations.
3. Particulars of the Directors seeking appointment/reappointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF SELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Member holding more than 10% of the total share capital of the Company is entitled to appoint a single proxy, who cannot be proxy of any other member. **The Proxy holder shall prove his/her identity at the time of attending the Meeting and shall not be entitled to speak at the meeting, but only vote on poll, if the member has not exercised e-voting.**
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
6. Electronic copy of the full version of the Annual Report for the year 2018-19 and the notice of the 34th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged

Annual Report for the year are being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/Registrar and receive full version of the Annual Report and other communications in electronic form to contribute their mite to green environment.

7. Full version of the Annual Report and the Notice of the AGM are available in the Company's website viz., www.tnpetro.com. Members desirous of receiving printed copy of the complete annual report may send a request in writing to the Registrar or the Company by post/courier or email with a scanned copy of the request, duly signed.
8. Pursuant to the stipulations in Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 108 of the Companies Act, 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. The detailed process for participating in e-voting is provided in the Annexure to the Notice in Page no. 18 and 19.
9. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. However as per Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended, facility for voting shall be made available at the meeting by polling papers and members who have not cast their vote by e-voting shall be entitled to exercise their right at the meeting.
10. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case, electronic payment is not possible, the bank account details, if available will be printed on the warrant / other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
11. As per Section125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹29,81,386 /- being the unpaid and unclaimed dividend amount pertaining to the year 2010-11 to the IEPF on 5th November 2018. The details of such transfer are available in the website of the Company.
12. The details of unpaid dividend relating to the year 2011-12 as on 7th August 2018, being the date of last AGM is available in the website of the Company www.tnpetro.com. The updated details of unpaid dividend as on the date of ensuing AGM relating to the years 2011-12 and 2017-18 will be uploaded in the website of the Company in due course.
13. Dividend for the year 2011-12 remaining unclaimed and unpaid will be transferred to IEPF during the month of November 2019. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.
14. As per the extant law, investors are entitled to claim the unpaid dividends transferred to the IEPF for which they are required to submit the request online in Form IEPF–5. The procedure for making the claim is available in the website of the Company and also the IEPF.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar.

17. SEBI vide circular dated 20th April 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly in July 2018 individual letters were sent to the those shareholders whose PAN and Bank Account details are not available with the Company, followed by two reminders, but many of such shareholders have not furnished the information. As per the Circular, the shareholders who have not furnished the information have been placed under "enhanced watch" and so their requests would be processed subject to enhanced due diligence.
18. ***Pursuant to Proviso to Regulation 40 (1) of the Regulations, effective 1st April 2019, the Company is not permitted to process requests for transfer of securities, other than transmission or transposition of names in physical form. So, persons holding shares in physical form are requested to take actions for dematerialization of their holdings to ensure hassle free transactions in the shares.***
19. Members who have registered for e-communication are also entitled to receive communication in physical form by post, free of cost upon making a request for the same. For any information, the Members may also send requests to the Registrar.
20. Members may avail nomination facility in respect of their holdings. Those holding shares in physical form may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.
21. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Holidays, up to and including the date of the AGM.
22. Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.
23. **Members may note that as per the Secretarial Standard – 2 notified by the Government, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting and hence there will be no distribution of packaged items at the meeting.**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

The following statements sets out all material facts relating to the special business mentioned in the accompanying notice:

Items 5 & 6

Mr. N Muruganandam, IAS, (DIN: 00540135) Principal Secretary to Government of Tamilnadu, Industries Department was appointed as an Additional Director of the Company and also as the Chairman of the Board at the Board Meeting held on 12th February 2019 and he holds office till the AGM.

Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010), Executive Director of Tamilnadu Industrial Development Corporation Limited (TIDCO), was appointed as an Additional Director of the Company through a Circular Resolution effective from 5th April 2019 and he holds office till the AGM.

Proposals has been received from Tamilnadu Industrial Development Corporation Limited (TIDCO) for their appointments as Directors of the Company under Section 160 of the Act. Since the proposals have been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointees is given in the Annexure.

In terms of the Joint Venture Agreement entered between the promoters, TIDCO is entitled to have three nominees on the Board of TPL. Accordingly, the Board recommends the resolution for the consideration of the Members as an Ordinary resolution.

Except Mr. N Muruganandam, IAS, (DIN: 00540135), Mr. Ramesh Chand Meena IAS, (DIN: 08009394) and Dr. Aneesh Sekhar. S, IAS (DIN: 07887010), all being the nominees of TIDCO none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No.7-10

Dr. N. Sundaradevan, IAS (Retd.), (DIN: 00223399) was appointed as an Additional Director of the Company through a Circular Resolution effective from 1st September 2018 and also as an Independent Director for a period of five years from the said date.

Lt. Col. (Retd.) Shankar Chatapuram Swaminathan (DIN: 08397818) and **Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285)** were appointed as Additional Directors of the Company at the meeting held on 25th March 2019 effective from 1st April 2019 and also as Independent Directors for a period of five years from the said date.

Mr. Debendranath Sarangi, IAS (Retd.), (DIN: 01408349) was appointed as an Additional Director of the Company at the meeting held on 21st May 2019 and also as an Independent Director for a period of five years from the said date.

All the above appointments as Additional Directors have been made under Section 162 and so they hold office till the AGM. Proposals have been received for their appointment as Directors under Section 160 of the Act for which there is no requirement of any deposit pursuant to Proviso to Section 160(1) of the Act. Further in terms of Section 149(13) of the Act, the above appointees will not be liable to retirement by rotation.

It may be noted that their appointments as Independent Directors have been made under Section 149 read with the other provisions, Rules and Schedule IV to the Act. As per Section 150, these appointments are to be approved by the Shareholders.

Brief profiles of the aforesaid Directors are given in the Annexure from which it could be seen that they have good qualification and rich experience in various segments, positions and fields. It is viewed that they individually and also collectively possess many of the skills determined for the Board.

Considering their qualification, experience, stature, standing and based on the declaration and other disclosures received, in the opinion of the Board, all the above Directors are qualified to be Independent Directors of the Company and their association and guidance would be of great value to the Company. Accordingly, the Board recommends all the above proposals for consideration and approval of the Members by way of Ordinary Resolutions.

Except, the respective appointees none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposals.

Item No.11 & 12

Mr. Dhananjay N Mungale (DIN: 00007563) and **Ms. Sashikala Srikanth (DIN: 01678374)** the Independent Directors would be completing their first term of office on 26th May 2019 and 11th August 2019 respectively. As per Section 149(10) of the Act, they shall be eligible for reappointment on passing of a Special Resolution by the Members and disclosure of the same in the Board's Report. Further as per para 4 of Schedule IV to the Act, such reappointment shall be on the basis of report of performance evaluation.

In this connection, Board at the meeting held on 21st May 2019 has, based on the evaluation of the performance of the above two directors, concluded that they be reappointed for a further term of five years, subject to approval of the Members as stated above. The proposals have also been considered by the Nomination and Remuneration Committee and duly recommended to the Board. Since Mr Dhananjay N Mungale's first term would end on 26th May 2019, the Board has appointed him as an Additional Director and Independent Director effective from 27th May 2019. Board also appointed Ms Sashikala Srikanth as an Independent Director effective from 12th August 2019 which has to be approved by the Members.

Brief profile of the appointees are given in the Annexure, from which it could be seen that they are Chartered Accountants with rich experience in various fields. They are serving on the Boards of other listed companies and their committees. They have many of the skills determined by the Board and further their performance has been found to be good. Therefore their continued association would be beneficial to the Company and so the Board recommends the proposals for consideration and approval of the Members by Special Resolutions.

Except for the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No. 13 & 14

Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 12th February 2019 reappointed Mr. D Senthikumar (DIN: 00202578) as the Wholetime Director (Operations) for a period of three years with effect from 19th February 2019, subject to approval of the Members.

The tenure of Mr. KT Vijayagopal (DIN: 02341353) as Wholetime Director (Finance) ended on 31st January 2019. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board at the Meeting held on 12th February 2019 appointed him as an Additional Director and also as Wholetime Director (Finance) with effect from 12th February 2019 subject to approval of the Members.

The brief profiles of the appointees are given in the Annexure from which it could be seen that they have adequate qualifications and requisite experience to be the Wholetime Directors of the Company and discharge their responsibilities.

Based on the recommendation of the NRC, the remuneration of the aforesaid Wholetime Directors have been revised as detailed in the Resolutions.

The revised remunerations are considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

Statement pursuant to Clause (iv) of second proviso to of Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolutions for the consideration of the Members. Except the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Item No. 15

At the Board Meeting held on 10th August 2018, M/s M. Krishnaswamy & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditor of the Company for the year 2018-19 on a remuneration of ₹2,50,000/- [Rupees two lakh fifty thousand only] as recommended by the Audit Committee of the Company. As per Section 148 of the Act read with Companies (Audit and Auditors), Rules 2014, remuneration to the Cost Auditor as recommended by Audit Committee, and approved by the Board is to be ratified by the Members and hence the same is placed for consideration and approval at the AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 16

The Company has been having transactions with Manali Petrochemicals Limited (MPL) for more than 3 decades for purchase/sale of various goods/services. During the year 2017-18, MPL has been identified as a Related Party under the Ind AS- 24 and so the requirements relating to transactions with Related Parties are being complied with. The transactions between MPL and TPL have always been in the ordinary course of business at arms' length and so they are not covered under Section 188 of the Act. However the stipulations in the Listing Regulations are attracted. In this connection it may be noted that TPL has commenced production of Propylene Oxide during January 2019 and the product would be sold to MPL, which would be in addition to the other products/ services. The total value of the transactions during the year 2019-20 is expected to be more than 10% of the consolidated turnover of TPL in FY 2018-19 and so the transactions would be deemed material in terms of the Policy of the Company read with Regulation 23 of the Listing Regulations.

Pursuant to Regulation 23 (4) all material related party transactions shall require approval of the Shareholders through resolution without the participation of the related parties of the Company.

It is important to continue the transactions with MPL as it has been one of the major customers of TPL for more than three decades and the transactions have always been in the ordinary course of business at arms' length. The Audit Committee of TPL has accorded prior approval for the said transactions. In the light of these, the Board recommends the resolution for consideration and approval of the Members as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

Regd.Office:	By order of the Board
Manali Express Highway	**For Tamilnadu Petroproducts Limited**
Manali,	
Chennai-600 068	K Priya
21st May 2019	**Company Secretary**

Annexure

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 34TH AGM.

Items 3, 5 to 14 of the Notice

Brief Profiles of the proposed appointees

Mr. Ramesh Chand Meena, IAS (DIN: 08009394), 53, holds B. Tech (Electrical) and M. Tech (Communication and Radar Engineering) degrees. He has more than 25 years of wide experience in public administration and has held critical and important positions in the Government of Tamil Nadu. He was appointed as a Director of the Company on 16th January 2018.

At present he serves as Chairman and Managing Director of Tamilnadu Industrial Development Corporation Limited (TIDCO). He is also Chairman and Director of TICEL Bio Park Limited, TIDEL Park Coimbatore Limited and Director of State Industries Promotion Corporation of Tamilnadu Limited (SIPCTL), TIDEL Park Limited, Titan Company Limited (TCL), TRIL Infopark Limited (TIL), Ascendas IT Park (Chennai) Limited, Marine Infrastructure Developer Private Limited, Tamilnadu Trade Promotion Organisation (a Sec.8 Company), Electronics Corporation of Tamil Nadu Limited (ECTL). He is also a Member of Tamilnadu Industrial Guidance and Export Promotion Bureau (Society).

He is a Member of Audit Committee of TPL, TIL, ECTL and Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Executive Sub Committee of TIDCO and NRC, Ethics Committee and Executive Committee of TCL. He is also Member of Tender Committee of SIPCTL.

Mr N Muruganandam, IAS (DIN: 00540135), 51, is an Engineering graduate in Computer Science and also MBA. A 1991 batch IAS Officer, he has held many key positions in the Government of Tamil Nadu and Government of India such as District Collector, Coimbatore/ Karur / Chennai, Managing Director, Poompuhar Shipping corporation, Joint Secretary, Ports and Joint Secretary, Rural Development in the Government of India.

He was the Project Director of World Bank funded poverty alleviation programme, Pudhu Vazhvu. Prior to becoming the Principal Secretary, Industries Department in 2019, he was the Principal Resident Commissioner of Tamilnadu House in New Delhi.

At present he serves as Chairman of State Industries Promotion Corporation of Tamilnadu Limited, Tamilnadu Industrial Investment Corporation Limited, TIDEL Park Limited, Titan Company Limited, Tamilnadu Minerals Limited, Tamilnadu Newsprint and Papers Limited, Tamilnadu Industrial Guidance and Export Promotion Bureau (Society) and Director of Tamilnadu Industrial Development Corporation Limited, Tamil Nadu Generation and Distribution Corporation Board, IIT Madras Research Park (a Sec.8 Company), Entrepreneurship Development Institute. He is also a Member in Chennai Metropolitan Development Authority and Mono Rail Empowered Committee.

Dr. Aneesh Sekhar. S, IAS, (DIN: 07887010), 33, holds M.B.B.S degree. A 2011 batch IAS Officer, he has held many key positions in the Government of Tamil Nadu such as the Commissioner, Corporation of Madurai, Managing Director, Madurai Smart City Limited, Director, Tamilnadu State Transport Corporation (Madurai) Limited and Joint Commissioner (Enforcement) Commercial Taxes Coimbatore.

At present he serves as Executive Director of Tamilnadu Industrial Development Corporation Limited (TIDCO), State Industries Promotion Corporation of Tamilnadu Limited and Managing Director of Tamilnadu Polymer Industries Park Limited.

He is the Chairman of Tanflora Infrastructure Park Limited (TIPL) and Director of TICEL Bio Park Limited, Manali Petrochemicals Limited and Tamilnadu Trade Promotion Organisation (a Sec. 8 Company).

He is the Chairman of Audit Committee and Project Monitoring Committee of TIPL, Member of Executive Sub Committee of TIDCO and Member of NRC, CSR, Risk Management Committee (RMC), Stakeholders' Relationship Committee (SRC) of TPL.

Dr. N. Sundaradevan, IAS (Retd.), (DIN: 00223399), 66, holds a Master's degree in Chemistry and also a Ph. D in Sociology (Applied Demography). He was in Indian Revenue Service as an Income Tax Officer from July 1977 to July 1979 and later joined the Indian Administrative Service.

Dr. Sundaradevan has more than three decades of experience in administrative services in various departments like District Administration, Civil Supplies, Revenue, Health and Family Welfare, Environment and Pollution control, Industries. After distinguished service he retired in September 2012.

During his services to the Government, Dr. Sundaradevan has held various offices such as Sub-Collector, Regional Manager of Tamilnadu Civil Supplies Corporation, Chairman and Managing Director of State Industries Corporation (SIPCOT), District Collector of Kanniyakumari and Tiruchirapalli, Managing Director of Tamilnadu Textbook Society, Director of Handlooms & Textiles, Secretary of State Election Commission, Officer on Special Duty in Chief Minister's Office, Secretary to the Chief Minister, Secretary of Health and Family Welfare Department, Director of Guidance Bureau, Secretary of Revenue Department, Chairman of Tamilnadu Pollution Control Board, Secretary of Forests and Environment Department, Commissioner of Revenue Administration, Principal / Additional Chief Secretary of Industries Department, CMD of TIDCO, Tamilnadu Mineral Ltd. (TAMIN), Tamilnadu Industrial Explosives Ltd., Chairman of Tamilnadu Cements Corporation Ltd., Director of Chennai Metro Rail and TANGEDCO. He was also an Independent External Monitor of the Chennai Petroleum Corporation Ltd and NLC India Limited.

At present he is Director of Ascendas IT Park (Chennai) Ltd., (AIPL), The State Trading Corporation of India Ltd. (STCIL), Information Technology Park Ltd., Bangalore (ITPL), TIDEL Park Coimbatore Limited, Tamilnadu Water Investment Company Limited, Jansons Industries Limited. He is the Member of Audit Committee of AIPL, STCIL and ITPL.

He is also Managing Trustee of Adigaratty Trust, The Nilgiris, and Trustees of Nilgiri Swami Vivekananda Foundation, The Nilgiris, Nelikolu Trust, The Nilgiris and IC Centre for Governance, Coimbatore.

Mr. Dhananjay N Mungale (DIN: 00007563), 65, B.Com, A.C.A., L.L.B., is a renowned Consultant having wide experience in International Finance, Capital Markets and Merchant Banking. Mr. Mungale has had a long and distinguished career stints with Bank of America and DSP Merrill Lynch, in Corporate and Private and Investment Banking, in India and Europe. He serves on the Boards of various entities and institution ranging from the publicly held, private to non-governmental. Based in Mumbai, with advisory engagement across India, and Europe, he performs a wide repertoire of roles across various sectors, both corporate as well as pro-bono. He is member of National Committee of the Mahindra United World College. He is Director in Chowgule Steamships Ltd., Mahindra & Mahindra Financial Services Ltd. (MMFSL), Mahindra CIE Automotive Ltd. (MCAL), NOCIL Limited, Samson Maritime Ltd. (SML), Kalpataru Limited (KL), I-nestor Advisors Private Limited, LICHFL Trustee Company Private Limited, Mentor Technologies Private Limited and DSP Investment Managers Private Limited.

He is Chairman of Audit Committee and NRC of Chowgule Steamships Ltd. He is also Chairman of SRC of MCAL and Chairman of NRC of KL.

He is the Member of Audit Committee of MMFSL, NOCIL, MCAL, KL, SML and TPL. He is the Member of NRC of MMFSL, NOCIL and SML. He is the Member of RMC of MMFSL and also Member of CSR of MCAL.

Ms. Sashikala Srikanth (DIN: 01678374), 62, is a graduate in Economics and a Chartered Accountant. At present she is providing consultancy services to various corporates including in the area of CSR. Prior to this she was Senior General Manager - Resources of IAL Group and Group Financial Controller of

Shattaff Group, in Dubai from 2003 to 2005 and held various positions in MAC Group of Companies from 1996 to 2003. She was associated with AF Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995 where she had also done her internship during 1984-87. Presently she is a Director in Manali Petrochemicals Limited (MPL), Sicagen India Limited (SIL), Southern Petrochemical Industries Corporation Limited (SPIC), Greenstar Fertilizers Limited (GFL), EDAC Engineering Limited (EEL), Merchantile Ventures Limited (MVL), AM Foundation, Trust Properties Development Co Private Limited and Certus Investments and Trading Limited, Mauritius, subsidiary of TPL. She is also trustee of AM Educational Foundation.

She is the Chairperson of Audit Committee of SPIC, GFL, SIL and TPL. She is also Member of Audit Committee of EEL, MVL and MPL. She is the Member of NRC of MVL, GFL, EEL and SIL. She is the Chairperson of RMC of TPL, MPL and MVL and Member of SRC of MVL. She is the Chairperson of CSR of MVL and Member of CSR of TPL, MPL, GFL and SIL.

Lt. Col. (Retd.) Shankar Chatapuram Swaminathan, (DIN: 08397818), 60, is a Chemical Engineer and served Indian Oil Corporation Limited for 37 years. He retired as its Executive Director and during his tenure had headed various verticals within the organization, namely - Aviation, LPG, Director Secretariat, Petrochemicals, Corporate Training & Development, Planning and Co-ordination, Law and Quality control.

Concurrently, Lt. Col. (Retd.) Shankar was commissioned in the Indian Territorial Army as an Officer in 1983 and had been an active soldier for over 30 years. He had headed Battalion in relief and rescue operations during the Gujarat earthquake, Odisha super cyclone, Andaman's tsunami and various other critical operations of national importance. A passionate trainer and motivational speaker Lt. Col. (Retd.) Shankar has presented technical papers at various National and International forums.

Mr. Shankar is a Director in Manali Petrochemicals Limited. He is a Member of the NRC of TPL.

Mr. Govindarajan Dattatreyan Sharma, (DIN: 08060285), 64, is a Post Graduate in Personnel Management and Industrial Relations from Tata Institute of Social Sciences, is a Senior HR professional with over 40 years' experience across industry verticals. He has held senior positions and led the HR function in various corporates such as BGR Energy Systems, Larsen & Toubro, Vedanta (Sterlite) Group, SRA Systems, E.I.D. Parry and SPIC.

At present he is Principal Consultant, Beeline HR Advisory, his own HR & Management Consulting Firm, advising major organizations, Institutions and individuals on managing growth and helping them realize their potential.

Mr. Sharma is a well-respected HR veteran, with rich experience in the complete spectrum of the human resources functions across varied business segments. He has had exposure to multi-national mergers and acquisitions, cross-cultural change management, large scale integration facilitation skills and the like. He has designed and successfully implemented management and leadership development initiatives across the enterprise, and is well-versed in strategically aligning HR with Business. Mr. Sharma also plays an active role in Education/Academia and Training, and is associated as Advisor, Adjunct Faculty, Visiting Faculty, and Mentor with prestigious B-Schools and leading Business houses.

He is a much sought-after trainer, speaker, rapporteur, facilitator and moderator in professional, social and cultural circles. Mr. Sharma has won many Awards and Distinctions. He was the Best Outgoing Student of the 1979 batch of M.A (PM & IR) at TISS and a Gold Medalist. His other Awards include Rotary Foundation Group Study Exchange Fellowship in 1985; Fellowship of AOTS in 1996; Leadership Excellence Award from ITM University in 2006; Lifetime Achievement Awards by HR Sangam in 2016 and HR Caucus in 2018. He has held several National and State-level positions in Professional & Industry Bodies, such as the CII, EFSI, SICCI & NIPM.

Mr. Sharma is a Director in Manali Petrochemicals Limited (MPL). He is the Chairman of NRC of MPL, TPL and a Member of the Audit Committee and SRC of MPL, TPL.

Mr. Debendranath Sarangi, (DIN: 01408349), 66, is a retired IAS (1977) Officer from Tamilnadu cadre. He holds Master's degrees in Political Science from Delhi University and in Economics from University of Swansea, UK.

While in service he held senior level responsibilities like Additional Chief Secretary/Principal Secretary of eight Departments including as Chairman of Tamilnadu Industrial Development Corporation and TITAN. He eventually retired as the Chief Secretary in 2012. He is an Independent Director on the Boards of Voltas Ltd, Universal Comfort Products Ltd (UCPL) and Rohini Industrial Electrical Ltd (RIEL) (both wholly owned subsidiaries of Voltas), the Chairman (Independent Director) of Shriram City Union Finance Ltd (SCUFL) and Independent Director in SPIC. He is also Director in Etica Developers Pvt Ltd (EDPL), He is the Member of Audit Committee in Voltas Ltd, UCPL and RIEL and Member of Risk Management Committee of Voltas. He is also Member of Nomination and Remuneration Committee of RIEL and SCUFL and CSR Committee of SCUFL.

Mr. D Senthikumar, (DIN: 00202578), 54, holds B.TECH (Chemical Engineering Degree) from Anna University and also completed his EMBA in IIBM. He has more than 29 years of experience in the industry. He started his career as a trainee in TPL and became the AVP (Operations). He has handled many areas in TPL and has good knowledge about the operations and other functions of all the units of the Company. His qualification and knowledge about TPL will be very useful to the Company. Presently he is the WTD (Operations) of TPL and a Director of TPL Employees Welfare Foundation. He is a member of the Risk Management Committee, CSR Committee and Stakeholders Relationship Committee of TPL.

Mr. KT Vijayagopal, (DIN: 02341353), 53, is a graduate in Commerce and a Fellow member of the Institute of Chartered Accountants of India (ICAI). He has more than 30 years of experience mostly in Oil & Gas, Power, Engineering and Manufacturing sectors and has held various positions in multinational companies & premier Indian Companies including Board level assignments. He has widely travelled and has worked with various nationalities like British, Canadians, Americans etc., In addition to the general corporate experience, his commercial acumen combined with people skills is expected to be useful to the Company. He is the Chief Financial Officer of the Company and the WTD (Finance) from 1st February 2016. Presently he is a Director of TPL Employees Welfare Foundation. He doesn't hold any committee memberships.

None of the above appointees hold any shares in the Company except Mr. KT Vijayagopal who holds 200 equity shares and none of the above appointees has any relationship with other Directors or other Key Managerial Personnel of the Company. The details of meetings attended by these Directors during the year 2018-19 are furnished in the Corporate Governance Report.

STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISO TO PARAGRAPH B TO SECTION II OF PART II OF SCHEDULE V TO THE ACT

I. GENERAL INFORMATION

(1)	Nature of Industry	Chemical and Petrochemical (Manufacture and Sale of Linear Alkyl Benzene, Caustic Soda and Chlorine & Derivatives and Propylene Oxide).			
(2)	Commencement of commercial Production	Linear Alkyl Benzene - April 1988 Caustic Soda and Chlorine & Derivatives - The Chlor Alkali plant owned by SPIC was taken over by the Company during August 2000. Propylene Oxide – January 2019			
(3)	Financial Performance				(₹ in Crore)
		Financial Parameters	**2016-17**	**2017-18**	**2018-19**
		Revenue from Operations	888.85	1085.09	1245.33
		Profit After Tax	9.30	51.70	54.27
		Export Sales	26.68	3.84	Nil
		Dividend	Nil	5%	10%
(4)	Foreign investments or collaborations, if any	The Company has invested ₹96 crore in its Wholly Owned Subsidiary Certus Investments and Trading Limited, Mauritius.			

II. INFORMATION ABOUT THE APPOINTEES:

Mr. D Senthikumar (DIN: 00202578)

(1) Background details	Furnished in the explanatory statement.
(2) Past Remuneration	₹62.12 lakh per annum including ₹16.50 lakh as annual Performance Pay and all other allowances excluding contribution to Provident and Other Funds, leave gratuity and other benefits in accordance with applicable law/service rules of the Company till 31.03.2019.
(3) Job Profile and Suitability	As Wholetime Director (Operations) of the Company he will be responsible for the Plant-Operations, Projects and other matters of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company from time to time. He is also the Key Management Personnel under section 203(1)(i) of the Companies Act, 2013. Taking into account his previous experience, educational background, knowledge about the industry, past performance in TPL and the nature and size of operations of the Company, he is a fit and proper person to be the Wholetime Director (Operations) of the Company.
(4) Remuneration proposed to the Appointee	As given in the Special Resolution.
(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
(6) Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any	NIL

Mr. KT Vijayagopal, (DIN: 02341353)

(1) Background details	Furnished in the explanatory statement.
(2) Past Remuneration	₹62.12 lakh per annum including ₹11.88 lakh as annual Performance Pay and all other allowances excluding contribution to Provident and Other Funds, leave gratuity and other benefits in accordance with applicable law/service rules of the Company till 31.03.2019.
(3) Job Profile and Suitability	As Wholetime Director (Finance) of the Company he will be responsible for management of financial affairs of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company from time to time.
(4) Remuneration proposed to the Appointee	As given in the Special Resolution.
(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
(6) Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any	NIL

III. OTHER DISCLOSURES

1	Information on remuneration package	Details furnished in the relevant resolutions.
2	Other disclosures	The elements of remuneration are basic salary, allowances, annual performance pay, annual benefits, contributions, etc. details of which have been furnished in the Resolutions/ Corporate Governance Report annexed to the Directors' Report for the year 2018-19. Terms of service are as per the service rules of the Company governed by the applicable laws. No stock option is applicable.

Regd.Office:
Manali Express Highway
Manali,
Chennai-600 068
21st May 2019

By order of the Board
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

(i) The voting period begins on **2nd August 2019 at 9.00 AM and ends on 4th August 2019 at 5.00 PM.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, 29th July 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders/Members.

(v) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter their Folio Number allotted by the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xii) Click on the EVSN for Tamilnadu Petrochemicals Limited and you will be directed to the E-Voting Screen.
(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. 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.
(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
(xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

REQUEST TO SHAREHOLDERS FOR INFORMATION UNDER SECTION 88 OF THE COMPANIES ACT, 2013 AND TO REGISTER THEIR E-MAIL IDs

1. As per Section 88 of the Companies Act, 2013 (the Act) the Register of Members is required to be updated with certain additional particulars, such as PAN, CIN/UIN etc. Persons holding shares in physical form are requested to furnish the relevant information to enable the Company to comply with the said requirements of the Act.
2. The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report, notices and other communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein. Accordingly for receiving the annual report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents in the format given in our website viz. www.tnpetro.com duly signed and sent to the Registrar and Share Transfer Agents through post, courier or by e-mail with the scanned copy of the duly signed form or hanover at the AGM Venue. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March 2019. The Management Discussion and Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is also presented as part of the Directors' Report.

FINANCIAL RESULTS

The Summary of the financial results is as shown below, which has been prepared as per the Indian Accounting Standards (Ind AS) adopted since last year.

(₹ In crore)

Description	**2018-19**	2017-18
Earnings Before Interest, Depreciation and Tax	**98.53**	96.62
Interest	**6.85**	6.72
Depreciation	**20.00**	22.22
PBT (before exceptional item)	**71.68**	67.68
Exceptional Income (Insurance claim)	**-**	9.22
Tax expenses	**17.41**	25.20
Profit After Tax	**54.27**	51.70

HIGHLIGHTS OF OPERATIONS

During the year under review revenue from operations was ₹1245.33 crore Vis a Vis ₹1085.09 crore in the previous year, registering an increase of about 15%. Profit after tax increased by 5% over the previous year. This is mainly on account of the improved performance of both the Linear Alkyl Benzene (LAB) and Chlor Alkali Divisions notwithstanding the LAB Plant shut down for about 21 days in April 2018 for periodical maintenance.

Your Company continued its policy of prudent inventory management, ensuring growth in margins, in spite of variations in the crude prices.

The performance of the Chlor Alkali Division producing Caustic Soda and Chlorine improved and contributed significantly to the bottom-line during the year, mainly on account of increased demand for Caustic Soda, in addition to higher realisations. Improved plant efficiency further contributed to better performance.

Your Company completed the project for conversion of the erstwhile Ephichlorhydrine (ECH) division for manufacture of Propylene Oxide (PO) and the commercial production commenced during the last quarter. With this the ECH facility which was defunct from 2013 has now been put to effective use.

FINANCIAL REVIEW

Your Company has availed working capital facilities which are used judiciously, achieving reduction in finance costs. There are no long term debts and all the capex requirements are met from internal accruals.

Based on the improved performance, CARE the credit rating agency has improved your Company's credit rating to CARE BBB+ (plus) with outlook stable from BBB for long-term bank facilities upto ₹56 crore and CARE BBB+ Outlook Stable / CARE A3+ from BBB Stable / CARE A3 for Long/short-term bank facilities upto ₹63 crore.

DIVIDEND

Your Directors have recommended a dividend of 10% i.e. ₹1.00 per equity share of ₹10/- each fully paid up, for the year 2018-19, aggregating to ₹8.97 crore, excluding dividend distribution tax.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Linear Alkyl Benzene (LAB), also known as detergent alkylate, belongs to the family of organic compounds. LAB is used as a chemical intermediate to form Linear Alkylbenzene Sulfonate (LAS), which is used as surfactant in detergents and cleaning products. LAB is produced exclusively from various petroleum derivatives. LAB is a compound that has significant commercial importance and enjoys a good demand from the detergent industry. The applications for LAS have been further segmented on the basis of end use viz., heavy duty laundry liquids, light duty dishwashing liquids, and laundry powders, industrial and household cleaners. LAB also has a very minor presence in a few other applications like emulsions polymerisation, wetting agents, ink solvents, cable oil, etc.

Detergent industry is expected to grow at a faster pace due to both population increase and lifestyle changes. The Asian region is both the largest LAB producing and consuming region in the world. At present the major producers are from India and China, but new capacities are coming up in Middle East region.

In India, the LAB industry dates back to 1978 with the commissioning of first LAB plant by IPCL at Vadodara. IPCL was later acquired by Reliance Industries Limited (RIL). Years later TPL, RIL and Nirma set up facilities across India, as import substitution measure. However, in the recent years, the industry is facing stiff competition from imports mainly from China and Middle East due to globalisation and changed import regulations.

Worldwide, more than 95% of all the LAB manufacturers including TPL have adopted the UOP Technology, which is considered as superior and the most cost-effective technology than the only other chlorination technology. In spite of this, in India, because of high cost of key inputs and feedstock quality, the cost of production of LAB is relatively higher than International Standards.

The domestic players always find it difficult to compete with the overseas suppliers who have modern facilities with large capacity and plants integrated with refinery which helps them in achieving lower cost of production.

Caustic Soda, a most commonly used industrial chemical, finds wide applications in textile, pulp and paper, aluminium and soaps and detergents industries. The annual increase in demand is expected to be around 5%. In spite of power intensive process, the national level capacity utilisation is about 85% of the aggregate capacity of around 4.0 million tons. During the year under review, caustic imports came down by about 38% compared to previous year. The capacities across Europe and other countries have come down on account of the change in process mandated by the Governments. Thus Plants all around the globe are currently converting to newer membrane technology which your Company has already embraced.

Chlorine, a co-product of Caustic Soda is widely used in sectors like Vinyl Chloride, Chlorinated Paraffin Wax (CPW), pulp and paper, water purification, chlorinated solvents, etc. Chlorine demand will be a major driver for Chlor-alkali capacity utilisation. Lack of integrated plants and downstream chlorine utilisation projects are major impediments for disposal of chlorine which in turn restricts the caustic production.

Propylene Oxide is an organic, volatile, flammable, colorless liquid compound which is soluble in both ether and alcohol. It is mainly used as the feedstock for various derivative products such as propylene glycol, polyols and other industrial intermediates. It is a chiral epoxide, although it is commonly used as a mixture. The global propylene oxide market is expected to grow at a CAGR of 6.2% during the period 2018-2022. Your Company is only the 2nd manufacturer of PO in India and uses the Hydrochlorination route, which helps in captive consumption of the Chlorine and thus provides a good opportunity to improve the production of caustic soda.

OPPORTUNITIES AND THREATS

Growing preference for bio-based surfactants, awareness pertaining to hygiene are set to boost the demand for detergents & cleaners and thus positively impact the Linear Alkyl Benzene market for surfactant application. Rapid industrialisation and urbanisation due to increasing population are also expected to contribute to the market growth. The global market for Linear Alkyl Benzene is lucrative and is expected to witness a steady growth owing to the expansion, collaborations or partnerships strategies adopted by key players.

With the help of visual advertisements, the detergent manufacturers have found it easier to reach remote areas. Moreover, consumers have the privilege of choosing from a wide variety of product range and hence the companies are constantly upgrading their products and making every effort to maximise their market share through innovative advertising campaigns. Since these companies target the bottom of the pyramid market, there is a huge potential for the LAB industry to grow.

However, India being an attractive market it is targeted by the overseas LAB players which has resulted in increased imports to India. Addition of new plants in the Middle East is a big threat to the LAB market in India as a major percentage of production is likely to flow into India. This could continue to be a factor in pricing and margins.

Caustic Soda continues to be an important industrial intermediary finding application in many industries. With the demand for textiles and apparels increasing on account of urbanisation and larger spending on personal effects, the market for Caustic Soda is expected to grow further.

Higher cost of power, which is the major input for caustic production and highly unpredictable salt prices due to erratic climatic conditions affect the ability of your Company to face the competition from imports. However, in the European Union, phasing out of mercury cell technology has been mandated and hence many old Chlor Alkali plants are being shut down resulting in curtailed supplies. This has brought down the otherwise higher imports into India and hence the Company could increase its production to optimum levels and earn better margins. The effect is likely to be seen during the first half of the coming year. Also, as it has been insisted that caustic sold in India is to be BIS certified, this has curtailed some of the imports from other Countries. This trend is expected to continue at least for one more year, as the international producers are in the process of getting certification.

As stated earlier, your Company has converted the erstwhile ECH facility which was closed down due to continued huge losses. This has proved to be gainful in many ways – besides beneficial use of a defunct facility, a new avenue has been opened up for advantageous use of chlorine which in turn has paved way for higher capacity utilisation of the Chlor Alkalis Division. Also your Company has added a different product to its portfolio, which is expected to uncover further opportunities. The unit is highly water intensive and the acute water shortage in Chennai due to failure of monsoon in the last two years is a threat to operate the plant at full capacity.

OUTLOOK

LAB

Improved awareness about hygiene and the focus on cleanliness during the past few years has improved the demand for surfactants and detergents. The trend is expected to continue in the coming years as the government's attention in the interim budget for FY 2019-20 has been more on the rural economy and improving the economic condition of the agricultural sector.

Despite stiff competition from overseas suppliers, TPL continues to sustain its position as a major player in the LAB market. TPL over the past three decades has established itself as a reliable supplier of LAB to major companies. TPL has been able to sustain its market share across India with a dominant presence in the southern part of India.

With the demand for LAB looking up, options to further increase the existing capacity and/ or setting up new facilities in other locations including overseas are also being explored.

The continuing of Anti-Dumping Duty (ADD) on LAB from specific Countries has not made any big impact in the LAB price. The import from Saudi Arabia continues to be an area of concern though it is not expected to have any significant impact in South India where your Company is the market leader.

CAUSTIC SODA /CHLOR ALKALI

The fall in import of Caustic Soda into India is expected to be sustained for some more time as the old plants have been shut down and it may take a while for the new capacities to come up. Your Company would utilise the opportunity to reap the benefits. Sustenance and growth of the Caustic Soda business depends on the opportunities for Chlorine disposal. As explained earlier the new PO Plant has provided an additional opportunity to your Company to dispose of Chlorine more beneficially and so the scope for higher caustic production has improved substantially.

PROPYLENE OXIDE

The much awaited conversion of ECH facility to produce Propylene Oxide was commissioned in the year 2018 -19 and has in place arrangements for sale of the entire production. While there would be no problem in sale of the product, as mentioned earlier achieving higher production would be dependant on the water availability.

RISK MANAGEMENT PROCESS

Your Company has a structured methodology to effectively monitor and manage the risks by setting up two employee level and one Board level committees to identify the risks, suggest mitigation actions and monitor implementation. The employee-level sub-committee has senior personnel from each function and the Apex Committee is headed by the WTD (Operations) with functional heads as other Members.

As part of the risk mitigation process, the Board has constituted a Risk Management Committee of Directors, which comprised of Ms. Sashikala Srikanth as the Chairperson, Mr. S Visakan, IAS and Mr. D Senthikumar, as Members. During the year the Committee met four times viz. 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019. As required under Section 177 of the Act, the Audit Committee also reviews the risk management process periodically.

RISKS AND CONCERNS

As explained earlier, import of LAB, Caustic Soda and Chlorine (in indirect form) into the country continues to be the major risk faced by TPL.

Though your Company, together with other major domestic producers of LAB, got Anti-Dumping Duty levied on supplies from select countries, this has had no impact as the overseas suppliers bear the cost in the form of additional discount or supply at adjusted prices.

A large LAB manufacturing unit with annual capacity of 1.20 lakh tons is coming up in Saudi Arabia which is expected to be on stream in the year 2020, and market seeding has already commenced for the same. This is expected to further intensify the competition in the domestic market.

While caustic imports have reduced in the recent past due to reasons explained earlier, the importers are taking actions to comply with the new requirements and hence there is a possibility that the imports could rebound shortly. Since import in large volumes would affect product pricing, tackling the risk of lower margins would be an important issue to be resolved.

In order to overcome the above, your Company is focussing on higher production and productivity so that the per unit cost is under control, providing flexibility in product pricing. Further the dependency on spot markets is also being reduced so that committed volumes are in place.

Petitions have been filed before the National Green Tribunal against the marine disposal of the treated effluent, which are defended by your Company. It may be noted that your Company is complying with all the parameters fixed for such disposal and so is confident of facing the challenges in this regard.

SAFETY, HEALTH & ENVIRONMENT

Adequate safety standards have been prescribed and being followed by your Company without any compromise. Utmost importance is given to protection of the employees, assets and environment at all times. It may be noted that the new PO plant was commissioned safely without any untoward incident.

Your Company has implemented ‘Ban on one time use & throwaway plastic rule’ in letter and spirit and the directives of the Government are complied with strictly to achieve “plastic free TPL”. Your Company also conducted awareness training to sensitise the employees about the evils of plastic and the need to adhere to the requirements in the larger interest of the society.

National Safety Day was celebrated as a month long event with great spirit to enhance awareness amongst the employees and contractors. As part of this various competitions were conducted for employees and other contractors to reiterate our commitment towards safety. Safety Exhibition was organised and all safety & fire equipment and demo on ‘Fire Safety’, ‘Chemical protective suit’ and ‘Sprinkler system’ were displayed.

World Environment day is also celebrated every year and tree plantation programs are organised for planting saplings towards green initiative to promote carbon offset.

SUBSIDIARIES

As at the year end, your Company had one Wholly Owned Subsidiary (WOS) and two Step Down Subsidiaries (SDS), all of which are incorporated outside India. The financials of all these subsidiaries have been consolidated and the salient features of financial and other information have been furnished in the Consolidated Financial Statement (CFS) attached to this Report.

Certus Investment and Trading Ltd.

Certus Investment and Trading Ltd. (CITL), Mauritius was promoted as a Special Purpose Vehicle (SPV) to set up LAB and NP projects in the Middle East and South East Asia. However, due to changed business environment, the projects could not be taken up. At present the WOS is not carrying on any major activity. Since your Company is in the process of enhancing the NP capacity in phases to meet the entire requirement in-house, there may not be scope for taking up NP project. However, it is being explored if proposals for setting up or acquiring LAB Plants overseas could be taken up for supplies to the units of the existing MNC majors to whom your Company is supplying LAB in India.

Certus Investment and Trading Singapore Private Ltd.

In the past TPL was exporting a large quantity of LAB and also importing various materials, such as NP, Benzene, etc. Therefore CITL, Mauritius set up CITL Singapore as a WOS in order to function as a coordinator for TPL’s overseas procurement and marketing activities. At present there are no significant exports or imports and so the above SDS is not engaged in any activities.

Proteus Petrochemical Private Ltd. (Proteus) is another WOS of CITL formed for setting up a Normal Paraffin (NP) plant in Singapore. The proposal was to establish a green-field NP project plant along with associated utilities and off-sites. However after initial engineering, the project encountered certain problems and so the implementation could not commence. At present the SDS is not carrying on any activities.

As explained above, the subsidiaries were floated several years ago for specific purposes. Due to change in circumstances and also opportunities opening up in India, it is being examined if other opportunities would be available for the subsidiaries. A decision on the usefulness of these subsidiaries would be taken in due course, after judiciously reviewing the situation.

HUMAN RESOURCES

Your Company strongly believes that its strength is directly proportional to the strength of its employees in terms of knowledge, experience, and decision making skills. Your Company has been practicing various HR initiatives such as recognition, empowerment, personality development, decentralisation, delegation of powers etc., to retain talent and to enhance capabilities. A balanced staffing system has been adopted in your Company wherein competent fresh talent have been infused into the stream of experienced hands.

The training needs of employees have been identified at regular intervals through performance appraisal systems and necessary training is being imparted through in-house and external programmes.

The manpower strength as on 31st March 2019 was 437.

Details of Significant Changes in Key Financial Ratios

The Inventory Turnover ratio was better by 28% as compared to the previous financial year. The positive variance is on account of effective inventory management and improved sales performance.

Details of change in Return on Net Worth

Return on Networth was 15% for 2017-18 and 14% for 2018-19.

Details of Loans, guarantees or investments

Information on loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to Financial Statements.

Fixed Deposits

Your Company has not accepted any deposits from the public during the year under review.

Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Companies Act, 2013 ("the Act") or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., http://tnpetro.com/corporate-governance-policies/.

As required under Regulation 23(2) of the Listing Regulations, approval of the Members will be obtained for transactions upto ₹200 crore in 2019-20 with Manali Petrochemicals Limited at the ensuing AGM.

Audit Committee

The details are furnished under the Corporate Governance Report (CGR) annexed to this Report. All the recommendations of the Committee were accepted by the Board.

Vigil Mechanism

As required under Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, your Company has established a vigil mechanism for directors and employees to report genuine concerns through the Whistle Blower Policy of the Company as published in the website of the Company. As prescribed under the Act and the Listing Regulations, provision has been made for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Board of Directors and related disclosures

As on the date of this Report the Board comprises of twelve directors of whom six are independent, including a woman director. All the Independent Directors have furnished necessary declarations under Section 149 (7) of the Act and Regulation 25(8) of the Regulations. As per the said declarations they meet the criteria of independence as provided in Section 149 (6) of the Act and the Listing Regulations.

The Board met five times during the year under review and the relevant details are furnished in the CGR.

The Board has approved the Remuneration Policy as recommended by the Nomination and Remuneration Committee (NRC) which inter alia contains the criteria for determining the positive attributes and independence of a director as formulated by the NRC. The policy on remuneration is available in the website of the Company viz.,http://tnpetro.com/corporate-governance-policies/.

There has been no change in the Key Managerial Personnel since the last Annual General Meeting.

The following changes took place in the constitution of the Board since the last Annual General Meeting (AGM):

- Dr. N. Sundaradevan, IAS (Retd), (DIN: 00223399), Lt. Col. (Retd.) C S Shankar, (DIN: 08397818), Mr. G D Sharma (DIN: 08060265) and Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) have been appointed as Additional & Independent Directors of the Company for a period of five years, subject to approval of the Members at the ensuing AGM. Dr. Sundaradevan was appointed on 1st September 2018, Lt. Col. (Retd.) Shankar and Mr. Sharma effective 1st April 2019 and Mr. Sarangi on 21st May 2019.
- Mr. D Senthikumar, (DIN: 00202578) Wholetime Director (Operations) and Mr. KT Vijayagopal, (DIN: 02341353) Wholetime Director (Finance) & CFO were re-appointed for a period of 3 years from 12th February 2019 and 18th February 2019 respectively at the Board Meeting held on 12th February 2019.
- Mr. K Gnanadesikan, IAS (DIN: 00111798), Mr. S Visakan, IAS (DIN: 06578414) both nominees of TIDCO resigned effective 15th March 2019 and 29th March 2019 respectively and Board places on record its appreciation for their services during their tenure.
- Mr. N Muruganandam, IAS, (DIN: 00540135) and Dr. Aneesh Sekhar.S, IAS, (DIN: 07887010), nominees of TIDCO have been appointed as Additional Directors effective 25th March 2019 and 5th April 2019 and they hold office till the ensuing AGM. Proposals for their appointments as Directors would be considered at the ensuing AGM.
- Mr. C Ramachandran, IAS (Retd.,) (DIN: 00050893), Mr. N.R. Krishnan, IAS (Retd.,)(DIN: 00047799), and Dr. K. U. Mada, (DIN: 00011395), Independent Directors of the Company retired on 31st March 2019 pursuant to Regulation 17 (1A) of SEBI (LODR) Regulations. Board places on record its appreciation for their invaluable services to the Company and guidance to the Board during their long association of over a decade.
- Mr. Dhananjay N Mungale (DIN: 00007563) and Ms. Sashikala Srikanth (DIN: 01678374) would be completing their first term of five years as Independent Directors on 26th May 2019 and 11th August 2019 respectively. Based on the evaluation of their performance and the recommendation of the Nomination and Remuneration Committee, the Board views that they can be reappointed for a further term of five years. Accordingly, in terms of Section 149 (10) read with Schedule IV to the Act, proposals for their reappointment as Independent Directors for five years from 27th May 2019 and 12th August 2019 respectively would be considered at the ensuing AGM.

The appointment of Mr. N Muruganandam, IAS and Dr. Aneesh Sekhar.S, IAS as Directors has been duly recommended by the Nomination and Remuneration Committee. Therefore pursuant to the proviso to Section 160(1) there is no requirement of any deposit for the proposals relating to their appointment and also for appointment of Independent Directors.

Mr. Ramesh Chand Meena, IAS, (DIN: 08009394) retires by rotation and being eligible offers himself for reappointment.

Annual Evaluation of the Board, Committees and Directors

The performance of the Board was evaluated taking the following aspects into account viz., Structure, Meetings, Functions, Risk Evaluation Process adopted, Grievance Redressal Mechanism, Stakeholder Value and Responsibility Corporate Culture and Ethics and other matters. Board also took into account facilitation to the Independent Directors to function independently and perform their roles as another important parameter for evaluation.

The performance of each of the Committees was evaluated taking into account the composition, mandate, working procedures, effectiveness, independence and contribution to the Board in decision making process.

The evaluation of the two Executive Directors was done based on their assigned roles and responsibilities. As regards the other Directors, including the Independent Directors, the evaluation was done taking into account the following parameters, viz., qualification, experience, competency, adequacy of knowledge about the Company and its sector of operation, understanding about the strategic direction, ethical behavior, participation in the risk evaluation process, resolving conflict of interests, attendance and preparation for the meetings, ability to work as a team player and voluntary sharing of information for the larger benefit of the Company and the like.

In compliance with the requirements of Schedule IV to the Act and also the Regulations, a separate meeting of the Independent Directors was held during the year at which the Directors evaluated the performance of the Non Independent Directors, the Chairman and also the adequacy of flow of information to the Board and Committees.

Directors' Responsibility Statement

Pursuant to the requirement of sub-sections 3 (c) and 5 of Section 134 of the Companies Act, 2013 it is hereby confirmed that

(a) in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year under review;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the accounts for the financial year ended 31st March, 2019 on a "going concern" basis;

(e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under Regulation 27 of the SEBI Listing Regulations. A Report on Corporate Governance forms part of this Report and a Certificate from the Secretarial Auditors regarding compliance with the requirements of Corporate Governance is given in Annexure – I to this report.

Auditors

M/s. R.G.N. Price & Co., Chartered Accountants, Chennai having Firm Registration No. 002785S was appointed as the auditors of the Company. As per the extant provisions of the Act, they will hold office for a period of five years till the conclusion of 37th AGM to be held in the year 2022. The Audit Committee has recommended a remuneration of ₹30 lakh plus reimbursement of out of pocket expenses and applicable taxes for the audit of the accounts and all other related services as the Auditors of the Company for each year until end of their present term for approval of the Members at the ensuing AGM.

Secretarial Audit Report

As required under Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report issued by Ms. B Chandra (CP No.7859), Company Secretary in Practice, Chennai is given in Annexure – II to this report. The Report contains a mention about the Company's view on transfer of shares to IEPF Authority under Section 124 of the Act. The Company has been advised that the transfer of shares to the IEPF Authority is required consequent to non-payment/non-claiming of dividend in terms of Section 124(6) for a consecutive period of seven years or more and so there necessarily has to be declaration of dividend, in the first instance and also that there has to be 7 such consecutive instances. In the case of TPL, there has been no consecutive declaration/payment of dividend for seven years and hence it has been viewed that the requirements of Section 124 (6) are not applicable to your Company. The legal opinion has however pointed out that the Circulars issued by the Ministry of Corporate Affairs have created certain ambiguity in the matter. Though the Circulars have to be read in a manner that sub-serves the statutory provision they cannot override or dilute the same. Your Company has been advised to seek clarification from the MCA and take further action based on its directions. Accordingly your Company would be taking steps to seek clarification from the Ministry in this regard.

Your Company has complied with the requirements of all the applicable Secretarial Standards.

TPL

Maintenance of Cost Records & Cost Audit

Your Company is required to maintain cost records as specified by the Central Government under Section 148 (1) of the Act which is duly complied with by your Company. Your Company is also covered under Cost Audit.

M/s. M. Krishnaswamy & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company for conducting the audit of cost records for the financial year 2018-19 on a remuneration of ₹2.50 lakh plus applicable taxes and reimbursement of out of pocket expenses and they will hold office till submission of their Report or 30th September 2019, whichever is earlier.

As required under Section 148 of the Act, read with the relevant Rules, ratification of the remuneration to the Cost Auditor for the year 2018-19 will be considered by the Members at the ensuing AGM of the Company.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal financial control systems with periodical review of the process. The control system is also supported by ERP, internal audits and management reviews with documented policies and procedures. The system was also earlier reviewed by an external agency, and no major weaknesses were reported. To ensure effective operation of the system, periodical reviews are made by the Internal Auditors and their findings are discussed by the Audit Committee and with the Auditors. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Conservation of Energy and other disclosures

As required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, information on conservation of energy, technology absorption, foreign exchange earnings and outgo, to the extent applicable are given in Annexure - III and form part of this Report.

Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is given in Annexure IV

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted Internal complaints Committees under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the above Act.

Particulars of Employees and other disclosures

The disclosures prescribed under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure -V to this Report. It is hereby affirmed that the remuneration to the employees is as per the remuneration policy of the Company.

CSR Policy and related Disclosures

The brief outline of CSR policy of the Company and such other details and disclosures as per the prescribed format are furnished in Annexure –VI to this report.

Acknowledgement

Your Directors are grateful to the Government of India, the Government of Tamilnadu, financial institutions, banks, other lending institutions, promoters, technical collaborators, suppliers, customers, joint venture partners and marketing agents for their assistance, co-operation and support. The Directors thank the shareholders for their continued support.

The Directors also place on record their appreciation for the contributions by all cadres of employees of the Company.

Disclaimer

The Management Discussion and Analysis contained herein is based on the information available to the Company and assumptions based on experience in regard to domestic and global economy, on which the Company's performance is dependent. It may be materially influenced by changes in economy, government policies, environment and the like, on which the Company may not have any control, which could impact the views perceived or expressed herein.

For and on behalf of the Board of Directors

	D Senthikumar	**KT Vijayagopal**
21st May 2019	DIN: 00202578	DIN: 02341353
Chennai – 600 068	Wholetime Director (Operations)	Wholetime Director (Finance)

TPL

ANNEXURE - I TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy :

Tamilnadu Petroproducts Limited firmly believes in the implementation of best practices of corporate governance so that the Company achieves its corporate goals and further enhances stakeholders' value. A great deal of importance is attached to ensuring fairness, transparency, accountability and responsibility towards stakeholders, besides consistently implementing best possible practices by providing optimum level of information and benefits to the stakeholders.

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2019.

2. Board of Directors :

(i) Composition and membership in other Boards and Board Committees:

As on 31st March 2019, the Board comprised of eleven Directors as detailed below:

Category/Name	Other Listed Companies of which he / she is a Director and category	Other Memberships	
		Boards	Committees
Non Executive, Non Independent (NENI)			
Mr N Muruganandam IAS Chairman (Nominee of TIDCO)	Tamilnadu Newsprint & Papers Limited and Titan Company Limited – (NENI)	7(5)	-
Mr Ashwin C Muthiah Vice Chairman (Nominee of SPIC)	Southern Petrochemical Industries Corporation Limited, Manali Petrochemicals Limited and SICAGEN India Limited – (NENI)	3(3)	1
Mr Ramesh Chand Meena IAS (Nominee of TIDCO)	Titan Company Limited – (NENI)	10(3)	3
Non Executive, Independent (NEID)			
Mr C Ramachandran IAS (Retd)	Tulsyan NEC Limited and Elnet Technologies Limited - (NEID)	7	4(2)
Mr N R Krishnan IAS (Retd)	Ponni Sugars (Erode) Limited, India Cements Capital Limited, Trinetra Cement Limited – (NEID)	5	4(2)
Mr Dhananjay N Mungale	Mahindra CIE Automotive Limited, Chowgule Steamships Limited, Mahindra and Mahindra Financial Services Limited, NOCIL Limited – (NEID)	6	7 (2)
Dr K U Mada	Lupin Limited – (NEID)	1	2 (1)
Ms Sashikala Srikanth	Southern Petrochemical Industries Corporation Limited, Manali Petrochemicals Limited, Mercantile Ventures Limited, SICAGEN India Limited – (NEID)	6	8 (2)
Dr N Sundaradevan IAS (Retd)	The State Trading Corporation of India Limited – (NEID)	5	3
Executive, Non Independent (EID)			
Mr D Senthikumar, Wholetime Director (Nominee of SPIC)	-	-	-
Mr KT Vijayagopal, Wholetime Director (Nominee of SPIC)	-	-	-

Notes:

(a) Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.

(b) Only Membership in Audit Committees and Stakeholders' Relationship Committee (other than in TPL) are reckoned for other Board Committee Memberships in companies other than the above. Figures in brackets denote the number of companies/committees of listed companies in which the Director is the Chairperson.

(c) Dr K U Mada holds 3500 equity shares and Mr KT Vijayagopal holds 200 equity shares in the Company. None of the other Directors hold any shares in the Company.

(d) None of the Directors have any inter-se relationship

(e) The details of familiarisation programmes imparted to the Independent Directors are disclosed in the website of the Company at (http://tnpetro.com/corporate-governance-policies/).

(f) Changes in the composition of the Board during the year are furnished in the Directors' Report.

(ii) Board Meetings, Annual General Meeting (AGM) and attendance thereat

The Board of Directors met five times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018, 12th February 2019 and 25th March 2019.

The details of attendance of the Directors at the Board Meetings and AGM are as follows:-

Name	Period of Office held during the year	No of Meetings held during the period of office	No of Meetings attended	Attendance at the last AGM
Mr K Gnanadesikan IAS	Upto: 15.03.2019	4	2	Yes
Mr N Muruganandam IAS	From: 25.03.2019	1	-	NA
Mr Ashwin C Muthiah	Full Year	5	5	Yes
Mr Ramesh Chand Meena IAS	Full Year	5	5	Yes
Mr C Ramachandran IAS (Retd)	Full Year	5	5	Yes
Mr N R Krishnan IAS (Retd)	Full Year	5	5	Yes
Mr Dhananjay N Mungale	Full Year	5	4	No
Dr K U Mada	Full Year	5	4	Yes
Ms Sashikala Srikanth	Full Year	5	5	Yes
Dr N Sundaradevan IAS (Retd)	From: 01.09.2018	3	2	NA
Mr S Visakan IAS	From: 05.06.2018 Upto: 29.03.2019	4	3	Yes
Mr KT Vijayagopal	Full Year	5	5	Yes
Mr D Senthikumar	Full Year	5	5	Yes

NA – Not applicable, as he was not a Director of the Company on the date of the last AGM

(iii) Chart of Skills / Expertise / Competencies of the Board:

Major Classification	Sub Classification	Remarks
Industry Related	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals

Major Classification	Sub Classification	Remarks
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.
Risk & Compliance	Operational	Identification of risks related to each area of operation
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements
	Financial	Experience in accounting and finance, ability to analyse the financial statements presented, assess the viability of various financial proposals, oversea funding arrangements and budgets
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organisational change management programmes.
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organisation. Analyse issues and contribute at board level to solutions
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.
	Experience	Previous experience in Board or senior management positions in reputed companies/ organisations/ government.
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritise the Company

- ✓ The Skills Matrix stated above are the broader skills, competencies and experience which, in the opinion of the Directors are required for the proper functioning of the Board of TPL.
- ✓ The above Skills Matrix sets out the mix of skills and diversity that the Board currently has or is looking to achieve.
- ✓ These skills are expected of the Directors as a Group and it is not a requirement that each Director should present all of the skills and experience listed. In other words it would be sufficient if the Board collectively present all of the skills and experience listed in the Board Skills Matrix.
- ✓ To ensure that the Directors for the time being as a Group provide the skills and experience required by the Board Skills Matrix, each Director's skills and experience will be assessed from time to time.
- ✓ Gaps, if any identified by such assessment would considered when filling any vacancies or appointing any additional Director to the Board.
- ✓ The Skills Matrix would be reviewed periodically and changes made as deemed appropriate by the Board arising out of regulatory changes or otherwise.

In the opinion of the Board all the above skills/competencies are actually available with its Members as a Group.

(iv) Confirmation on Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations), and are independent of the Management.

3. Audit Committee:

(i) Terms of reference

An Audit Committee of the Board of Directors was constituted in 1987. The terms of reference of the Audit Committee covering the matters specified in respect of such Committee were modified in line with the then requirements of Clause 49 of the Listing Agreement with Stock Exchanges. Consequent to the enactment of the Companies Act, 2013 (the Act) at the Board meeting held on 12th August 2014, the terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

(ii) Composition, Meetings and Attendance

The Committee met four times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd.)	4	4
Mr N R Krishnan IAS (Retd.)	4	4
Dr K U Mada	4	3
Mr Ramesh Chand Meena IAS# (From 14.05.2018)	3	2

Inducted as a member of the Committee at the Board meeting held after the meeting of the Audit Committee held on 14.05.2018.

4. Nomination and Remuneration Committee:

(i) Terms of reference and Composition

In compliance with the requirements of Section 178 of the Act and Clause 49 of the erstwhile Listing Agreements, the Board constituted the Nomination and Remuneration Committee (NRC) at the meeting held on 27th May 2014. The terms of reference of the Nomination and Remuneration Committee comply with the matters specified in respect of such Committee were modified in line with the then requirements of Regulation 19(4) and Part D of Schedule II of the Listing Regulations.

The terms of reference are to identify persons who are qualified to become Directors and who may be appointed in Senior Management, recommend to the Board appointment and removal of the Directors, evaluate the performance of the Directors, formulate criteria for determining qualifications, positive attributes and independence of a Director, recommend to the Board a policy relating to the remuneration to the Directors, Key Managerial Personnel and other employees, devise policy on Board diversity and such other matter as may be prescribed under the Act, the Rules made there under and the Listing Regulations.

(ii) Meeting and Attendance

The Committee met five times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018, 12th February 2019 and 25th March 2019. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd)	5	5
Mr N R Krishnan IAS (Retd)	5	5
Mr Ashwin C Muthiah	5	5
Mr Ramesh Chand Meena IAS# (From: 14.05.2018 Upto: 12.02.2019)	3	2
Mr S Visakan IAS* (From: 12.02.2019 Upto: 29.03.2019)	1	Nil

Inducted as a member of the Committee at the Board meeting held after the meeting of the NRC Committee held on 14.05.2018.

* Inducted as a member of the Committee at the Board meeting held after the meeting of the NRC Committee held on 12.02.2019.

(iii) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has formulated the criteria and framework for performance evaluation for every Director on the Board, including the Executive and Independent Directors and identified ongoing training and education programs to ensure the Non-Executive Directors are provided with adequate information regarding the business, the industry, and their legal responsibilities and duties. The details are available in the website of the Company.

5. Remuneration to Directors

(i) Remuneration policy and criteria for making payments to Non-Executive Directors:

The Remuneration Policy of the Company as approved by the Board inter alia, contains the criteria for appointment of Independent Directors, Executive Directors, Key Managerial Personnel and other employees, manner of appointment, remuneration policy for Executive and Non-Executive Directors, Guiding principles for fixing remuneration to employees who are not Directors, etc. The following is the Remuneration Policy for Directors:

a. For Executive Directors

The remuneration of the Whole Time/Executive Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee (NRC) and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

b. For Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the NRC. Different scales of sitting fee may be fixed for each category of the Directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of Directors. In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

(ii) None of the Non-Executive Directors had any pecuniary relationship with the Company other than receipt of sitting fees.

(iii) Details of Remuneration paid to Executive Directors:

a. Remuneration paid to Executive Directors for the year 2018-19 are as shown below:

₹ in Lakh

Sl No	Description	Mr D Senthikumar Wholetime Director (Operations)	Mr KT Vijayagopal Wholetime Director (Finance) & CFO
01	Salary & Allowances	45.00	49.80
02	Performance Linked Pay	16.50	11.88
03	Perquisites	0.61	0.43
	Total	**62.11**	**62.11**

Note:

(1) In addition to the above contribution to Provident and Superannuation Funds are made by the Company as per the applicable law/rules/terms of employment.

(2) The performance linked pay is determined as per the appraisal system in vogue.

(3) Both the above Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation. No severance fee is payable and no Employee Stock Option has been offered by the Company.

(4) No employee stock options has been offered by the Company to any of the Directors.

b. Remuneration paid to Non-Executive Directors:

During the year each of the Non-Executive Director was paid sitting fees as shown below:

(₹ in lakh)

Name	Amount	Name	Amount
Mr K Gnanadesikan IAS *	1.50	Mr Dhananjay N Mungale	3.00
Mr Ashwin C Muthiah	4.00	Ms Sashikala Srikanth	4.00
Mr Ramesh Chand Meena IAS *	4.00	Mr S Visakan*	2.50
Mr C Ramachandran IAS (Retd)	4.00	Dr N Sundaradevan, IAS (Retd)	2.00
Mr N R Krishnan IAS (Retd)	4.00	**TOTAL**	**32.00**
Dr K U Mada	3.00		

*Paid to TIDCO

6. Stakeholders' Relationship Committee

(i) Chairman and Compliance Officer

As on 31st March 2019, the Committee comprised of Mr C Ramachandran IAS (Retd) as the Chairman and Mr Ashwin C Muthiah, Mr S Visakan, IAS as Members. Ms K Priya Company Secretary is the Compliance Officer. The Committee met four times during the year 2018-19 viz., on 14th May 2018, 10th August 2018, 24th October 2018 and 12th February 2019 and the details of the attendance of Members are as follows:

Name	No. of Meetings during the period of his office	
	Held	Attended
Mr C Ramachandran IAS (Retd)	4	3
Mr Ashwin C Muthiah	4	4
Mr Ramesh Chand Meena IAS# (From: 14.05.2018 Upto: 12.02.2019)	3	2
Mr S Visakan IAS* (From: 12.02.2019 Upto: 29.03.2019)	NA	NA
Mr D Senthikumar	4	4

Inducted as a member of the Committee at the Board meeting held after the meeting of the Stakeholders' Relationship Committee held on 14.05.2018.

* Inducted as a member of the Committee at the Board meeting held after the meeting of the Stakeholders' Relationship Committee held on 12.02.2019.

(ii) Details of Complaints received and pending

There were no pending complaints as at the beginning or end of the year. All the 19 complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

7. General Body Meetings:

(i) The particulars of Annual General Meetings which were held at Tamil Isai Sangam, Raja Annamalai Hall, Esplanade, Chennai - 600 108 during the last three years and the Special Resolutions passed there at as under:

Year	Date	Time	Special Resolutions considered thereat
2016	22.09.2016	10.30 AM	a. Appointment of Mr D Senthikumar, as Wholetime Director (Operations) of the Company for a period of three years from 18.02.2016 to 17.02.2019 and payment of Remuneration. b. Appointment of Mr KT Vijayagopal, as Wholetime Director (Finance) of the Company for a period of three years from 01.02.2016 to 31.01.2019 and payment of Remuneration.
2017	24.07.2017	10.30 AM	No Special Resolutions were passed.
2018	07.08.2018	11.00 AM	Approval for the increase in the remuneration to Mr. D Senthikumar, Wholetime Director (Operations)

(ii) There were no resolutions requiring approval through postal ballot during the last year and at present no such resolution is being proposed to be passed. The procedure for postal ballot will be as prescribed under the Act.

8. Means of Communication

As stipulated under Para A of Schedule V of Listing Regulations, the means of communications adopted by the Company includes the following:

a) The Quarterly Results are intimated to the Stock Exchanges and published in one English National Newspaper (Financial Express) and one Tamil News Paper (Makkal Kural).

b) The results are also posted in the website of the Company viz. www.tnpetro.com.

In addition, official press / news release and several other details / information of interest to various stakeholders' are submitted to the Stock Exchanges and made available in the website.

9. General Shareholder Information

i Annual General Meeting

The thirty fourth AGM of the Company is scheduled to be held on 5th August 2019 at 3.00 PM at Tamil Isai Sangam, Rajah Annamalai Mandram, Esplanade, Chennai – 600 108.

ii Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 1st August 2019 to 5th August 2019 (both the days inclusive).

iii Registrar and Share Transfer Agent:

All share registry work in respect to both physical and demat segments are handled by a single common agency M/s. Cameo Corporate Services Ltd., No.1 Club House Road, V Floor, "Subramanian Building" Chennai – 600 002, as the Registrars and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

iv Share Transfer System:

Requests for share transfer, transmissions, transpositions etc., are processed by the RTA and returned within the stipulated time, if the documents are found to be in order. The routine requests from shareholders like transfer, transmission, transposition, change of name etc., are approved by the Wholetime Director and Company Secretary and the details are placed before the Stakeholder Relationship Committee and the Board.

Pursuant to proviso to Regulation 40 (1) of the Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names would not be processed by the Company in physical form.

v **Listing of Securities (Equity Shares) :**

Name and Address of Stock Exchange	Stock Code
The BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	500777
National Stock Exchange of India Ltd (NSE) Exchange Plaza, C-1, Block G. Bandra Kurla Complex, Bandra East, Mumbai-400 051.	TNPETRO

Listing fees have been paid to the aforesaid exchanges up to 2019-20.

vi **Market Price Data and Share Price Performance vis a vis indices –**

Month & Year	BSE				NSE			
	Share price (₹)		Sensex		Share price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr – 18	58.50	49.50	35,213.30	32,972.56	59.00	49.15	10,759.00	10,111.30
May – 18	55.50	36.50	35,993.53	34,302.89	55.40	36.30	10,929.20	10,417.80
Jun – 18	42.20	30.80	35,877.41	34,784.68	42.25	30.65	10,633.15	10,550.90
July – 18	38.55	29.50	37,644.59	35,106.57	38.65	29.35	11,366.00	10,604.65
Aug – 18	46.40	31.50	38,989.65	37,128.99	46.45	31.70	11,760.20	11,234.95
Sep – 18	46.90	32.85	38,934.35	35,985.63	47.00	32.90	11,751.80	10,850.30
Oct – 18	40.80	30.25	36,616.64	33,291.58	40.10	30.05	11,035.65	10,004.55
Nov – 18	42.50	36.35	36,389.22	34,303.38	42.50	36.50	10,922.45	10,341.90
Dec – 18	39.70	34.00	36,554.99	34,426.29	39.80	33.85	10,985.15	10,333.85
Jan – 19	41.35	32.85	36,701.03	35,375.51	41.50	32.20	10,987.45	10,583.65
Feb – 19	35.30	30.00	37,172.18	35,287.16	35.25	29.90	11,118.10	10,585.65
Mar - 19	37.70	32.00	38,748.54	35,926.94	37.65	31.85	11,630.35	10,817.00

vii **Distribution of Shareholding as on 31st March 2019**

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	73012	89.18	10840278	12.05
501 - 1000	4850	5.92	3974574	4.42
1001 - 2000	2053	2.51	3186265	3.54
2001 - 3000	664	0.81	1721401	1.91
3001 - 4000	279	0.34	1007843	1.12
4001 - 5000	269	0.33	1282036	1.42
5001 - 10000	395	0.48	2917342	3.24
10001 - And Above	352	0.43	65041735	72.30
Total :	**81874**	**100**	**89971474**	**100**

viii **Dematerialisation of Shares and liquidity :**

The Company's Equity shares are traded on BSE & NSE in compulsory demat form and the ISIN of the shares is INE 148A01019. The shares are traded regularly on BSE & NSE. About 93% of the 8,99,71,474 outstanding shares have been dematerialised up to 31st March 2019. Balance shares are held in physical mode.

ix The Company has not issued any convertible instruments.

x **Plant Locations:** Manali Express Highway, Manali, Chennai-600068.

Address for Correspondence:

Investors may contact the Registrars and Share Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address:

M/s. Cameo Corporate Services Limited, No.1 Club House Road, V Floor, "Subramanian Building", Chennai – 600 002 Phone: 044-2846734/735/24860395/24860390(4 lines), Fax: 044-28460129, E-mail: investor@cameoindia.com

For other general matters or in case of any difficulties /grievances investors may contact the Company Secretary and Compliance Officer at the Registered Office of the Company at

The Company Secretary & Compliance Officer Manali Express Highway, Manali, Chennai – 600 068 Telefax No.044-25945588, E-mail: secy-legal@tnpetro.com, investorgrievance@tnpetro.com, website: www.tnpetro.com.

10. Other Disclosures

i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements, pursuant to Ind AS - 24.

ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

iii. As stipulated under the Act and the Listing Regulations the Company has adopted a Whistle Blower mechanism for Directors and employees a Whistle Blower Policy has been framed and the text of the same is uploaded in the website of the Company. The Policy, inter alia, provides for access to the Chairman of the Audit Committee in exceptional cases and no person has been denied access to the Chairman of the Audit Committee.

iv. The Policy for determining material subsidiaries has been framed and the policy is available on our website (http://tnpetro.com/corporate-governance-policies/).

v. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.

vi. The Company has complied with all the mandatory requirements stipulated under the Listing Regulations.

vii. All the requirements of Corporate Governance report specified in Sub-Paras (2) to (10) of Para C of Schedule V to the Listing Regulations have been complied with.

viii. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations.

ix. Mrs. B Chandra, Practicing Company Secretary has certified that during the year none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

x. During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xi. There were no payments to the Statutory Auditor or other entities in the network firm / network entity of which the statutory auditor is a part, by the Company or its subsidiaries, other than the audit fee as disclosed in the Financial Statements.

xii. Disclosure of Commodity Price risks and Commodity hedging activities:

The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activity undertaken by the Company. As regards the Foreign Exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the Financial Statements.

xiii. Disclosure with respect to demat suspense account/unclaimed suspense account.

No shares have been transferred to demat suspense account/unclaimed suspense account as the requirement is not applicable to the Company.

xiv. Compliance with Discretionary requirements

As stipulated under Regulation 27 read with Part E of Schedule II of Listing Regulations, the following discretionary requirements have been adopted / complied with by the Company.

a) There are no qualifications by the Auditors on the Stand Alone and Consolidated Financial Statements for the year 2018-19.

b) The Company has appointed a third party firm as the Internal Auditors which carries out the audit and the report is presented to the Audit Committee for review and further directions.

Declaration by WTD (OPERATIONS)

This is to declare that the respective Codes of Conduct envisaged by the Company for Members of the Board and Senior management Personnel have been complied with by all the Members of the Board and Senior Management Personnel of the Company respectively.

D Senthikumar
DIN: 00202578
Wholetime Director (Operations)

21st May 2019
Chennai – 600 068

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Tamilnadu Petroproducts Limited

I have examined the compliance of conditions of Corporate Governance by M/s. Tamilnadu Petroproducts Limited, for the year ended on 31st March, 2019, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2018 to 31st March 2019, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
2. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

ANNEXURE - II TO DIRECTORS' REPORT
PRACTICING COMPANY SECRETARIES' ANNUAL SECRETARIAL AUDIT REPORT

To,
The Members,
Tamilnadu Petroproducts Limited,
Manali Express Highway,
Manali, Chennai,
Tamil Nadu-600068

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Tamilnadu Petroproducts Limited,
Manali Express Highway,
Manali, Chennai - 600068.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Tamilnadu Petroproducts Limited bearing CIN L23200TN1984PLC010931 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Companies Act, 1956, (to the extent applicable)

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and By-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015;

I am informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008

d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013

(vii) In addition to the compliance with laws applicable to Factories and labour laws pertaining to the same, based on the study of the systems and processes in place and a review of the reports of (1) Occupier/ Manager of the factories plant located at Manali which manufacture Petrochemicals (2) Internal Audit Reports (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, (4) a test check on the licences and returns made available by the Company on other applicable laws, I report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under to the extent it is applicable to them:

Factories Act, 1948 and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, the Insecticides Act, 1968, Drugs and Cosmetics Act, 1940, the Fertiliser (Control) Order, 1985, the Environmental Impact Assessment Notification, 2006, Explosives Act, 1884, the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, I report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has not transferred the shares pertaining to unpaid /unclaimed dividend for a consecutive period of 7 years based on a legal opinion that for the transfer of shares to the IEPF Authority consequent to non-payment/non-claiming of dividend in terms of Section 124(6), there necessarily has to be declaration of dividend, in the first instance and that there have to be 7 such consecutive instances.

The legal opinion has however pointed out that the Circulars issued by the Ministry of Corporate Affairs have created certain ambiguity in the matter and to approach the MCA. Accordingly, it has been informed to me that the Company would approach the MCA and take further actions based on its Directions.

For B CHANDRA
Company Secretaries

B Chandra, B. Com., AICWA, ACS
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 21st May 2019

All the other Annexure are available in the full version of the Annual Report, which has been uploaded in the website of the Company. viz: www.tnpetro.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Tamilnadu Petroproducts Limited ("the Company")** which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS, of the state of affairs of the Company as at 31st March 2019 and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Accounting for legal and other contractual claims:	Our Response
The Company's operations expose it to the risk of litigation and contractual claims from third parties including statutory authorities. The recognition and valuation of exposure to tax & other legal framework related disputes, demands and claims across various specific matters due to the range of potential expected outcome requires the exercise of management judgement in assessing the amounts recorded and the disclosures made in the financial statements. This depends upon the probability of their incurrence, involving management judgement. For those exposures where provision is made, the use of estimates within those provisions gives rise to inherent subjectivity in the amounts recorded in the financial statements. For those exposures where no provision has been made, the obligation to disclose the nature and estimate of its financial impact gives rise to further judgement in the disclosure within the financial statements.	We assessed and tested the judgements made by the management. In particular, we challenged, for example, by assessing against past history or agreeing to supporting evidence and compared against our expectations. Where applicable, we have agreed projected costs against historical cost experience. We have discussed the status of current litigation or regulatory issues with Company's Legal Counsel and external lawyers throughout our audit process, reviewing correspondence with third parties and related contractual agreements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, Management Discussion and Analysis Report, Report on Corporate Governance, which we obtained prior to the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under the Act read with Rules framed thereunder as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) With respect to other matters to be included in Auditor's Report in accordance with the requirements of section197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

3) As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note No. 33 and No. 34A to the standalone Ind AS financial statements.

ii. The Company has certain long-term contracts for which there are no material foreseeable losses. The Company did not have any derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and Regulatory Requirements' section of our report of even date to the members of the Company on the standalone financial statements of the Company for the year ended 31st March, 2019)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The fixed assets were physically verified by the Management during the year in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination, we report that, the title deeds of land and the buildings constructed thereon are held in the name of the Company as at the balance sheet date. Also refer note.3A to the financial statements.

(ii) Physical verification of inventories has been conducted at reasonable intervals by the Management. The discrepancies noticed on physical verification which were not material have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans nor any guarantee or security to the Directors or to any Company, body corporate or to any other person covered by Section 185 of the Act. The investment made by the Company during the year is in compliance with Section 186 of the Act.

(v) The Company has not accepted any deposits and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148 (1) of Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) On the basis of our examination of books and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) There are no dues of income tax or sales tax or service tax or GST or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute as at 31st March 2019, except for:

(₹ in lakhs)

Nature of Statute	Nature of Dues	Forum where dispute is pending	Financial Year	Amount involved	Amount unpaid
Income Tax Act	Income Tax	DCIT	1998-99, 2002-03, 2003-04 & 2005-06	4,676.72	135.92
		CIT (Appeals)	2000-01, 2006-07 to 2010-11, 2012-13, 2013-14& 2015-16	10,552.40	7,042.20
		Dispute Resolution Panel	2011-12	824.94	248.99
		Supreme Court	2001-02	2,645.60	151.16
Various States Sales Tax Acts	Sales Tax	High Court	2006-07	58.09	58.09
		Sales Tax Appellate Tribunal	1993-94	1,629.00	1,629.00
		Deputy Commissioner (Commercial Taxes)	1995-96 to 2002-03, 2005-06	44.17	32.97
Finance Act,1994	Service Tax	CESTAT, Chennai	2006-07 to 2008-09, 2011-12 to 2014-15	415.86	375.52

(₹ in lakhs)

Nature of Statute	Nature of Dues	Forum where dispute is pending	Financial Year	Amount involved	Amount unpaid
Central Excise Act	Excise Duty	High Court	1998-99	13.89	13.89
		Principal Commissioner GST & CE	1994-95 to 1996-97	23.47	23.47
		CESTAT, Chennai	2005-06 to 2012-13	405.13	375.98
Customs Act	Customs Duty	Deputy Commissioner of Customs	1999-00	34.25	34.25

(viii) According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from any financial institutions, banks or Government. The Company has not issued any debentures.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the 'Order' is not applicable.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither observed any instance of fraud by the Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence clause 3(xii) of the 'Order' is not applicable.

(xiii) Transactions with related parties have been disclosed in the standalone Ind AS financial statements with details as prescribed by Indian Accounting Standard 24 "Related Party Transactions". These transactions are in compliance with Section 177 and Section 188 of Companies Act, 2013.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with Directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Clause (f) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of the Company, on the Internal Financial Controls Over Financial Reporting, for the year ended 31st March, 2019.)

We have audited the internal financial controls over financial reporting of **Tamilnadu Petroproducts Limited ('the Company')** as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

The accompanying abridged standalone financial statements, which comprise the Abridged Balance Sheet as at 31st March 2019, the Abridged Statement of Profit and Loss (including Other Comprehensive Income), Abridged Statement of Changes in Equity, Abridged Cash Flow Statement for the year then ended and related Notes are derived from the audited standalone financial statements of **TAMILNADU PETROPRODUCTS LIMITED ("the Company")** for the year ended 31st March, 2019. We expressed an unmodified opinion on those financial statements dated 21st May 2019.

The abridged standalone financial statements do not contain all the disclosures required by the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") which were applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Standalone Financial Statements

Management is responsible for the preparation of the abridged standalone financial statements in accordance with Rule10 of the Companies (Accounts) Rules 2014 (amended), based on the audited financial statements of the Company for the year ended 31st March 2019, which were prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Act, and in accordance with the accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures conducted in accordance with Standards on Auditing SA 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged standalone financial statements prepared in accordance with Rule 10 of the Companies (Accounts) Rules 2014 (amended), derived from the audited financial statements of the Company for the year ended 31st March 2019 prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Act and in accordance with the accounting principles generally accepted in India, are a fair summary of those standalone financial statements.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May 2019

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Abridged Standalone Balance Sheet as at 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

ASSETS	As at 31st March, 2019	As at 31st March, 2018
Non-Current Assets		
a) Property, Plant and Equipment	**23,024.94**	19,256.19
b) Capital work-in-progress	**2,033.68**	3,717.34
c) Investment Property	**20.68**	-
d) Financial assets		
i) Investments :		
(a) Investment in subsidiaries	**9,645.13**	9,645.13
(b) Other Investments	**135.72**	318.92
ii) Other financial assets	**106.68**	120.01
e) Other non-current assets	**787.10**	422.66
Total Non-Current Assets	**35,753.93**	33,480.25
Current assets		
a) Inventories	**7,876.31**	10,589.34
b) Financial assets		
i) Trade Receivables	**7,165.65**	6,657.63
ii) Cash and Cash equivalents	**3.72**	78.28
iii) Bank balances other than ii) above	**8,516.28**	5,776.18
iv) Other financial assets	**138.45**	683.12
c) Other Current assets	**1,807.99**	1,567.46
d) Assets classified as held for sale	**0.60**	21.28
Total Current Assets	**25,509.00**	25,373.29
TOTAL ASSETS	**61,262.93**	58,853.54

EQUITY AND LIABILITIES	As at 31st March, 2019	As at 31st March, 2018
Equity		
a) Equity share capital	**8,997.15**	8,997.15
b) Other Equity	**31,863.15**	26,937.72
Total Equity	**40,860.30**	35,934.87
Liabilities		
Non-Current liabilities		
a) Financial liabilities		
i) Other financial liabilities	**26.14**	21.82
b) Provisions	**2,509.11**	2,426.56
c) Deferred tax liabilities (net)	**2,536.94**	1,427.02
Total non-current liabilities	**5,072.19**	3,875.40
Current liabilities		
a) Financial liabilities		
i) Borrowings	**3,986.59**	3,599.46
ii) Trade payables		
Total Outstanding dues of Micro & Small Enterprises	**91.97**	49.13
Total Outstanding dues of creditors other than Micro & Small Enterprises	**6,430.74**	9,911.69
iii) Other current financial liabilities	**450.13**	408.68
b) Provisions	**4,165.49**	4,820.57
c) Other current liabilities	**205.52**	253.74
Total Current liabilities	**15,330.44**	19,043.27
Total liabilities	**20,402.63**	22,918.67
TOTAL EQUITY AND LIABILITIES	**61,262.93**	58,853.54

Refer notes to abridged standalone financials statements compiled from the audited accounts of the Company referred to in our report dated 21st May, 2019

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

TPL

Abridged Standalone Statement of Profit and Loss for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME		
Revenue from operations	**124,532.73**	108,509.25
Other income	**696.16**	730.24
Total Revenue	**125,228.89**	109,239.49
EXPENSES		
Cost of Materials consumed	**67,083.98**	58,639.13
Purchase of Stock-in-trade	**-**	1,269.65
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	**1,777.82**	(3,460.64)
Excise duty	**-**	3,618.87
Employee benefits expense	**3,580.73**	3,204.25
Finance costs	**685.35**	671.82
Depreciation / Amortization Costs	**1,999.66**	2,222.10
Other expenses	**42,933.38**	36,306.08
Total expenses	**118,060.92**	102,471.26
Profit before exceptional item and taxes	**7,167.97**	6,768.23
Exceptional item	**-**	922.46
Profit before tax	**7,167.97**	7,690.69
Tax expense:		
a) Current tax	**2,675.05**	1,516.86
b) MAT Credit		
- Entitlement	**-**	(1,104.56)
- Utilisation	**(1,120.67)**	-
Deferred tax	**(11.48)**	2,107.99
Provision for tax relating to prior years	**197.58**	-
Net current tax expense	**1,740.48**	2,520.29
Profit for the year	**5,427.49**	5,170.40
Other Comprehensive income		
(i) Items that will not be reclassified to Profit or (Loss)		
Re-measurement of Defined Benefit Liabilities	**40.32**	(88.78)
Total Comprehensive income	**5,467.81**	5,081.62
Earnings per equity share (in ₹):		
Basic and Diluted	**6.03**	5.75

Refer notes to abridged standalone financials statements compiled from the audited accounts of the Company referred to in our report dated 21st May, 2019

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Abridged Standalone Statement of Changes in Equity for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2018	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2019	8997.15

B. Other Equity

	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Capital Reserve	Other Reserve*	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Liabilities	
Balance as at 1st April 2017	14,890.38	4,611.57	42.23	1,986.18	300.87	24.87	21,856.10
Profit for the year	-	-	-	-	5,170.40	-	5,170.40
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	(88.78)	(88.78)
Balance as at 31st March 2018	14,890.38	4,611.57	42.23	1,986.18	5,471.27	(63.91)	26,937.72
Balance as at 1st April 2018	14,890.38	4,611.57	42.23	1,986.18	5,471.27	(63.91)	26,937.72
Profit for the year	-	-	-	-	5,427.49	-	5,427.49
Dividend on Equity Shares	-	-	-	-	(542.38)	-	(542.38)
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	40.32	40.32
Balance as at 31st March 2019	14,890.38	4,611.57	42.23	1,986.18	10,356.38	(23.59)	31,863.15

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on 1st April 2016.

This is the Statement of Changes in Equity referred to in our report of even date.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Standalone Abridged Cash Flow Statement for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
Net cash flow from / (used in) operating activities (A)	**7,219.32**	8,199.18
Net cash flow from / (used in) investing activities (B)	**(6,445.57)**	(7,009.17)
Net cash from / (used in) financing activities (C)	**(848.31)**	(1,233.83)
Net cash flows during the year (A+B+C)	**(74.56)**	(43.82)
Cash and cash equivalents at the beginning of the year	**78.28**	122.10
Cash and cash equivalents at the end of the year (Refer Note 9A)	**3.72**	78.28
Net increase / (decrease) in cash and cash equivalents	**(74.56)**	(43.82)

The above Cash Flow Statement has been prepared under the " indirect method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Notes forming part of the Abridged Standalone Financial Statements for the year ended 31st March 2019

(i) 33. Contingent Liabilities and commitments

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contingent liabilities:		
A. Disputed Demands under Appeals		
i) Sales Tax	**1,731.25**	1,731.25
ii) Excise Duty	**245.66**	312.70
iii) Service Tax	**415.86**	415.86
iv) Income Tax	**2,982.80**	2,390.00

Demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

v) Electricity Tax	**1,054.93**	1,054.93

The Tamilnadu Government vide Government Order dated 23rd September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self -generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962".

The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries.

The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15th May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.

In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012.

The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favourable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to ₹1054.93 lakhs. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.

Notes forming part of the Abridged Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		As at 31st March, 2019	As at 31st March, 2018
vi)	Cross Subsidy Charge under Group Captive Scheme	**6,130.48**	6,130.48

The Company has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed form various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the Company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the Company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand.This is expected to be disposed off in favour of the power producers.

B	**Commitments**		
	Capital commitments	**750.33**	833.42

(ii) 37. The Company received ₹ 922.46 Lakhs during the financial year 2017-18 from the Insurers as final settlement against claims made towards material damage and business interruption owing to unprecedented rainfall and consequent floods during December 2015 and January 2016. The same has been disclosed as Exceptional Item.

(iii) 38. The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment of operation.

			Year ended 31st March, 2019	Year ended 31st March, 2018
(iv)	**23.**	**Revenue from operations**		
		Sale of products	**124,141.96**	108,158.63
		Sale of services	**13.93**	24.40
		Other operating revenues	**376.84**	326.22
			124,532.73	108,509.25
		Less: Excise Duty	**-**	3,618.87
			124,532.73	104,890.38
(v)	**25.**	**Cost of materials consumed**		
		Opening stock	**3,703.96**	3,892.18
		Add: Purchases	**66,283.18**	58,450.91
			69,987.14	62,343.09
		Less: Closing Stock	**2,903.16**	3,703.96
		Cost of material consumed	**67,083.98**	58,639.13
		Material consumed comprises:		
		Kerosene	**37,317.28**	27,728.48
		Benzene	**19,009.77**	19,965.02
		Normal Paraffin	**8,150.23**	9,673.14
		Propylene	**819.17**	-
		Salt	**1,162.96**	1,078.71
		others	**624.57**	193.78
			67,083.98	58,639.13
(vi)	**31.**	**Other expenses**		
		Power and fuel	**26,172.87**	20,604.07
(vii)	**32.**	**Exceptional item**		
	a)	Insurance claim received (Refer note.37)	**-**	922.46
			-	922.46

TPL

All amounts are in ₹ Lakhs unless otherwise stated

(viii) 40. Related Party Disclosure (Ind AS - 24)

i) The list of related parties as identified by the Management for disclosure are as under:

A)	Joint Venturers	1	Southern Petrochemical Industries Corporation Limited (SPIC)
		2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B)	Subsidiaries	1.	Certus Investment and Trading Limited (CITL), Mauritius
		2.	Certus Investment and Trading (S) Private Limited, Singapore
		3.	Proteus Petrochemicals Private Limited, Singapore
C)	Associates of Joint Venturers	1.	Manali Petrochemicals limited
		2.	Tuticorin Alkali Chemicals and Fertilizers Ltd.,
		3.	AMCHEM Speciality Chemical Pvt. Ltd., Singapore
D)	Post Employment Benefit plan of TPL	1.	TPL Employees Provident Fund Trust
		2.	HCD Employees Provident Fund Trust
		3.	TPL Employees Group Gratuity Scheme Trust
E)	Key Management Personnel	1.	Mr. KT Vijayagopal, Whole Time Director (Finance) & CFO
		2.	Mr. D Senthi Kumar, Whole Time Director (Operations)

ii) The following transactions were carried out with the Related Parties.

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plans of TPL	Subsidiaries	Key Managerial Personnel (KMP)
Sale of Goods					
a) SPIC	63.79 (90.16)				
b) MPL		3,048.78 (823.33)			
Sale of services					
a) MPL		13.45 (33.24)			
Purchase of goods					
a) MPL		71.25 (84.22)			
b) TAC		29.05 (20.57)			
Services Availed					
a) MPL - i) Effluent Line Usage		15.46 (13.33)			
ii) Management services		- (251.17)			
b) AMCHEM Speciality Chemicals		106.03 (47.35)			
Reimbursement of expenses					
a) SPIC	0.62 (0.49)				
b) MPL		- (2.66)			
c) TAC		3.35 (10.93)			
Remuneration to Key Management Personnel is given below:					
Short term benefits					124.23 (99.76)
Other benefits					7.77 (6.24)
Contributions to PF Trust					
- TPL Employees PF Trust			73.19 (222.41)		
- HCD Employees PF Trust			31.73 (68.12)		
Balance outstanding					
Trade Receivables					
a) SPIC	10.08 (10.15)				

Notes forming part of the Abridged Standalone Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plans of TPL	Subsidiaries	Key Managerial Personnel (KMP)
b) MPL		1087.92 (161.67)			
Deposit with MPL		168.78 (188.76)			
Other Receivables a) SPIC	- (0.25)				
b) MPL		15.91 (49.82)			
Other payables a) SPIC	0.35 -				
b) MPL		47.45 (322.08)			
c) CITL				9.61 (9.61)	
d) PF Trust - TPL PF Trust			23.58 (18.82)		
- HCD PF Trust			7.78 (5.56)		

Transactions with related parties in the nature of sale of goods, rendering of service, purchase of goods, procurement of service are at arm's length price.

Figures in brackets relate to previous year.

	As at 31st March, 2019	As at 31st March, 2018
(ix) 9A. Cash and Cash equivalents		
Balances with Banks		
- In current accounts	**3.10**	77.14
- Cash on hand	**0.62**	1.14
	3.72	78.28
9B. Bank balances other than above		
Margin money deposits	**960.28**	1,923.81
Unclaimed dividend account (Refer note 20)	**36.73**	44.28
Other Fixed deposits #	**7,519.27**	3,808.09
	8,516.28	5,776.18
Total	**8,520.00**	5,854.46

represents deposits with original maturity more than three months.

(x) 43. Events after the reporting period

The Board of Directors have recommended a dividend of ₹1 per share (10%) on 8,99,71,474 equity shares of ₹10 each for the Financial Year 2018-19 subject to approval of Members at the Annual General Meeting.

(xi) 44 Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 21st May, 2019.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **Tamilnadu Petroproducts Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprises the Consolidated Balance Sheet as at 31st March 2019 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the Consolidated state of affairs of the Group, as at 31st March 2019 and its Consolidated Profit and comprehensive income, the Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for legal and other contractual claims:	Our Response
The Holding Company's operations expose it to the risk of litigation and contractual claims from third parties including statutory authorities. The recognition and valuation of exposure to tax & other legal framework related disputes, demands and claims across various specific matters due to the range of potential expected outcome requires the exercise of management judgement in assessing the amounts recorded and the disclosures made in the financial statements. This depends upon the probability of their incurrence which is a perspective involving management judgement. For those exposures where provision is made, the use of estimates within those provisions gives rise to inherent subjectivity in the amounts recorded in the financial statements. For those exposures where no provision has been made, the obligation to disclose the nature and estimate of its financial impact gives rise to further judgement in the disclosure within the financial statements.	We assessed and tested the judgements made by the management. In particular, we challenged, for example, by assessing against past history or agreeing to supporting evidence and compared against our expectations. Where applicable, we have agreed projected costs against historical cost experience. We have discussed the status of current litigation or regulatory issues with the Holding Company's Legal Counsel and external lawyers throughout our audit process, reviewing correspondence with third parties and related contractual agreements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including annexures to Board's Report, Management Discussion and Analysis Report, Report on Corporate Governance. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Consolidated Ind AS Financial

Statements, that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance including Other Comprehensive income, Consolidated cash flows and Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act, read with relevant Rules framed thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the Financial Statements of three Subsidiaries whose Consolidated Financial Statements reflect total assets of ₹11,326.80 lakhs as at 31st March, 2019 (PY: ₹ 10,416.79 lakhs), total revenue of ₹ 317.50 lakhs for the year ended on that date (PY: ₹ 201.60 lakhs), total net profit after tax of ₹ 275.77 lakhs (PY ₹ 160.87 lakhs), net cash flows amounting to ₹833.72 lakhs (PY ₹190.39 lakhs) and Other Comprehensive Income of NIL (PY- NIL) for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The financial statements of these subsidiaries have been audited by other auditors whose report have been furnished to us by the Management of the Holding Company and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters, with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors, as applicable, on the respective Financial Statements and other financial information of the Subsidiaries, incorporated outside India referred in the Other Matters Paragraph above, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

   b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer our report in **Annexure-A**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls with reference to consolidated financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS Financial Statements discloses the impact of pending litigations on the Consolidated Financial position of the Group. Refer Note.No.33 and No. 34A to the Consolidated Ind AS Financial Statements.

      ii. The Holding Company has certain long-term contracts for which there are no material foreseeable losses. The Holding Company did not have any derivative contracts.

      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. This clause is not applicable in respect of its Subsidiaries.

2. With respect to other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Clause (f) of Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on the Consolidated Ind AS Financial Statements of the Holding Company, for the year ended 31st March, 2019

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group, as of and for the year ended 31st March 2019, we have audited the Internal Financial Controls Over Financial Reporting of **Tamilnadu Petroproducts Limited** (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is incorporated in India, is responsible for establishing and maintaining Internal Financial Controls based on the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's Internal Financial Controls Over Financial Reporting. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness.

Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Controls Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, adequate Internal Financial Controls over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2019, based on the Internal Controls over Financial Reporting criteria stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May, 2019

INDEPENDENT AUDITORS' REPORT ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

The accompanying abridged consolidated financial statements, which comprise the Abridged Consolidated Balance Sheet as at 31st March 2019, the Abridged Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Abridged Statement of Changes in Equity and the Abridged Consolidated Cash Flow Statement for the year then ended, and related Notes, are derived from the audited consolidated financial statements ("the audited consolidated financial statements") of **TAMILNADU PETROPRODUCTS LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") for the year ended 31st March, 2019. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 21st May 2019.

The abridged consolidated financial statements do not contain all the disclosures required by the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act"), which were applied in the presentation of audited consolidated financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

Management is responsible for the preparation of the abridged consolidated financial statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (as amended), based on the audited consolidated financial statements of the Company for the year ended 31st March 2019, which were prepared in accordance with the Indian Accounting Standards referred to in Section 133 of the Act and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures conducted in accordance with the Standards on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements, derived from the audited consolidated financial statements of the Company for the year ended 31st March 2019, are a fair summary of those consolidated financial statements.

Other Matter

We did not audit the consolidated financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 11,326.80 lakhs as at 31st March, 2019 (PY: ₹ 10,416.79 lakhs), total revenue of ₹ 317.50 lakhs for the year ended on that date (PY: ₹ 201.60 lakhs), total net profit after tax of ₹ 275.77 lakhs (PY ₹ 160.87 lakhs) and Other Comprehensive Income of NIL (PY- NIL) for the year ended on that date, as considered in the abridged consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For R.G.N. Price & Co.
Chartered Accountants
(Firm Regn No.002785S)

Mahesh Krishnan
Partner
(Membership No. 206520)

Chennai, 21st May, 2019

Abridged Consolidated Balance Sheet As at 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

ASSETS	As at 31st March, 2019	As at 31st March, 2018
Non-Current Assets		
a) Property, Plant and Equipment	**23,024.94**	19,256.19
b) Capital work-in-progress	**2,033.68**	3,717.34
c) Investment Property	**20.68**	-
d) Financial assets		
i) Investments :		
Other Investment	**135.72**	318.92
ii) Other financial assets	**106.68**	120.01
e) Other non-current assets	**787.10**	417.89
Total Non-Current Assets	**26,108.80**	23,830.35
Current assets		
a) Inventories	**7,876.31**	10,589.34
b) Financial assets		
i) Trade Receivables	**7,165.65**	6,657.63
ii) Cash and Cash equivalents	**11,313.17**	10,479.45
iii) Bank balances other than ii) above	**8,516.28**	5,776.18
iv) Other financial assets	**138.45**	683.12
c) Other Current assets	**1,825.35**	1,573.44
d) Assets classified as held for sale	**0.60**	21.28
Total Current Assets	**36,835.81**	35,780.44
TOTAL ASSETS	**62,944.61**	59,610.79
EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	**8,997.15**	8,997.15
b) Other Equity	**33,516.94**	27,684.81
Total Equity	**42,514.09**	36,681.96
Liabilities		
Non-Current liabilities		
a) Financial liabilities		
i) Other financial liabilities	**26.14**	21.81
b) Provisions	**2,509.11**	2,426.56
c) Deferred tax liabilities (net)	**2,536.94**	1,427.02
Total non-current liabilities	**5,072.19**	3,875.39
Current liabilities		
a) Financial liabilities		
i) Borrowings	**3,986.59**	3,599.46
ii) Trade payables		
Total Outstanding dues of Micro & Small Enterprises	**91.97**	49.14
Total Outstanding dues of creditors other than Micro & Small Enterprises	**6,451.13**	9,921.85
iii) Other current financial liabilities	**450.13**	408.68
b) Provisions	**4,172.98**	4,820.57
c) Other current liabilities	**205.52**	253.74
Total Current liabilities	**15,358.32**	19,053.44
Total liabilities	**20,430.51**	22,928.83
TOTAL EQUITY AND LIABILITIES	**62,944.61**	59,610.79

Refer notes to abridged standalone financials statements compiled from the audited accounts of the Company referred to in our report dated 21st May, 2019

In terms of our report attached	**For and on behalf of the Board of Directors**	
For R.G.N. Price & Co.	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Whole Time Director (Finance) & CFO	Whole Time Director (Operations)
Firm Regn No.002785S	DIN:02341353	DIN:00202578
Mahesh Krishnan		**K Priya**
Partner		Company Secretary
M.No. 206520		M. No. A31383
Place : Chennai		
Date : 21st May, 2019		

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Abridged Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME		
Revenue from operations	**1,24,532.73**	1,08,509.25
Other income	**1,013.65**	931.85
Total Revenue	**1,25,546.38**	1,09,441.10
EXPENSES		
Cost of Materials consumed	**67,083.98**	58,639.13
Purchase of Stock-in-trade	**-**	1,269.65
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	**1,777.82**	(3,460.64)
Excise duty	**-**	3,618.87
Employee benefits expense	**3,580.73**	3,204.25
Finance costs	**685.35**	671.82
Depreciation / Amortization Costs	**1,999.66**	2,222.10
Other expenses	**42,967.60**	36,338.34
Total expenses	**1,18,095.14**	1,02,503.52
Profit before exceptional item and taxes	**7,451.24**	6,937.58
Exceptional item	**-**	922.46
Profit before tax	**7,451.24**	7,860.04
Tax expense:		
a) Current tax	**2,682.57**	1,525.33
b) MAT Credit		
- Entitlement	**-**	(1,104.56)
- Utilisation	**(1,120.67)**	-
Deferred tax	**(11.48)**	2,107.99
Provision for tax relating to prior years	**197.58**	-
Net current tax expense	**1,748.00**	2,528.76
Profit for the year	**5,703.24**	5,331.28
Other Comprehensive income		
(i) Items that will not be reclassified to Profit or (Loss)		
Re-measurement of Defined Benefit Liabilities (Net)	**40.32**	(88.78)
(ii) Items that will be reclassified to Profit or Loss		
Exchange differences in translating the financial statements of foreign operations	**630.95**	68.23
Total Comprehensive income	**6,374.51**	5,310.73
Earnings per equity share (in ₹)		
Basic and Diluted	**6.34**	5.93

Refer notes to abridged standalone financials statements compiled from the audited accounts of the Company referred to in our report dated 21st May, 2019

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

TPL

Abridged Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2018	8997.15
Changes in Equity Share capital during the year	-
Balance as at 31st March 2019	8997.15

B. Other Equity

	Reserves and Surplus					Other Comprehensive Income		Total
	General Reserve	Securities Premium	Capital Reserve	Other Reserve*	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Liabilities	Exchange Gain/(Loss) arising on translation of foreign Operations	
Balance as at 01st April 2017	13,859.94	4,611.57	42.23	1,986.18	2,089.55	24.87	(240.26)	22,374.08
Profit for the year	-	-	-	-	5,331.28	-	-	5,331.28
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-	-	(88.78)	-	(88.78)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	68.23	68.23
Balance as at 31st March 2018	13,859.94	4,611.57	42.23	1,986.18	7,420.83	(63.91)	(172.03)	27,684.81
Balance as at 1st April 2018	13,859.94	4,611.57	42.23	1,986.18	7,420.83	(63.91)	(172.03)	27,684.81
Profit for the year	-	-	-	-	5,703.24	-	-	5,703.24
Dividend on Equity Shares	-	-	-	-	(542.38)	-	-	(542.38)
Remeasurement of Defined Benefit Liabilities (Net of Taxes)	-	-	-	-		40.32	630.95	671.27
Balance as at 31st March 2019	13,859.94	4,611.57	42.23	1,986.18	12,581.69	(23.59)	458.92	33,516.94

* Represents revaluation of Land and Buildings comprised in Deemed Cost adopted on transition to Ind AS as on April 01,2016.

This is the Statement of Changes in Equity referred to in our report of even date.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Abridged Consolidated Cash Flow Statement for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

	Year ended 31st March, 2019	Year ended 31st March, 2018
Net cash flow from / (used in) operating activities (A)	**7,809.93**	8,231.76
Net cash flow from / (used in) investing activities (B)	**(6,128.08)**	(6,807.55)
Net cash from / (used in) financing activities (C)	**(848.13)**	(1,233.82)
Net cash flows during the year (A+B+C)	**833.72**	190.39
Cash and cash equivalents at the beginning of the year	**10,479.45**	10,289.06
Cash and cash equivalents at the end of the year (Refer Note 9A)	**11,313.17**	10,479.45
Net increase / (decrease) in cash and cash equivalents	**833.72**	190.39

The above Cash Flow Statement has been prepared under the " indirect method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

Note: Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirement of Division II to the Schedule III to the Act are available at the Company's website www.tnpetro.com. Copy of Financial Statements is also available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

Notes forming part of the Abridged Consolidated Financial Statements for the year ended 31st March, 2019

(i) 33. Contingent Liabilities and commitments

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Contingent liabilities:		
A Disputed Demands under Appeals		
i) Sales Tax	**1,731.25**	1,731.25
ii) Excise Duty	**245.66**	312.70
iii) Service Tax	**415.86**	415.86
iv) Income Tax	**2,982.80**	2,390.00

Demands disputed by the Company and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

v) Electricity Tax	**1,054.93**	1,054.93

The Tamilnadu Government vide Government Order dated 23rd September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self -generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962".

The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries.

The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15th May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.

In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012.

The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favourable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to ₹1054.93 lakhs. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.

Notes forming part of the Abridged Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at 31st March, 2019	As at 31st March, 2018
vi) Cross Subsidy Charge under Group Captive Scheme	**6,130.48**	6,130.48

The Company has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed form various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the Company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the Company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand.This is expected to be disposed off in favour of the power producers.

B. Commitments

Capital commitments	**750.33**	833.42

(ii) 37. The Company received ₹ 922.46 Lakhs during the financial year 2017-18 from the Insurers as final settlement against claims made towards material damage and business interruption owing to unprecedented rainfall and consequent floods during December 2015 and January 2016. The same has been disclosed as Exceptional Item.

(iii) 38. The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment of operation.

(iv) 23. Revenue from operations	**Year ended 31st March, 2019**	Year ended 31st March, 2018
Sale of products	**1,24,141.96**	1,08,158.63
Sale of services	**13.93**	24.40
Other operating revenues	**376.84**	326.22
	1,24,532.73	1,08,509.25
Less: Excise Duty	**-**	3,618.87
	1,24,532.73	1,04,890.38

(v) 24. Cost of materials consumed		
Opening stock	**3,703.96**	3,892.18
Add: Purchases	**66,283.18**	58,450.91
	69,987.14	62,343.09
Less: Closing Stock	**2,903.16**	3,703.96
Cost of material consumed	**67,083.98**	58,639.13
Material consumed comprises:		
Kerosene	**37,317.28**	27,728.47
Benzene	**19,009.77**	19,965.02
Normal Paraffin	**8,150.23**	9,673.14
Propylene	**819.17**	-
Salt	**1,162.96**	1,078.71
others	**624.57**	193.79
	67,083.98	58,639.13

(vi) 31. Other expenses		
Power and fuel	**26,172.87**	20,604.07

Notes forming part of the Abridged Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(vii) 32. Exceptional items	**Year ended 31st March, 2019**	Year ended 31st March, 2018
a) Insurance claim received (Refer note.37)	-	922.46
	-	922.46

(viii) 40. Related Party Disclosure (Ind AS - 24)

i) The list of related parties as identified by the Management for disclosure are as under:

A) Joint Venturers	1.	Southern Petrochemical Industries Corporation Limited (SPIC)
	2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B) Subsidiaries	1.	Certus Investment and Trading Limited (CITL), Mauritius
	2.	Certus Investment and Trading (S) Private Limited, Singapore
	3.	Proteus Petrochemicals Private Limited, Singapore
C) Associates of Joint Venturers	1.	Manali Petrochemicals limited
	2.	Tuticorin Alkali Chemicals and Fertilizers Ltd.,
	3.	AMCHEM Speciality Chemical Pvt. Ltd., Singapore
D) Post Employment Benefit plan of TPL	1.	TPL Employees Providend Fund Trust
	2.	HCD Employees Providend Fund Trust
	3.	TPL Employees Group Gratuity Scheme trust
E) Key Management Personnel	1.	Mr. KT Vijayagopal, Whole Time Director (Finance) & CFO
	2.	Mr. D Senthi Kumar, Whole Time Director (Operations)

ii) The following transactions were carried out with the Related Parties.

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plan	Subsidiaries	Key Management Personnel (KMP)
Sale of Goods					
a) SPIC	63.79 (90.16)				
b) MPL		3,048.78 (823.33)			
Sale of services					
a) MPL		13.45 (33.24)			
Purchase of goods					
a) MPL		73.38 (84.22)			
b) TAC		29.05 (20.57)			
Services Availed					
a) MPL - i) Effluent Line Usage		15.46 (13.33)			
ii) Management services		- (251.17)			
b) AMCHEM Speciality Chemicals		106.03 (47.35)			
Reimbursement of expenses					
a) SPIC	0.62 (0.49)				
b) MPL		- (2.66)			

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Joint Venturers	Associates of Joint Venturers	Post Employment Benefit plan	Subsidiaries	Key Management Personnel (KMP)
c) TAC		3.35 (10.93)			
Remuneration to Key Management Personnel is given below					
Short term benefits					124.23 (99.76)
Other benefits					7.77 (6.24)
Contributions to PF Trust					
- TPL Employees PF Trust			73.19 (222.41)		
- HCD Employees PF Trust			31.73 (68.12)		
Balance outstanding					
Trade Receivables					
a) SPIC	10.08 (10.15)				
b) MPL		1,087.92 (161.67)			
Deposit with MPL		168.78 (188.76)			
Other Receivables					
a) SPIC	- (0.25)				
b) MPL		15.91 (49.82)			
Other payables					
a) SPIC	0.35 -				
b) MPL		47.45 (322.08)			
c) CITL				9.61 (9.61)	
d) PF Trust					
- TPL PF Trust			23.58 (18.82)		
- HCD PF Trust			7.78 (5.56)		

Transactions with related parties in the nature of sale of goods, rendering of service, purchase of goods, procurement of service are at arm's length price.

Figures in brackets relate to previous year.

Notes forming part of the Abridged Consolidated Financial Statements for the year ended 31st March, 2019

All amounts are in ₹ Lakhs unless otherwise stated

(ix) 41. Additional information as required in Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets*		Share of profit or loss		Share in OCI#		Share in TCI@	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent								
Tamilnadu Petroproducts Limited	73.42%	31,214.35	95.17%	5,427.47	100.00%	40.32	85.78%	5,467.79
Subsidiaries - Foreign								
1 Certus Investments and Trading Limited, Mauritius	23.25%	9,883.80	4.29%	244.62	100.00%	630.95	13.74%	875.57
2 Certus Investments and Trading Limited, Singapore	2.35%	997.41	0.50%	28.27	-	-	0.44%	28.27
3 Proteus Petrochemicals Private Limited, Singapore	0.98%	418.53	0.05%	2.88	-	-	0.05%	2.88
Total	**100.00%**	**42,514.09**	**100.00%**	**5,703.24**	**100.00%**	**671.27**	**100.00%**	**6,374.51**

* Total Assets - Total Liabilities, # Other Comprehensive Income, @ Total Comprehensive Income

(x) 9A. Cash and cash equivalents	**As at 31st March, 2019**	As at 31st March, 2018
Balances with Banks		
- In current accounts	**11,312.55**	10,478.31
- Cash on hand	**0.62**	1.14
	11,313.17	10,479.45
9B. Bank balances other than above		
Margin money deposits	**960.28**	1,923.81
Unclaimed dividend account (Refer note 20)	**36.73**	44.28
Other Fixed deposits #	**7,519.27**	3,808.09
	8,516.28	5,776.18
Total	**19,829.45**	16,255.63

represents deposits with original maturity more than three months.

(xi) 44. Events after the reporting period

The Board of Directors have recommended a dividend of ₹1 per share (10%) on 8,99,71,474 equity shares of ₹10 each for the Financial Year 2018-19 subject to approval of Members at the Annual General Meeting.

(xii) 45. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 21st May, 2019.

In terms of our report attached
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

For and on behalf of the Board of Directors

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

K Priya
Company Secretary
M. No. A31383

TPL

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries:

Part "A": Subsidiaries

Particulars	Name of the Subsidiaries					
	Certus Investments and Trading Limited, Mauritius		Certus Investments and Trading (S) Private Limited, Singapore		Proteus Petrochemicals Private Limited, Singapore	
	31st March 2019		31st March 2019		31st March 2019	
	Rupees in lakhs*	In USD (In Million)	Rupees in lakhs*	In USD (In Million)	Rupees in lakhs*	In USD (In Million)
Capital	14,119.74	20.42	1,296.80	1.88	207.45	0.30
Reserves	(2,939.14)	(4.25)	(299.39)	(0.43)	211.08	0.31
Total assets	11,199.76	16.20	1,001.38	1.45	418.53	0.61
Total liabilities	11,199.76	16.20	1,001.38	1.45	418.53	0.61
Investments	1,296.80	1.88	-	-	-	-
Turnover (including other income)	266.30	0.39	304.11	0.44	6.96	0.01
Profit / (Loss) before tax	252.09	0.36	28.31	0.04	2.88	0.00
Provision for taxation	7.49	0.01	0.04	0.00	-	-
Profit / (Loss) after tax	244.60	0.35	28.27	0.04	2.88	0.00
% of Shareholding	100%		100%@		100%@	

*** Translated at exchange rate prevailing as on 31.03.2019**

1 USD = ₹69.15

@ Held by Certus Investments and Trading Limited, Mauritius

In terms of our report attached

For and on behalf of the Board of Directors

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No.002785S

KT Vijayagopal
Whole Time Director (Finance) & CFO
DIN:02341353

D Senthikumar
Whole Time Director (Operations)
DIN:00202578

Mahesh Krishnan
Partner
M.No. 206520
Place : Chennai
Date : 21st May, 2019

K Priya
Company Secretary
M. No. A31383

TPL

Tamilnadu Petroproducts Limited

ATTENDANCE SLIP

CIN:L23200TN1984PLC010931

Registered Office & Factory: Manali Express Highway, Manali, Chennai – 600 068
Telefax: 25945588, E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Name of the attending Member(s)	:	Folio/DP ID-Client ID No.	:
No. of Shares held	:		

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade Road (Opp to High Court), Chennai - 600 108 at 3.00 PM on Monday, the 5th August, 2019.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

Please see overleaf for details of Folio No. / DP ID - Client ID & No. of Shares

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TPL

Tamilnadu Petroproducts Limited

PROXY FORM

CIN:L23200TN1984PLC010931

Registered Office & Factory: Manali Express Highway, Manali, Chennai – 600 068
Telefax: 25945588, E Mail: secy-legal@tnpetro.com, Website: www.tnpetro.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014].

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio/DP ID-Client ID No.	:

I/We being the member(s) holding________________________________ shares of the above named Company, hereby appoint

(1) Name: ………………………………….................... Address: ……………………………………...
E-mail Id: ……………………………................... Signature………………….................................... or failing him/her

(2) Name: ………………………………….................... Address: ……………………………………...
E-mail Id: ……………………………................... Signature………………….................................... or failing him/her

(3) Name: ………………………………….................... Address: ……………………………………...
E-mail Id: ……………………………................... Signature………………….................................... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, the 5th August, 2019 at 3:00 PM at **RAJAH ANNAMALAI MANDRAM**, Esplanade Road (Opp to High Court), Chennai - 600 108, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No. of Resolutions (as in the Notice annexed)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

(Tick Mark the Sl. No. of Resolutions for which the proxy is appointed)

Signed this _________ day of ______________________ 2019.

Affix
30 paise
Revenue
Stamp

Signature of Shareholder(s) ____

Notes:

a. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

b. In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.

c. The Proxy holder shall prove his / her identity at the time of attending the Meeting.

REGISTERED BOOK POST / COURIER

To:

If undelivered, please return to:

Tamilnadu Petroproducts Limited
Registered Office & Factory: Manali Express Highway,
Manali, Chennai – 600 068.