TAMILNADU PETROPRODUCTS LIMITED

31ST ANNUAL REPORT
2015-16

TPL

Board of Directors*

C V Sankar I.A.S	DIN:00703204	Chairman
Ashwin C Muthiah	DIN:00255679	Vice Chairman
C Ramachandran, I.A.S (Retd)	DIN:00050893	Director
N R Krishnan, IAS (Retd)	DIN:00047799	Director
Dhananjay N Mungale	DIN:00007563	Director
Dr K U Mada	DIN:00011395	Director
Kulbir Singh	DIN:00204829	Director
Sashikala Srikanth	DIN:01678374	Director
T K Arun	DIN:02163427	Director
R Karthikeyan	DIN:00824621	Director
D Senthikumar	DIN:00202578	Whole Time Director (Operations)
K T Vijayagopal	DIN:02341353	Whole Time Director (Finance) & CFO

* As on 5th August 2016

Company Secretary
D Hem Senthil Raj

Registered Office & Factory
Manali Express Highway
Manali, Chennai – 600 068
Tel: 25945588, Fax: 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
Deloitte Haskins & Sells
Chartered Accountants,
ASV N Ramana Towers,
52, Venkatanarayana Road,
T Nagar, Chennai – 600 017.

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

Secretarial Auditor
B Chandra
Company Secretaries,
AG3, Ragamalika,
No: 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
IndusInd Bank Ltd
State Bank of India
State Bank of Bikaner & Jaipur
State Bank of Patiala
The Federal Bank Ltd

CONTENTS

TPL

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

Your Directors have pleasure in presenting the Thirty First Annual Report on the business and operations of the Company and the audited Statement of Accounts for the year ended 31st March 2016. The consolidated performance of the Company and it's subsidiaries has been referred to wherever required.

FINANCIAL SUMMARY (STANDALONE OPERATIONS):

(INR In crores)

Description	2015- 2016	2014-2015
Earnings/Loss Before Interest and Depreciation	**12.76**	(17.55)
Interest	**14.74**	19.57
Depreciation	**17.58**	20.60
Exceptional Item	**57.71**	(13.68)
Profit/Loss Before Tax	**38.15**	(71.39)
Tax expenses	**-**	(18.32)
Profit/Loss after tax	**38.15**	(53.07)

OPERATIONAL HIGHLIGHTS AND PRODUCT- WISE PERFORMANCE

During the year under review, revenue from operations was INR. 700.63 crores Vis a Vis INR. 949.87 crores in FY 2014-15. The profit for the year was at INR. 38.15 crores against a loss of INR. 53.07 crores in the previous year. Crude prices continued to remain volatile ranging from USD 58 per barrel to USD 39 per barrel impacting the topline, however through better strategy the Company achieved higher margins compared to the previous year. The Company also in order to manage better cashflows sold one of it's non moveable property and made a profit of INR 66.20 crores which is reflected under exceptional item. ECH plant which was suspended since 2013 owing to losses was impaired (INR 8.49 crores) during the year. The Operating profit achieved during the year was INR 12.76 crores as against the previous year loss of INR 17.55 crores.

Linear Alkyl Benzene (LAB) constitutes almost 90% of revenues for the Company and various efforts are being initiated both on production and marketing front. We expect this to improve further in the coming years. Normal Parafin (NP) revamp phase I was completed in January 2016 and this has already improved the feed rate and marginal improvement in NP production.

The Chlor Alkali Division producing Caustic Soda and Chlorine had to be operated at a reduced load due to lower demand and also storing and disposal issues of Chlorine. Various cost cutting measures are being initiated to bring down the cost of production.

Chennai faced heavy rains and consequent flooding in the months of December 2015 and January 2016 which resulted in shut down of plants for almost 2 months. However the combined team efforts of the Organisation brought the Plant back to speedy recovery and commencement of normal production. The insurance cover also helped to recover the losses incurred from insurers.

ECH TO PO CONVERSION:

The Board of Directors have already informed the shareholders regarding the shut down of operations of ECH during March 2013 due to losses incurred. As indicated in the previous year reports, steps have been taken to utilise the existing facilities for the manufacture of propylene oxide. Clearance form MOEF has already been obtained, Basic engineering is currently in progress.

FINANCIAL REVIEW

During the year under review the finance cost was lower at INR 14.74 crores against INR 19.57 crores. This was made possible through lower borrowings and repayment of long term loans out of the proceeds from sale of property.

DIVIDEND

In order to conserve resources, the Board of Directors had not recommended any dividend for the financial year 2015-16.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company has three manufacturing units viz., Linear Alkyl Benzene (LAB), Chlor Alkalis comprising Caustic Soda & Chlorine and Epichlorohydrin (ECH).

LAB, a colorless organic compound is an intermediate chemical used in the manufacture of household and industrial cleaning agent and enjoys a good demand from the detergent industry as its basic raw material. Based on application, the LAB market can be broadly segmented into Linear Alkylbenzene Sulfonate (LAS) and other applications. A major portion of the global LAB production is utilized for the production of LAS. The applications for LAS have been further segmented on the basis of the end use namely heavy-duty laundry liquids, light-duty dishwashing liquids and laundry powders, industrial and household cleaners. Heavy-duty laundry liquids are mainly used for commercial laundry purposes and are the most dominant application segment for LAS. It has been reported that the demand for household cleaners is expected to exhibit the fastest growth rate amongst all the application segments.

All the major manufacturers of LAB in India, including TPL, have adopted the technology from UOP, USA, which is considered superior to the other processes involving chlorination. The cost of production of LAB in India had been relatively higher than the international standards mainly on account of higher cost of kerosene and quality issues relating to the feedstock.

In the years before domestic demand for LAB was being met fully through indigenous sources and a substantial quantity was being exported. In the past two years, LAB imports in India were more than 3.2 lakh tons. The sudden spurt in LAB imports into India during the past few years is mainly attributable to economic slowdown witnessed all over the world and creation of surplus capacities in the Middle East and reduced capacity utilisation in India. The domestic players could not compete with the overseas suppliers due to modern facilities of large capacities which ensured very low cost compared to the cost structure of your Company.

TPL

Caustic Soda, a most commonly used industrial chemical, finds wide application in Textile, Pulp & paper, Aluminium, Soaps & detergents industries in India. The capacity in India was about 34.66 lakh ton in March 2015 with a capacity utilization of around 81%. The capacity has increased to 36.70 lakh ton by March 2016 and is expected to grow by about 5 % in margin by March 2017. India has enough capacity to meet the domestic demand but due to dumping from overseas, the capacity utilization has been low.

Chlorine, a co-product of Caustic Soda is widely used in sectors like Vinyl chloride, CPW, pulp and paper, water purification, chlorinated solvents, etc. Chlorine demand will be a major driver for Chlor-alkali production rates and the reason for low capacity utilization is due to inadequate opportunity for Chlorine utilization; – Lack of integrated plants, and downstream chlorine utilization projects.

Chlorine demand has gone up during the year 2015-16 and it is expected to witness an increase in the year 2016-17 due to downstream consumption by caustic manufacturers.

Caustic soda imports during the year witnessed about 5.7 lakhs tons in FY 2015-16 compared to 5.00 lakhs tons in the previous financial year 2014-15.

OPPORTUNITIES AND THREATS

Concern about hygiene and improved standard of living has aided in considerable improvement of market conditions. This has helped the detergent markets to reach remote areas, with the facility of visual advertisements. Moreover, consumers have privilege of choosing from wide variety of product range and hence the companies are constantly upgrading their products and make every effort to bring the utmost innovative advertising campaign to increase their share in the global market. 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 is targeted by the overseas LAB players and 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. Also LABIX, a new plant which was set up in Bangkok, Thailand with an annual capacity of 1 lakh ton capacity will be a major threat to the company, with Chennai being the nearest port. These will have an impact on domestic pricing which is already reeling under pressure.

Crude prices continued to be volatile. This had it's own impact on the topline/revenue of the company. Imports from China, Thailand and Middle East continues to be a threat.

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 urbanization and more spending on personal effects, the market for Caustic Soda is expected to grow further. However, unabated increase in cost of power is curbing the profitability of the domestic manufacturers. Because of the erratic weather conditions, salt prices are unpredictable. India has adequate capacity to meet domestic demand of caustic soda, but due to heavy imports at low price from other countries, industry operating rates are low.

The per capita consumption of Chlorine in India is stated to be around 1.85 kg vis a vis 13 kg in China and hence there exists good growth opportunities. However, this could happen only if substantial investments are made in the vinyl industry, the key end-user of the product. Downstream PVC Industry in India is growing @ 10% (YOY in 2015-16) but not utilizing domestic chlorine due to non-availability of petro-chemical feedstock. In a year, nearly 30% of the PVC domestic demands are met by imports. India continues to be one of the largest importers of EDC & VCM i.e. indirect imports of chlorine leading to low utilization of domestic chlorine. The problems of storage and disposal of Chlorine during peak demand for Caustic Soda are the major limiting factors for both Caustic Soda and Chlorine."Mis-matched" demand for Caustic & Chlorine sets the price trend for the product and the realizations are affected considerably.

OUTLOOK

LAB

TPL has established itself as a major contributor in the LAB market, despite ever increasing LAB imports year on year, TPL has been continuously offering its best service to its customers, thereby keeping the customer base intact. TPL has been able to sustain it's market share across pan India and dominate the South market especially.

During the year 2015-16, LAB imports were around 3.20 lakh tons against 2.20 lakh tons in 2014-15, a big jump compared to the previous year's imports. TPL is also focussing on increasing the NP capacity to cut down its imports and capacity augmentation proposal is under implementation.

TPL has completed Phase I of NP revamp which has resulted in increased feed rate and marginal production of NP Phase II is underway.

Caustic Soda / Chlor alkali

The Global Caustic Soda growth is expected to be 3.2% by 2018. Alumina and Pulp & Paper sectors, major consumers of Caustic Soda have been impacted by the global economic outlook. It has been stated that the growth in many of developed regions will be slow. On the other hand, with the ongoing expansion projects, the caustic soda availability from the USA, Asia and Middle East will be threatening more with further increase in the imports into India, which is already affected by huge and ever-increasing imports. The imports have more than doubled in about 5 years at 5.08 lakh tons in 2015-16 from 1.87 lakh tons in 2010-11. The imports during April 2016 were over 85,000 tons against 75,000 tons in the corresponding period of the previous year.

It has been reported that the Indian industry is capable of meeting its domestic demand but because of high input costs and poor infrastructure, is not competitive internationally. It also faces dumping of cheap imports from other countries like Iran, Saudi, Korea RP, Japan, etc. where power is available at a lower price. To overcome this, TPL is focussing on reduction of power consumption and power cost. However, under the present conditions TPL may not be able to go for integration and hence the long term survival of the HCD would depend on the success of the cost cutting efforts taken by the Company. Company is exploring the option for switch over from monopolar to bipolar technology which will result in savings by means of reduced power consumption.

ECH

The company had already received environment clearance for conversion of the ECH facility to manufacture Propylene Oxide from the Ministry of Environment, Forest and Climate Change, Government of India. Further actions are on to operationalize the conversion which may take about 15-18 months. It may be recalled that the ECH facility remains suspended since 2013 due to unviable operations and incurring huge losses for eight years out of last ten years. On completion of the conversion the Company would be in a position to utilize the Chlorine for value paving way for enhancing the utilization of caustic soda unit and hence the production at HCD can be increased to more economic levels. Also it would have converted the otherwise unproductive facility to earn reasonable returns.

RISK AND CONCERNS

As mentioned above, the import of LAB, Caustic Soda and indirect form of Chlorine is the major risk faced by TPL. Due to the increasing transportation charges and bulk discounts offered to the customers in order to keep them intact, LAB realisation may come down. The uncertainty of the normal paraffin imports and the fluctuating exchange rates is yet another major risk to the company.

Chlor Alkali Division of TPL is a power intensive industry and hence the renewable purchase obligation, which is being challenged by the Company at the appropriate forum, could be a dampener in its efforts to bring down the power cost. Continuous dip in the chlorine prices, soaring cost of salt and transportation are adding to the woes. To mitigate the risk of survival of Chlor Alkali Division in the long run, the input cost viz., power and salt is to addressed by the company.

SAFETY, HEALTH & ENVIRONMENT

Adequate safety standards have been prescribed and followed by the Company without compromise. Prime importance is given to protection of the employees, Plant & Machinery and environment at all times.

There were no reportable incidents/accidents during the year 2015-16. To spread the awareness on safety, your company celebrated National Safety Day on 4th March 2016. World Environment Day was celebrated on 5th June 2016 and saplings were planted as a part of green initiative and to promote carbon offset.

SUBSIDIARIES

Certus Investment and Trading Ltd., and its wholly owned subsidiaries

Your Company established Certus Investment and Trading Ltd. (CITL), Mauritius as its Wholly Owned Subsidiary (WOS) to serve as a Special Purpose Vehicle (SPV) to set up LAB and NP projects in Middle East and South East Asia.

CITL also established CITL (S) Pte. Ltd. in Singapore to function as a coordinator for TPL's overseas procurement and marketing activities.

Proteus Petrochemical Private Ltd. (Proteus) is a subsidiary of CITL formed for setting up a Normal Paraffin Project in Singapore. The proposal is to establish a green-field Normal Paraffin (NP) project plant along with associated utilities and off-sites. The project has run into certain problems and hence there has been delay in completing the same as per schedule. The Company is examining further action to be taken in this regard.

The policy on material subsidiaries is given in the website of the Company http://tnpetro.com/Financials/fina_policies.asp

JOINT VENTURE

Petro Araldite Pvt. Ltd. (PAPL)

PAPL had shut down its operations including their Basic Resins manufacturing facilities since 2014.The formulations plant was also stopped during the year 2014-15. The entire investment made by TPL in PAPL has been written off during the previous financial year.

HUMAN RESOURCES

Management strongly believes that the strength of your Company is directly proportional to the strength of its employees in terms of the knowledge, experience, analytical and decision making skills. Your Company has been practicing various HR initiatives such as recognition, empowerment, personality development, decentralization of delegation of powers etc., to retain the talents and to enhance their enabling capabilities. A balanced staffing system has been judiciously adopted in your Company wherein competent fresh talents have been engaged to infuse young blood 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. Apart from the routine, job related training for personality development and leadership skills are imparted to enhance the administrative capabilities of employees.

The man power strength as on 31st March 2016 was 334 and none of the employees of your Company was in receipt of remuneration exceeding the sum prescribed under Section 198 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of Loans, guarantees or investments

Loans, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the Notes to financial statements provided in this Annual Report.

FIXED DEPOSITS

Your company has not accepted any deposits from the public during the year under report.

Particulars of contracts or arrangements made with related parties

During the year under review, there were no transactions with related parties referred to in Section 188(1) of the Act and the transactions at arms' length with such parties were not material 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/Financials/fina_policies.asp.

AUDIT COMMITTEE

The details are furnished under the Corporate Governance Report (CGR) annexed to this Report.

Vigil Mechanism

As required under Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the 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.

RISK MANAGEMENT POLICY

The Company has over the years developed a frame work for risk management and laid down procedures to inform Board members about the risk assessment and minimization procedures. A risk management plan has been framed and implemented and monitored by the Board. As required under Section 177 of the Act, the Audit Committee also reviews the risk management process periodically.

As part of the risk management plan, TPL has two employee-level Committees viz., a sub-committee and an Apex Committee which is headed by the Whole-time Director (Operations) to review and assess the risks that could affect the Company's business. The sub-committee brings out the matters that could affect the operations and the same are reviewed by the Apex Committee, which determines the issues that could become business risk. The mitigation actions are also suggested by the Committee and the report of the Risk Controller is submitted to the Risk Management Committee of Directors (RMC), constituted in compliance with the Listing Regulations. The RMC reviews the report of the Risk Controller and the recommendations are presented to the Board for final decision/guidance.

In the opinion of the Directors, unabated import of LAB and Caustic Soda into India is the major risk for the company that could affect the company's business and profitability. High cost of power is yet another concern for the company especially for the Chlor Alkali Division.

BOARD OF DIRECTORS AND RELATED DISCLOSURES

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 as per the said declarations they meet the criteria of independence as provided in Section 149 (6) of the Act.

The Board met four times during the year under review and the relevant details are furnished in the Corporate Governance Report (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/Financials/fina_policies.asp.

At the Board Meeting held on 4th August 2015, Mr. K.T.Vijayagopal has been appointed as Chief Financial Officer of the Company under Section 203 of the Companies Act, 2013.

During the year under review, Mr. Muthukrishnan Ravi ceased to be Managing Director on his completion of his term of office effective from 3rd February 2016 and Mr. M. Pazhaniandipillai, Wholetime Director (Operations) has demitted his office effective from 1st February 2016.

The Board accorded its sincere appreciation and gratitude for the services rendered by Mr. Muthukrishnan Ravi, Managing Director and Mr. M. Pazhaniandipillai, Wholetime Director (Operations) for their phenomenal support and guidance extended during their association with the company.

At the meeting held on 1st February 2016, Mr D Senthikumar (DIN 00202578) was appointed as an Additional Director of the Company effective from 18th February 2016. Pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) he has also been appointed as the Whole-time Director (Operations) for a period of three years, subject to approval of the Members. As per Section 161 of the Companies Act, 2013, he holds office till the ensuing AGM and it is proposed to appoint him as a Director under section 152 of the Companies Act, 2013 for which the required notice and deposit under section 160 of the Act have been received. It is also proposed to seek approval of the Members for his appointment and remuneration as Whole-time Director (Operations).

At the meeting held on 1st February 2016, Mr. KT Vijayagopal (DIN 02341353) was appointed as an Additional Director of the Company effective from 1st February 2016. Pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) he has also been appointed as the Whole-time Director (Finance) for a period of three years, subject to approval of the Members. As per Section 161 of the Companies Act, 2013, he holds office till the ensuing AGM and it is proposed to appoint him as a Director under section 152 of the Companies Act, 2013 for which the required notice and deposit under section 160 of the Act have been received. It is also proposed to seek approval of the Members for his appointment and remuneration as Whole-time Director (Finance).

Mr. TK Arun, (DIN 02163427) Director retires by rotation and being eligible offers himself for re-election at the ensuing Annual General Meeting of the Company. The Board recommends his re-appointment.

ANNUAL EVALUATION OF THE BOARD AND COMMITTEES

The formal evaluation of the Board and its Committees was done taking into account the various parameters such as their roles and responsibilities, composition and the adequacy, decision making processes and related practices, focus on important and critical issues, progress monitoring, governance and the like.

The evaluation of the individual directors, including the independent directors was done taking into account their qualification and experience, understanding of their respective roles (as a Director, Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

During the year, the company had conducted familiarization programme for the Independent Directors and the details of the same are made available in the website of the company viz., http://tnpetro.com/Financials/Fina_corp.asp

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2016, 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 loss 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, 2016 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 is made a part of this Report and a Certificate from the Auditors regarding compliance with the requirements of Corporate Governance is given in **Annexure - I**.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as the Auditors of the Company for a period of three years at the 29th Annual General Meeting held on 12th August 2014 to hold office till the conclusion of 31st Annual General Meeting.

In this connection, the Act has brought in provisions for rotation of auditors and your Company is also required to comply with the same. As per Section 139 (2) of the Act, in the case of Auditors, being a Firm, the tenor can be 2 terms of five years each. Initially a transition period of 3 years from the date of commencement of the Act had been provided for changing the Auditors who have been in office for periods exceeding the limits and accordingly the Company at the 29th AGM appointed the existing Auditors to hold office till the ensuing AGM. However, the transition period has been extended and the change of Auditors could now be considered at the first AGM to be held three years after the commencement of the Act. Accordingly, the existing Auditors can continue till the conclusion of the next AGM to be held in the year 2017.

SECRETARIAL AUDIT REPORT

As required under Section 204 of the Act, the Secretarial Audit Report issued by Mrs. B Chandra, Company Secretary in practice is given in **Annexure - II**. As regards the observation of the Secretarial Auditor it is clarified the delay in filing of the FLA return with RBI within the stipulated time period was due to oversight. However the same has been filed with RBI before the date of signing of this report.

Cost Audit

M/s. Krishnaswamy & Co, Cost Accountants, was appointed as the Cost Auditors of the Company for the financial year 2015-16 on a remuneration of INR 2.00 lakh plus applicable taxes and reimbursement of out of pocket expenses.

As required under Section 148 of the Act, read with the relevant Rules, ratification of the members for the remuneration to the Cost Auditor for the year 2015-16 will be considered at the ensuing AGM of the Company.

Adequacy of Internal Financial Controls

Your company has in place adequate internal financial control systems combined with delegation of powers and periodical review of the process. The control system is also supported by internal audits and management reviews with documented policies and procedures. The system was also reviewed by an external agency, and no major weaknesses were reported.

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 THE ANNUAL RETURN

The extract of the Annual Return in prescribed Form MGT-9 is given in **Annexure – IV** in the prescribed format.

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 are as per the remuneration policy of the company.

CSR POLICY AND RELATED DISCLOSURES

The details are furnished in **Annexure – VI**

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

5th Aug 2016
Chennai – 600 068

Ashwin C Muthiah
DIN 00255679
Vice Chairman

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

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 2016.

2. Board of Directors :

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

As on 31st March 2016, the Board comprised of twelve directors as detailed below:

Name	Membership	
	Other Boards	Other Board Committees
Non Independent		
Non Executive		
Mr C V Sankar, IAS., Chairman (Nominee of TIDCO)	10 (6)	-
Mr Ashwin C Muthiah, Vice Chairman (Nominee of SPIC)	3 (3)	1
Mr T K Arun (Nominee of TIDCO)	9	9 (1)
Mr R Karthikeyan (Nominee of TIDCO)	7 (1)	3
Executive		
Mr K T Vijayagopal, Whole-time Director, (Nominee of SPIC)	-	-
Mr D Senthikumar, Whole-time Director, (Nominee of SPIC)	-	-
Independent		
Mr C Ramachandran, IAS (Retd)	6	5
Mr N R Krishnan, IAS (Retd)	7 (1)	6 (3)
Mr Dhananjay N Mungale	7	9 (3)
Dr K U Mada	2	4 (2)
Mr Kulbir Singh	2	1
Ms Sashikala Srikanth	6	5 (2)

Notes:

(a) Other Directorships exclude TPL, foreign companies, private 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.

(c) Figures in brackets denote the number of companies/committees of listed companies in which the Director is Chairman.

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

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

(f) The details of familiarization programmes imparted to the Independent Directors are disclosed in the website of the Company at (http://www.tnpetro.com/Financials/fina_corp.asp).

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

The Board of Directors met four times during the year 2015-16 viz., on 19th May 2015, 4th August 2015, 3rd November 2015 and 1st February 2016. 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 C V Sankar, IAS	Full Year	4	2	Yes
Mr Ashwin C Muthiah	Full Year	4	4	Yes
Mr C Ramachandran IAS (Retd)	Full Year	4	3	Yes
Mr N R Krishnan IAS (Retd)	Full Year	4	4	Yes
Mr Dhananjay N Mungale	Full Year	4	3	Yes
Dr K U Mada	Full Year	4	4	No
Mr Kulbir Singh	Full Year	4	4	Yes
Ms Sashikala Srikanth	Full Year	4	4	Yes
Mr T K Arun	Full Year	4	4	Yes
Mr R Karthikeyan	Full Year	4	4	Yes
Mr Muthukrishnan Ravi	Upto 03.02.2016	4	4	Yes
Mr Pazhaniandy Pillai	Upto 01.02.2016	4	3	Yes
Mr K T Vijayagopal	From 01.02.2016	* NA	* NA	* NA
Mr D Senthikumar	From 18.02.2016	* NA	* NA	* NA

* Not Applicable

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 have been aligned with the requirements of Section 177 of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(ii) Composition, Meetings and Attendance

As on 31st March 2016, the Committee comprised of Mr C Ramachandran IAS (Retd.) as Chairman, Mr N R Krishnan IAS (Retd), Dr K U Mada and Mr T K Arun as the other Members. The Committee met four times during the year 2015-16 viz. 19th May 2015, 4th August 2015, 3rd November 2015 and 1st February 2016. All the Members attended all the meetings except Mr C Ramachandran who attended three of these meetings. The Company Secretary is the Secretary to the Committee.

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 at the meeting held on 27th May 2014 with Mr C Ramachandran IAS (Retd) as the Chairman & Mr N R Krishnan, IAS (Retd), Mr Ashwin C Muthiah and Mr T K Arun as the other members. The terms of reference of the Nomination & 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 Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year under the guidance of the Board of Directors, the Nomination & 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.

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 thereunder and the Listing Regulations.

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(ii) **Meeting and Attendance**

The Committee met three times during the year 2015-16 viz., 4th August 2015, 3rd November 2015 and 1st February 2016 and the meetings were attended by all the members except Mr C Ramachandran who attended two of these meetings. The Company Secretary is the Secretary to the Committee.

i) **Details of remuneration paid**

(a) Remuneration paid to Executive Directors for the year 2015-16 are as shown below:

Sl No	Description	Mr Muthukrishnan Ravi Managing Director	Mr M Pazhaniandi Pillai Whole-Time Director (Operations)	Mr. K.T. Vijayagopal Whole-Time Director (Finance) & CFO	Mr D Senthikumar Whole-Time Director (Operations)
01	Salary & Allowances	34.05	25.53	13.07	4.21
02	Perquisites	-	0.08	0.07	0.04
	Total	**34.05**	**25.61**	**13.14**	**4.25**

Note:

(1) In addition to the above contribution to Provident and other Funds are made by the Company as per the applicable rules. In view of the losses no performance linked pay was paid / payable.

(2) 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.

(3) Mr Ravi was the Managing Director of the Company till 3rd February 2016. His remuneration during the said period was shared between the Company and MPL of which also he is a Managing Director.

(4) Remuneration to Mr M Pazhaniandipillai is paid for the period 1st April 2015 to 31st January 2016.

(5) Remuneration to Mr KT Vijayagopal is paid for the period 4th August 2015 to 31st March 2016 and to Mr D Senthikumar for the period 18th February 2016 to 31st March 2016.

(6) No Employee Stock Option has been offered by the Company to any of the Directors.

(b) Sitting fees paid to non-executive Directors during 2015-16 are detailed below:

Name	Amount (Rs in lakh)	Name	Amount (Rs in lakh)
Mr C V Sankar IAS *	1.00	Mr Kulbir Singh	2.00
Mr Ashwin C Muthiah	2.00	Ms Sashikala Srikanth	2.00
Mr C Ramachandran IAS (Retd)	1.50	Mr T K Arun*	2.00
Mr N R Krishnan IAS (Retd)	2.00	Mr R Karthikeyan*	2.00
Mr Dhananjay N Mungale	1.50	**TOTAL**	**18.00**
Dr K U Mada	2.00		

* Paid to TIDCO

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the Financial Year ended 31st March 2016.

5. Stakeholder's Relationship Committee

1. Chairman and Compliance Officer

The Chairman of the Committee is Mr C Ramachandran IAS (Retd) and Mr D Hem Senthil Raj Company Secretary is the Compliance Officer.

2. Details of Complaints received and pending

During the year 10 complaints were received, all of which are redressed by the Company / RTA. There were no pending complaints as at the end of the year.

6. General Body Meetings.

The particulars of Annual General Meetings held during the last three years and the Special Resolutions passed are as under:

Year	Date	Time	Venue	Special Resolutions considered thereof
2013	05.08.2013	3.00 PM	Tamil Isai Sangam, Raja Annamalai Hall, Esplanade, Chennai - 600 108	Appointment of Mr Muthukrishnan Ravi as Managing Director for a period of three years from 4^{th} February 2013 to 3^{rd} February 2016 and payment of remuneration.
2014	12.08.2014	2.45 PM		1) Appointment of Mr M Pazhaniandy Pillai as Whole-time Director (Operations) for a period of three years from 27^{th} May 2014 to 26^{th} May 2017 and payment of remuneration.
				2) Approval for borrowing money in the ordinary course of business not in excess of INR1000 crores over and above the aggregate of the paid up capital and free reserves of the company on such terms and conditions as may be agreed to between the Company and the lenders.
2015	22.09.2015	10.35 AM		No Special Resolutions

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 prescribed under the Act.

7. 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 the 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. As stipulated under the provisions of Listing Regulations a Policy for determining material subsidiaries has been framed and the policy is available on our website (http://tnpetro.com/Financials/fina_policies.asp).

v. As stipulated under the provisions of Listing Regulations a Policy on dealing with related party transactions has been framed and the policy is available on our website (http://tnpetro.com/Financials/fina_policies.asp). Pursuant to Para A of Schedule V of SEBI (LODR) Regulations 2015, disclosures pertaining to related party transactions are reported under the notes to financial statements which form part of this Annual Report.

vi. The company has laid down procedures to inform the Board Members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively. Employee level and Board level committees have been formed to analyze the issues relating to risk management and the action points arising out of the deliberations of the Committees are reviewed by the Board.

vii. As required under Regulation 17 of SEBI (LODR) Regulations, 2015, CEO/CFO Certification by Mr D Senthikumar, Whole Time Director (Operations) and Mr K T Vijayagopal, Whole Time Director (Finance) & Chief Financial Officer was placed before the Board at its meeting held on 30^{th} May 2016.

viii. As required by Schedule V of Listing Regulations, the Auditor's certificate on corporate governance is annexed to the Board's report.

ix. In compliance with Regulation 26(3) of Listing Regulations and Companies Act, 2013, the company has framed and adopted a Code of Conduct and Ethics ('the Code'). The code is applicable to the members of the Board, the executive officers and all the employees of the company and its subsidiaries. The code is available on our website, www.tnpetro.com. All the members of the Board, executive officers and senior financial officers have affirmed compliance of the code as on 31^{st} March 2016. A declaration to this effect signed by CEO, forms part of the Board's report.

x. A Management Discussion and Analysis Report has been presented as part of the Board's report.

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

xii. There are no such instances with respect to non compliances with the requirements. And no penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

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

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

xv. **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 activities undertaken by the Company. As regards the Foreign Exchange risks, the Company monitor its forex movements and takes appropriate forward contracts as and when required.

xvi. **Disclosure with respect to demat suspense account/unclaimed suspense account.**

There are no such details pertaining to demat suspense account/unclaimed suspense account.

xvii. **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) The posts of Chairman and Managing Director are held by two separate individuals.

b) There are no qualifications by the Auditors on the Stand Alone and Consolidated Financial Statements for the year 2015-16.

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

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.

c) 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

a) Annual General Meeting

The thirty first AGM of the Company is scheduled to be held on 22nd September 2016 at 10.30 AM at Rajah Annamalai Mandram, Esplanade, Chennai – 600 108.

b) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 14th September 2016 to 22nd September 2016 (both days inclusive)

c) Financial Calendar for the year 2016-17 (tentative)

Financial Year	1st April 2016 to 31st March 2017
First Quarter Results	Before 14th August 2016
Second Quarter Results	Before 14th November 2016
Third Quarter Results	Before 14th February 2016
Audited Results for the year 2016-17	Before 30th May 2017

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d) **Financial Year**

The financial year of the Company commences on 1st April and ends on 31st March

e) **Dividend payment date**

In order to conserve resources the Board of Directors had not recommended any dividend for the year 2015-16.

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

Name and address of 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 upto 2016-17.

g) **Market Price Date & Share price performance vis a vis indices**

Month & Year	**BSE**				**NSE**			
	Share price (Rs.)		**Sensex**		**Share price (Rs.)**		**Nifty 50**	
	High	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**
Apr-15	16.05	13.51	29,094.61	26,897.54	16.10	13.90	8,844.80	8,144.75
May-15	17.00	14.40	28,071.16	26,423.99	17.10	14.35	8,489.55	7,997.15
Jun-15	19.80	13.37	27,968.75	26,307.07	19.85	13.95	8,467.15	7,940.30
Jul-15	18.80	15.40	28,578.33	27,416.39	18.90	15.45	8,654.75	8,315.40
Aug-15	27.80	17.30	28,417.59	25,298.42	27.90	17.10	8,621.55	7,667.25
Sep-15	22.20	17.35	26,471.82	24,833.54	22.15	17.20	8,055.00	7,539.50
Oct-15	22.30	19.10	27,618.14	26,168.71	22.30	19.00	8,336.30	7,930.65
Nov-15	21.50	16.80	26,824.30	25,451.42	21.80	16.70	8,116.10	7,714.15
Dec-15	20.65	16.90	26,256.42	24,867.73	20.65	16.80	7,979.30	7,551.05
Jan-16	25.20	19.70	26,197.27	23,839.76	25.25	19.55	7,972.55	7,241.50
Feb-16	27.00	18.30	25,002.32	22,494.61	26.70	18.10	7,600.45	6,825.80
Mar-16	25.50	19.50	25,479.62	23,133.18	23.95	19.60	7,777.60	7,035.10

h) **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.

i) **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 Managing Director/Whole-time Director(s) and Company Secretary and the details are placed before the Stakeholders Relationship Committee.

j) **Distribution of Shareholding as on 31st March 2016**

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	74,881	90.24	1,12,56,540	12.51
501 - 1000	4,808	5.79	39,64,793	4.41
1001 - 2000	1,695	2.04	26,47,168	2.94
2001 - 3000	549	0.66	14,16,383	1.57
3001 - 4000	222	0.27	8,09,491	0.90
4001 - 5000	233	0.28	11,22,810	1.25
5001 - 10000	334	0.40	24,76,409	2.75
10001 - And Above	256	0.31	6,62,77,880	73.67
Total :	**82,978**	**100**	**8,99,71,474**	**100**

k) **Dematerialization 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 92% of the 8,99,71,474 outstanding shares have been dematerialized up to 31st March 2016. Balance shares are held in physical mode.

l) The Company has not issued any convertible instruments.

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

n) **Address for Correspondence:**

Investors may contact the Registrars and 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: 044-24860084/24860395/24860390(5 lines), Fax: 044-24860129,
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

Post Box No.9, Manali Express Highway, Manali, Chennai – 600 068
Tel No.044-25945588, Fax No.044-25945588
E-mail: secy-legal@tnpetro.com, investorgrievance@tnpetro.com
website:www.tnpetro.com

Declaration by CEO

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)

Chennai
05th August 2016

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INDEPENDENT AUDITORS' CERTIFICATE

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Tamilnadu Petroproducts limited ("the Company"), having its Registered Office at Manali Express Highway, Manali, Chennai – 600 068, have examined the compliance of conditions of Corporate Governance , for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s)for the period from April 01, 2015 to November 30, 2015.
   - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 205 to September 01, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
   - Regulations 17 to 27 (excluding regulation 23(4))and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We 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 Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Mr. MK Ananthanarayanan
Partner
(Membership No. 19521)

Place: Chennai
Date: 5th August, 2016

ANNEXURE - II TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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,Tamil Nadu- 600 068

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 authorized 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 31.03.2016, 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 31.03.2016, 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 Bye-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, 1992 (with effect from 15th May 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 (with effect from 1st December 2015

We are 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 2009

b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

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

d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

(vii) 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 1 & 2 located in 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, I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them:

• Factories Act, 1948 & the rules made thereunder, • Explosives Act, 1884, • The Public Liability Insurance Act, 1991, • The Environment (Protection) Act, 1986, • The Water(Prevention and Control of Pollution) Act, 1974, • The Air(Prevention and Control of Pollution) Act, 1981, • The Insecticides Act, 1968, • Drugs and Cosmetics Act, 1940, • The Fertiliser (Control) Order, 1985, • Industrial

Disputes Act, 1947, • The Payment of Wages Act, 1936, • The Minimum Wages Act, 1948, • Employees' State Insurance Act, 1948, • The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, • The Payment of Bonus Act, 1965, • The Payment of Gratuity Act, 1972, • The Contract Labour (Regulation & Abolition) Act, 1970, • The Maternity Benefit Act, 1961, • The Child Labour (Prohibition & Regulation) Act, 1986, • The Industrial Employment (Standing Order) Act, 1946, • The Employees' Compensation Act, 1923, • Workmens' Compensation Act 1923, • The Apprentices Act, 1961, • Equal Remuneration Act, 1976, • The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, • Tamil Nadu Labour Welfare Board, • Tamil Nadu Shops and Establishment Act, 1947, • National and Festival Holidays Act, 1958, • Conferment of Permanent Status Act, 1981, • The Tamil Nadu Panchayats Act, 1994, • The Legal Metrology Act, 2009, • Industrial Entrepreneurs Memorandum, • Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003, • Indian Electricity Act, 2003, • The Energy Conservation Act, 2001, • The Environmental Impact Assessment Notification, 2006, • The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 (Old agreements upto 30th November 2015 and new agreement with effect from 1st December 2015) 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 subject to the following observations:

1. *The Foreign Liabilities and Assets (FLA)return for the year ended 31.03.2015, required to be filed on or before 15thJuly, 2015 has been done with a delay.*

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, we 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.

Place : Chennai
Date : 05.08.2016

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879
C P No .: 7859

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ANNEXURE - III TO DIRECTORS' REPORT

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2016, are furnished below to the extent applicable:

A) CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy

a) Replacement of sodium lamps with LED bulbs in HCD Plant.

b) Anode Coating carried out in the membrane cells to improve the efficiency of the cells.

ii) Steps taken for utilizing alternate sources of energy

Captive Power Plant DG-IV waste heat boiler taken on line and resulted in savings of about 1.0 MT of Fuel oil per day, equivalent to INR 45Lac for the year.

iii) Capital investment in conservation of energy

There was no capital investment during the year 2015-16.

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 imported by the Company.

Steps for process improvement and the like to bring down the cost are being taken 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	INR 38.45 crores
ii)	Foreign exchange in terms of actual outflows	INR 1.69 crores

For and on behalf of the Board of Directors

Ashwin C Muthiah
DIN 00255679
Vice Chairman

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

5th Aug 2016
Chennai – 600 068

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ANNEXURE - IV TO DIRECTORS' REPORT

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2016

[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 Transfer Agent, if any	Cameo Corporate Services Limited, "Subramaniam 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	381710	87.76
2	Caustic Soda lye	281512	8.04

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN
1	Certus Investment & Trading Ltd.	IFS CourtTwentyEight Cybercity Ebene Mauritius.	-
2	Certus Investment & Trading (S) Pte Ltd	31 Cantonment Road, Singapore – 089747.	-
3.	Proteus Petrochemicals Private Limited	31 Cantonment Road, Singapore 089747	-

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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 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
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	900	15000	15900	0.02	600	15000	15600	0.02	Nil
b)	Banks / FI	1625	11400	13025	0.01	1625	11400	13025	0.01	Nil
c)	Insurance Companies	4459429	300	4459729	4.96	4459429	300	4459729	4.96	Nil
d)	Sub-total (B)(1)	4461954	26700	4488654	4.99	4461654	26700	4488354	4.99	Nil
2.	**Non-Institutions**									
	Bodies corporate	8287901	30650	8318551	9.25	11333418	30650	11364068	12.63	3.38
	Individual shareholders holding nominal share capital upto Rs 2 lakh	16746215	4940632	21686847	24.10	17592342	4829959	22422301	24.92	0.82
	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	16747697	Nil	16747697	18.61	14103853	Nil	14103853	15.68	2.93
	Others	5575973	2075626	7651599	8.50	11333418	30650	11364068	12.63	4.13
	Sub-total(B) (2)	47357786	7046908	54404694	60.47	47487059	6917935	54404994	60.47	NIL
	Total Public shareholding (B)=(B)(1)+ (B)(2)	**79958980**	**14958048**	**58893348**	**65.46**	**51948713**	**6944635**	**58893348**	**65.46**	**NIL**
C.	**Shares held by Custodian for GDRs &ADRs**	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Grand Total (A+B+C)	**82897866**	**7073608**	**89971474**	**100**	**83026839**	**6944635**	**89971474**	**100**	

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% 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.	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	SHREYANS SHANTILAL SHAH	4199427	4.67	4199427	4.67	4199427	4.67
02	LIFE INSURANCE CORPORATION OF INDIA	3850404	4.28	3850404	4.28	3850404	4.28
03	SRI KESAVAN ADVISORY SERVICES PRIVATE LIMITED	3549992	3.94				
	Purchase 17-Apr-2015 Purchase 24-Apr-2015 Purchase 21-Aug-2015	275000 500008 2357862	0.30 0.55 2.62	3824992 1892846 1900000	4.25 4.80 7.42	6682862	7.43
04	HITESH RAMJI JAVERI	2379700	2.64	2379700	2.64	2379700	2.64
05	HARSHA HITESH JAVERI	1800000	2.00	1800000	2.00	1800000	2.00
06	PURICO (IOM) LIMITED	1377800	1.53	1377800	1.53	1377800	1.5313
07	NATHU RAM PURI	1675600	2.62	1675600	2.62	1675600	2.62
08	TPL EMPLOYEES WELFARE FOUNDATION	997831	1.11	997831	1.11	997831	1.11
09	KULGAM HOLDINGS PVT. LTD.	980962	1.09	980962	1.09	980962	1.09
10	SHILPA AJAY VORA	887700	0.98				
	Sale 17-Apr-2015 Purchase 29-May-2015 Purchase 12-Jun-2015 Purchase 07-Aug-2015 Sale 21-Aug-2015	-198692 1000 75000 22854 -787862	0.22 0.00 0.08 0.03 0.87	689008 690008 765008 787862 0	0.76 0.76 0.85 0.87 0.00	0	0.00

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the End of the year	
11	JIGAR CHANDRAKANT SHAH	6478	0.00				
	Sale 10-Apr-2015	-6478	0.00	6478	0.00		
	Purchase 31-Dec-2015	275671	0.00	0	0.00		
	Purchase 01-Jan-2016	74943	0.31	275671	0.31		
	Purchase 11-Mar-2016	457332	0.08	350614	0.39		
	Purchase 18-Mar-2016	38477	0.51	807946	0.90		
	Purchase 25-Mar-2016	7086	0.04	846423	0.94		
	Sale 31-Mar-2016	-7930	0.00	853509	0.95		
		845579	0.00	845579	0.94	845579	0.94
12	SAMARTH B SHAH	0	0.00				
	Purchase 19-Feb-2016	224238	0.25	224238	0.25		
	Purchase 26-Feb-2016	285416	0.32	509654	0.57		
	Purchase 04-Mar-2016	124657	0.14	634311	0.70		
	Purchase 11-Mar-2016	43896	0.05	678207	0.75	678207	0.75

(iv) **Shareholding of Directors and KMP**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% 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.	K.T.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

(Rs. in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	1425.75	Nil	1425.75
Total (i+ii+iii)	**Nil**	**1425.75**	**Nil**	**1425.75**
Change in Indebtedness during the financial year				
Addition Reduction	Nil	439.08	Nil	439.08
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	986.67	Nil	986.67 0.00
Total (i+ii+iii)	**Nil**	**986.67**	**Nil**	**986.67**

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(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The details of remuneration paid to the Managing Director, Wholetime Director (Finance) and Whole-time Director (Operations) are furnished in the Report on Corporate Governance in Annexure I (excluding contribution to provident and other funds) against the ceiling on remuneration of Rs. 120 lakh for each of MD/WTD under the Act. 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. No commission or other payments are made to any of the directors.

C. Remuneration to other Key Managerial Personnel

Sl. no.	Particulars of Remuneration	CS	CFO K.R.Anandan (till 03.08.2015)	CFO K.T.Vijayagopal (From 04.08.2015)	Total Amount
1.	Gross salary	INR In lakh	INR. In lakh	INR. In lakh	INR. In lakh
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.12	13.31	38.20	54.63
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	0.17	0.28	0.60
	Total	**3.27**	**13.48**	**38.48**	**55.23**

a. There was revision in the remuneration of CS during the year 2015-16.

b. There was no stock option, sweat equity or commission to the above persons.

c. 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

Ashwin C Muthiah
DIN 00255679
Vice Chairman

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

5th Aug 2016
Chennai – 600 068

TPL

ANNEXURE - V

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

<table>
<tr><td>a.</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;</td><td colspan="3">Mr. Muthukrishnan Ravi Managing Director: 9.55
Mr. M. Pazhaniandy Pillai, WTD (O) : 6.80
Mr. K.T. Vijayagopal, WTD (Finance) : 13.60
Mr.D. Senthikumar, WTD (O) : 6.19</td></tr>
<tr><td>b.</td><td>The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;</td><td colspan="3">Percentage of increase in remuneration of MD, WTD & CFO in the FY 2015-16 : NIL
Percentage of increase in remuneration of CS in the FY 2015-16: 57%.</td></tr>
<tr><td>c.</td><td>The percentage increase in the median remuneration of employees in the financial year;</td><td colspan="3">19% increase for unionized category of employees. However, there was no increase for Non-unionized employees</td></tr>
<tr><td>d.</td><td>The number of permanent employees on the rolls of company;</td><td colspan="3">334 excluding trainees</td></tr>
<tr><td>e.</td><td>The explanation on the relationship between average increase in remuneration and company performance;</td><td colspan="3">The increase in remuneration to the unionized personnel was in terms of the wage agreement. For other employees no increase was considered in view of the poor performance of the Company for the past few years.</td></tr>
<tr><td>f.</td><td>Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;</td><td colspan="3">Various parameters like qualification, experience, contribution of the individual, prevailing remuneration scales to similarly placed persons in other companies and the like are taken into account for payment of remuneration to KMP. Considering these factors, remuneration to KMP is deemed to be reasonable.</td></tr>
<tr><td rowspan="6">g.</td><td rowspan="6">Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.</td><td>Description</td><td>2015-16</td><td>2014-15</td></tr>
<tr><td>Market Capitalization (INR crores)</td><td>180.84</td><td>128.21</td></tr>
<tr><td colspan="3">Price Earning Ratio is FY 2015-16: 4.24 and for FY 2014-15: Not Applicable</td></tr>
<tr><td>Closing share price (INR/ share)</td><td>20.10</td><td>14.21</td></tr>
<tr><td>Last public offer price</td><td colspan="2">INR. 30/- per share.</td></tr>
<tr><td>Share price increase/decrease in %</td><td colspan="2">There is a decrease of 33% over the last public offer price owing to poor performance of the company for the past few years.</td></tr>
<tr><td>h.</td><td>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;</td><td colspan="3">There has been no increase in the remuneration to the managerial personnel other than the CS.
The CS of the Company is nearly having 2 plus years of post qualification experience. The remuneration paid was not commensurate with the duties and responsibilities and her performance. As recommended by the NRC the remuneration of the CS was revised.</td></tr>
<tr><td>i.</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;</td><td colspan="3">As stated above.</td></tr>
<tr><td>j.</td><td>The key parameters for any variable component of remuneration availed by the directors;</td><td colspan="3">The annual performance pay is determined based on a structured appraisal system in vogue for all employees including the working directors. The parameters include the performance of the individual in key result areas, self-appraisal, review by the immediate supervisor and the performance of the Company. However in view of the losses none of the employees was paid any performance related payment.</td></tr>
<tr><td>k.</td><td>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</td><td colspan="3">None of the employees was in receipt of remuneration in excess of the highest paid director during the year.</td></tr>
</table>

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	Remuneration (In Rupees)	Qualification	Exp. in TPL	DOJ in TPL	DOL from TPL	Age	Last Employment
1	VIJAYAGOPAL KT #	WTD (F) & CFO	4,044,300	B.com, FCA	1 year	21-Aug-15	In service	51	Managing Director - EDAC Industrial Services Limited
2	MUTHUKRISHNAN RAVI #	MD	34,04,847*	B.Tech., MBA	3 years	4-Feb-13	3-Feb-16	56	Executive VP – Strategy and Global Sourcing Sanmar Chemplast Limited
3	PAZHANIANDY PILLAI M #	WTD (O)	3,275,330	B.Tech	2 yrs 6 mths	12-Aug-13	31-Jan-16	63	Sr VP (Projects) - AM International Holdings (India) Pvt Limited

S. No.	Name	Designation	Remuneration (In Rupees)	Qualification	Exp. in TPL	DOJ in TPL	DOL from TPL	Age	Last Employment
4	ANANDAN KR #	CFO	1,348,000	B.com, FCA	1 yr 10 mths	1-Sep-13	30-Jun-15	53	Chief Financial Officer - Tuticorin Alkalis and Chemicals Limited
5	KARTHIKEYAN M	AVP (O)	2,024,237	B.Tech	26 yrs 7 mths	7-Jan-90	In service	49	EMS Trainee - Tamilnadu Petroproducts Limited
6	KUMARAGURUBARAN S	Manager (IT)	1,384,400	M.Sc.(IT)	1 yr 2 mths	2-Jun-15	In service	45	Sr. Manager (IT) - Thirumalai Chemicals Limited
7	VENKATESH NJ	Manager (Mech)	1,070,098	DME., AMIE,, MBA	28 yrs 8 mths	16-Dec-87	In service	49	ESS Trainee - Tamilnadu Petroproducts Limited
8	VIJAYA KRISHNA NIGAM	Manager (O&M)	1,057,571	B.E.	21 yrs 8 mths	2-Jan-95	In service	47	EMS Trainee - Tamilnadu Petroproducts Limited
9	VISWANATHAN S	Sr.Manager (Prod)	1,025,981	Dip in Chem Tech	15 yrs 11 mths	27-Sep-00	11-Apr-16	58	Deputy Manager (Operations - HCD) - Southern Petrochemical Industries Corporation Limited
10	MANNS TOMSINGH J	Sr.Manager (Prod)	1,017,029	Dip in Chem Tech	15 yrs 11 mths	27-Sep-00	In service	57	Process Engineer (HCD) - Southern Petrochemical Industries Corporation Limited

Employed for part of the year

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 do not hold any shares in the Company except Mr. Pazhaniandi Pillai and Mr.K.T.Vijayagopal who holds 200 equity shares each of the Company.
3. The remuneration shown above includes contributions to Provident and other Funds
4. * The remuneration for Mr. Muthukrishnan Ravi, Managing Director includes service tax amount. The remuneration is shared by TPL (45%) and MPL (55%) in which also he is a Managing Director.

For and on behalf of the Board of Directors

Ashwin C Muthiah
DIN 00255679
Vice Chairman

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

5th Aug 2016
Chennai – 600 068

ANNEXURE VI

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2015-16

1. Brief outline of the 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 organization, 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 http://tnpetro.com/Financials/fina_policies.asp

Overview of projects or programmes

During the year under review no CSR projects or programmes were taken-up by the Company.

2. Composition of the CSR Committee

The CSR Committee comprises Mr. Ashwin C Muthiah as Chairman and

Mr. C. Ramachandran IAS (Retd.) and Mr. T K Arun as the other Members.

In view of the losses incurred during the last three years, there is no amount to be spent on CSR and hence the other disclosures are not applicable for the yearunder review.

For and on behalf of the Board of Directors

Ashwin C Muthiah
DIN 00255679
Vice Chairman

D Senthikumar
DIN 00202578
Wholetime Director (Operations)

5th Aug 2016
Chennai – 600 068

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TAMILNADU PETROPRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

    e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2016 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' 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 financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, 30th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Tamilnadu Petroproducts Limited** ("the Company") as of 31 March, 2016 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.

Auditors' 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 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 whether a risk of material weakness exists, 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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, 30th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Tamilnadu Petroproducts Limited on the accounts for the year ended 31 March, 2016)

(i) In respect of its fixed assets :

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

(b) The fixed assets where physically verified during the year by the Management in accordance with a regular programme 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, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.

(ii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) In our opinion and according to the information and explanations given to us , 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, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits at any time during the year.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the 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) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable by the Company, in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March , 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax , Sales Tax , Service Tax and Excise Duty which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Nature of Statute	Nature of dues	Forum where dispute is pending	Financial Year	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. In lakhs)
Various State Sales Tax Acts	Sales Tax	Tribunal	1993-1994 to 2002-03	1,669.97	1,658.76
		High Court	2006-07	58.08	58.08
Central Excise Act	Excise duty	High Court	1994-2002	51.73	13.89
		Tribunal	2001-2013	304.54	304.54
		Commissioner (Appeals)	2002-2007	5.11	5.11
		Deputy Commissioner	1994-1997	10.90	10.90
Finance Act	Service Tax	Tribunal	1997-2011	386.44	329.03
		Commissioner (Appeals)	2005-2006	6.95	0.05
Income Tax Act	Income Tax		Assessment Year		
		High Court	2000-01	2,956.13	60.16
		Tribunal	2001-02 to 2003-04	5,906.61	228.99
		CIT (A)	2009-10 to 2011-12	1,732.26	792.49

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals 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 reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, 30th May, 2016

TPL

Standalone Balance Sheet As at 31st March, 2016

	Notes		As at 31st March, 2016 (Rupees in lakhs)		As at 31st March, 2015 (Rupees in lakhs)
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	3	**8,997.15**		8,997.15	
Reserves and Surplus	4	**18,916.34**		15,101.42	
			27,913.49		24,098.57
Non- Current liabilities					
Long-term borrowings	5	**526.51**		986.67	
Deferred tax liabilities(net)	6	**-**		-	
Other long term liabilities	7	**26.14**		313.92	
Long-term provisions	8	**272.02**		231.71	
			824.67		1,532.30
Current liabilities					
Short -term borrowings	9	**5,692.71**		8,675.67	
Trade payables	10				
(i) total outstanding dues of micro enterprises and small enterprises		**-**		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**7,495.88**		13,974.53	
Other current liabilities	11	**4,241.92**		7,726.70	
Short-term provisions	12	**42.39**		41.80	
			17,472.90		30,418.70
TOTAL			**46,211.06**		56,049.57
ASSETS					
Non- Current Assets					
Fixed Assets					
Tangible Assets	13		**21,788.29**		24,677.56
Capital Work-in-progress			**1,545.91**		1,776.16
Non- current investments	14		**7,703.54**		7,867.14
Long term loans and advances	15		**2,432.50**		3,190.36
Current Assets					
Inventories	16	**6,165.75**		8,356.71	
Trade receivables	17	**3,137.34**		6,391.72	
Cash and cash equivalents	18	**1,107.41**		1,176.33	
Short-term loans and advances	19	**2,189.55**		2,386.20	
Other current assets		**140.77**		227.39	
			12,740.82		18,538.35
			46,211.06		56,049.57

See accompanying notes forming part of the financial statements

In terms of our report attached	For and on behalf of the Board of Directors	
For Deloitte Haskins & Sells	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Wholetime Director (Finance) & CFO	Wholetime Director (Operations)
	DIN: 02341353	DIN: 00202578
Bhavani Balasubramanian	**TK Arun**	**R Deepti**
Partner	Director	Company Secretary
	DIN: 02163427	M. No.: A35488

Place : Chennai
Date : 30th May, 2016

TPL

Statement of Standalone Profit and Loss for the year ended 31st March, 2016

	Notes	**Year ended 31st March, 2016 (Rupees in lakhs)**	Year ended 31st March, 2015 (Rupees in lakhs)
INCOME			
Revenue from operations (gross)	21	**79,354.47**	1,07,064.90
Less: Excise Duty		**9,291.77**	12,078.01
Revenue from operations (net)		**70,062.70**	94,986.89
Other income	22	**270.52**	1,156.17
Total Revenue		**70,333.22**	96,143.06
EXPENSES			
Cost of Materials consumed	23	**42,282.32**	60,581.64
Purchase of Stock-in-trade	24	**591.84**	22.03
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	25	**224.83**	6,052.36
Employee benefits expense	26	**3,271.03**	2,732.09
Finance costs	27	**1,474.15**	1,956.92
Depreciation	13	**1,757.95**	2,059.85
Other expenses	28	**22,687.55**	28,509.47
Total expenses		**72,289.67**	1,01,914.36
Loss before exceptional item and taxes		**(1,956.45)**	(5,771.30)
Exceptional items	29	**5,771.37**	(1,368.00)
Profit / (Loss) before tax		**3,814.92**	(7,139.30)
Tax expense:			
Deferred tax	6	**-**	(1,832.24)
Profit / (Loss) for the year		**3,814.92**	(5,307.06)
Earnings per equity share (in Rs).:			
Basic	34	**4.24**	(5.90)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

KT Vijayagopal
Wholetime Director (Finance) & CFO
DIN: 02341353

D Senthikumar
Wholetime Director (Operations)
DIN: 00202578

Bhavani Balasubramanian
Partner

TK Arun
Director
DIN: 02163427

R Deepti
Company Secretary
M. No.: A35488

Place : Chennai
Date : 30th May, 2016

TPL

Standalone Cash Flow Statement for the year ended 31st March 2016

			(Rupees in Lakhs) For the year ended 31st March, 2016		(Rupees in Lakhs) For the year ended 31st March, 2015
A	**Cash flow from operating activities:**				
	Profit/(Loss) before tax		**3,814.92**		(7,139.30)
	Depreciation	**1,757.95**		2,059.85	
	Profit on Sale of Investment in associate-PAPL	**(0.01)**		-	
	Profit on sale of property	**(6,620.37)**		(0.02)	
	Provision for impairment of ECH assets (refer note 39)	**849.00**		-	
	Loss on fixed assets sold/scrapped	**52.34**			
	Finance costs	**1,474.15**		1,956.92	
	Interest income	**(208.99)**		(286.50)	
	Bad loans and advances written off	**15.75**		2.15	
	Provision for diminution in the value of investment	**-**		1,368.00	
	Rental income from operating leases	**(42.84)**		(276.04)	
	Net unrealised exchange (gain) / loss	**4.44**		9.79	
	Sundry balances written back	**-**		(85.84)	
			(2,718.58)		4,748.31
	Operating profit /(loss) before working capital changes		**1,096.34**		(2,390.99)
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**2,190.96**		7,378.31	
	Trade receivables	**3,234.19**		1,263.26	
	Short-term loans and advances	**196.66**		(541.82)	
	Long-term loans and advances	**687.02**		(797.24)	
	Other current assets	**(12.38)**		(39.52)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**(6,478.65)**		265.12	
	Other current liabilities	**2,589.89**		(1,488.02)	
	Other long-term liabilities	**(287.77)**		-	
	Short-term provisions	**0.59**		(8.79)	
	Long-term provisions	**40.31**		(16.11)	
			2,160.82		6,015.19
	Cash generated from operations		**3,257.16**		3,624.20
	Net income tax (paid)		**(165.39)**		(109.67)
	Net cash flow from / (used in) operating activities (A)		**3,091.77**		3,514.53
B	**Cash flow from investing activities:**				
	Capital expenditure on fixed assets, including capital advances	**(632.20)**		(329.97)	
	Proceeds from sale of fixed assets	**1,949.04**		0.15	
	Advances received against sale of immovable property	**-**		4,000.00	
	Proceeds from Redemption of Zero Coupon Bond	**163.60**		-	
	Proceeds from Sale of Investment in associate-PAPL	**0.01**		-	
	Purchase of long term investment	**-**		(24.28)	
	Interest received - others	**307.99**		229.91	
	Rental income from operating leases	**42.84**		276.04	
	Bank balances not considered as cash and cash equivalents	**(31.82)**		145.38	
			1,799.46		4,297.23
	Net cash flow from / (used in) investing activities (B)		**1,799.46**		4,297.23

TPL

Standalone Cash Flow Statement for the year ended 31st March 2016

			(Rupees in Lakhs) For the year ended 31st March, 2016		(Rupees in Lakhs) For the year ended 31st March, 2015
C	**Cash flow from financing activities:**				
	Proceeds from short-term borrowings	**(72.98)**		(1,931.43)	
	Repayment of long-term borrowings	**(460.16)**		(533.14)	
	Net increase / (decrease) in working capital borrowings	**(2,982.96)**		(3,198.41)	
	Finance costs	**(1,475.59)**		(1,956.32)	
	Dividends paid	**(0.28)**		(0.76)	
			(4,991.97)		(7,620.06)
	Net cash from / (used in) financing activities (C)		**(4,991.97)**		(7,620.06)
	Net cash flows during the year (A+B+C)		**(100.74)**		191.70
	Cash and cash equivalents at the beginning of the year		**225.98**		34.28
	Cash and cash equivalents at the end of the year		**125.24**		225.98
	Net increase / (decrease) in cash and cash equivalents		**(100.74)**		191.70
	Reconciliation of Cash and cash equivalents with the Balance Sheet:				
	Cash and cash equivalents as per Balance Sheet (Refer Note 18)		**1,107.41**		1,176.33
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 - Cash Flow Statements:				
	Unpaid dividend account		**58.47**		58.75
	Margin money deposits		**923.70**		891.60
	Cash and cash equivalents at the end of the year*		**125.24**		225.98
	* Comprises:				
	Cash on hand		**0.85**		0.47
	Cheques on hand		**-**		
	Balances with banks		**124.39**		
	In current accounts				225.51
			125.24		225.98

See accompanying notes forming part of the financial statements

In terms of our report attached	For and on behalf of the Board of Directors	
For Deloitte Haskins & Sells	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Wholetime Director (Finance) & CFO	Wholetime Director (Operations)
	DIN: 02341353	DIN: 00202578
Bhavani Balasubramanian	**TK Arun**	**R Deepti**
Partner	Director	Company Secretary
	DIN: 02163427	M. No.: A35488
Place : Chennai		
Date : 30th May, 2016		

TPL

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

1. Corporate information

Tamilnadu Petroproducts Limited (TPL) was incorporated in 1984 as a public limited Company and is jointly promoted by Southern Petrochemicals Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO) . Its shares are listed on two stock exchanges in India. viz. National Stock Exchange of India and BSE Limited. The Company is currently engaged in the manufacturing and selling of petrochemical/chemical products namely Linear Alkyl Benzene (LAB) and Caustic Soda from the manufacturing facilities situated at Manali, near Chennai

2 . Summary of accounting policies

The significant accounting policies followed by the company are as stated below

I BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 (“the Act”) as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 1996, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

III INVENTORIES

Inventories are valued at lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

IV CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

V CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

VI FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less depreciation. Cost comprises of purchase price (net of rebates and discounts), import duties, levies (net of CENVAT and VAT) and any directly attributable cost including borrowing cost, of bringing the assets to its working condition for its intended use. Certain assets have been revalued as on 31st March, 1996 and the resultant surplus has been added to the cost of the assets.

Depreciation amount for assets is the cost of an assets, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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Notes forming part of the Standalone financial statements for the year ended 31st March 2016

General Plant and Machinery used in Epichlorodydrin plant – 10 years

Certain Plant and Machinery used in Linear Alkyl Benzene plant – 4.5 years

Furniture and Fixture provided to employees depreciated – 5 years

CAPITAL WORK-IN-PROGRESS:

Projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

VII REVENUE RECOGNITION

a) Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales include excise duty but exclude sales tax and value added tax.

b) Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

c) Export incentive

Export benefits in the nature of focus market scheme are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations/policies and when there is no uncertainty in receiving the same. Adjustments, if any, to the amounts recognized in accordance with the accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance.

VIII OTHER INCOME

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Property lease rentals are accrued as per terms of the agreement with the lessees and are recognized equally on a straight-line basis over the non-cancellable lease period.

IX FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

X INVESTMENTS

Long term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

XI EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amounts in the Profit and Loss account of the year in which the related services are rendered.

Defined Benefits Plans

i) Provident Fund:

Contributions are made monthly at a predetermined rate to the Provident Fund Trust managed by the company and debited to the Profit and Loss account on an accrual basis. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rates and recognizes such shortfall as an expense.

ii) Gratuity:

The Company has an arrangement with the Life Insurance Corporation of India(LIC) to administer its Gratuity fund. Premium paid / payable is determined based on an actuarial valuation carried out by LIC using the projected unit credit method as on the Balance Sheet date and debited to the Profit & Loss account on accrual basis. Actuarial gain or loss is recognised in the statement of profit or loss as income or expense.

Long term compensated absences:

Liability towards long term compensated absences is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded.

XII BORROWING COST:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

XIII OPERATING LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

XIV EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) 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.

XV TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

XVI RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

XVII IMPAIRMENT OF ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

XVIII PROVISIONS AND CONTINGENCIES

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statement.

XIX INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

XX SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

XXI OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March, 2015 (Rupees in lakhs)
3	**Share Capital**		
	Authorised		
	200,000,000 equity shares of Rs.10/- each with voting rights	**20,000.00**	20,000.00
	Issued		
	89,976,899 equity shares of Rs 10/- each with voting rights	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 equity shares of Rs 10/- each with voting rights	**8,997.15**	8,997.15

3.1 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.

3.2 Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholders	**31st March, 2016**		31st March 2015	
Equity Shares of Rs. 10/- each fully paid up	**No of Shares**	**% of holding**	No of Shares	No of Shares
Tamilnadu Industrial Development Corporation Limited	**1,58,43,751**	**17.61**	1,58,43,751	17.61
Southern Petrochemical Industries Corporation Limited	**1,52,34,375**	**16.93**	1,52,34,375	16.93

3.3 There has been no movement in equity share capital during the year.

3.4 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- . Each holder is entitled to one vote per equity share.

Repayment of capital will be in proportion to the number of equity shares held.

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
4	**Reserves and Surplus**		
	Capital reserve	**42.23**	42.23
	Securities premium account	**4,611.57**	4,611.57
	Revaluation reserve	**1,986.18**	1,986.18
	General reserve	**14,890.38**	14,890.38
	Surplus in Statement of Profit and Loss		
	Opening balance	**(6,428.94)**	288.81
	(Less): Profit / (Loss) for the year	**3,814.92**	(5,307.06)
	Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax Rs.630.84 lakhs)	**-**	(1,410.69)
	Closing balance	**(2,614.02)**	(6,428.94)
		18,916.34	15,101.42

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

			As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
5	**Long term borrowings**	**Terms of payment**		
	Other loans and advances			
	Interest free deferred sales tax loan (unsecured)	Repayable in 24 monthly installments	**526.51**	986.67
			526.51	986.67
6	**Deferred tax liability (net)**			
	Tax effect of item constituting deferred tax liability			
	On difference between book balance and tax balance of fixed assets		**3,925.48**	4,449.62
			3,925.48	4,449.62
	Tax effect of items constituting deferred tax assets			
	Unabsorbed depreciation and business losses		**3,821.50**	4,363.15
	Provision for compensated absences		**97.15**	84.51
	Provision for doubtful debts/advances		**6.83**	1.96
			3,925.48	4,449.62
7	**Other long-term liabilities**			
	Security deposit received		**9.21**	296.99
	Other payables (Note 41)		**16.93**	16.93
			26.14	313.92
8	**Long term provisions**			
	Provision for employee benefits			
	Compensated absences		**272.02**	231.71
9	**Short term borrowings**			
	Loan repayable on demand from Banks (Secured)		**5,692.71**	8,675.67
			5,692.71	8,675.67
	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.			
10	**Trade payables**			
	Acceptances		**-**	3,299.25
	Other than acceptances			
	Outstanding dues of micro enterprises and small enterprises (Note 37)		**-**	-
	Outstanding dues of creditors other than micro enterprises and small enterprises.		**7,483.22**	10,555.72
	Payable to related parties		**12.66**	119.56
			7,495.88	13,974.53
11	**Other current liabilities**			
	Current maturities of long term debt		**460.15**	533.14
	Interest accrued but not due on borrowings		**-**	1.44
	Unpaid dividends *		**58.47**	58.75

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

	As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
Deposits	**10.18**	76.72
Gratuity payable	**244.22**	42.32
Other Payables		
Statutory remittances (Contributions to PF and ESIC and other taxes payable)	**368.90**	818.33
Advance from related parties	**-**	196.00
Advance received from customers	**1,000.00**	-
Advance against sale of immovable property	**-**	6,000.00
Advance received from Insurance company	**2,100.00**	-
	4,241.92	7,726.70

* Amount to be credited to Investor Education and Protection Fund towards unpaid dividends

12 Short term provisions

Provision for employee benefits

Provision for Compensated absences	**42.39**	41.80
	42.39	41.80

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

13 Fixed assets

Current year:

(Rs in Lakhs)

Description	Cost / Valuation				Accumulated Depreciation / Impairment					Net book value	
	As at 1 April, 2015	Additions	Deductions	As at 31st March, 2016	As at 1 April, 2015	For the year	Impairment	Deductions	As at 31st March, 2016	As at 31st March, 2016	As at 31 March, 2015
Tangible assets: (Owned)											
Land (Freehold)	2,187.26	-	478.65	1,708.61	-	-	-	-	-	1,708.61	2,187.26
Buildings:											
Own use	4,659.20	69.83		4,729.03	3,467.78	231.31	-		3,699.09	1,029.94	1,191.42
Given under operating lease	1,117.61	-	1,117.61	-	239.82	9.79	-	249.61	-	-	877.79
Plant and Equipment	1,18,123.48	950.07	67.46	1,19,006.09	97,758.98	1,488.51	849.00	42.55	1,00,053.94	18,952.15	20,364.50
Furniture and Fixtures	123.53	24.20	1.44	146.29	120.23	0.83	-	1.25	119.81	26.48	3.30
Vehicles	28.77	11.22	6.26	33.73	28.40	0.35	-	5.57	23.18	10.55	0.37
Office equipment	925.70	43.37	298.64	670.43	872.78	27.16	-	290.07	609.87	60.56	52.92
Total	**1,27,165.55**	**1,098.69**	**1,970.06**	**1,26,294.18**	**1,02,487.99**	**1,757.95**	**849.00**	**589.05**	**1,04,505.89**	**21,788.29**	**24,677.56**

Previous year :

(Rs in Lakhs)

Description	Cost / Valuation				Accumulated Depreciation					Net book value	
	As at 1 April, 2014	Additions	Deductions	As at 31st March, 2015	As at 1 April, 2014	For the year	Other Adjustments	Deductions	As at 31st March, 2015	As at 31st March, 2015	As at 31 March, 2014
Tangible assets: (Owned)											
Land (Freehold)	2,187.26	-	-	2,187.26	-	-	-	-	-	2,187.26	2,187.26
Buildings:											
Own use	4,659.20	-	-	4,659.20	2,187.59	480.93	799.26	-	3,467.78	1,191.42	2,471.61
Given under operating lease (Note 45)	1,117.61	-	-	1,117.61	220.29	19.53	-	-	239.82	877.79	897.32
Plant and Equipment (Note below)	1,18,123.48	-	-	1,18,123.48	95,079.27	1,523.03	1,156.68	-	97,758.98	20,364.50	23,044.21
Furniture and Fixtures	123.53	-	-	123.53	116.47	0.85	2.91	-	120.23	3.30	7.06
Vehicles	28.77	-	-	28.77	23.98	0.68	3.74	-	28.40	0.37	4.79
Office equipment	927.82	-	2.12	925.70	761.00	34.83	78.94	1.99	872.78	52.92	166.82
Total	**1,27,167.67**	**-**	**2.12**	**1,27,165.55**	**98,388.60**	**2,059.85**	**2,041.53**	**1.99**	**1,02,487.99**	**24,677.56**	**28,779.07**

Note: Depreciation on Plant and Equipment includes depreciation on R & D assets for Rs.2.19 lakhs (Rs 5.81 lakhs).

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)		As at 31st March, 2015 (Rupees in lakhs)
14. Non current investments				
Investments (At cost)				
A Trade (unquoted)				
Investment in equity instruments of :				
(i) Wholly owned Subsidiary				
2,04,190 (31 March 2015: 2,04,190) Equity shares of US $ 100 each fully paid up in Certus Investment & Trading Limited, Mauritius	**9,645.13**		9,645.13	
Less: Provision for diminution in value of investments	**1,978.11**		1,978.11	
		7,667.02		7,667.02
(ii) Associate				
NIL (31 March 2015: 13,68,000) Equity shares of Rs 100 each fully paid up in Petro Araldite Private Limited	**-**		1,368.00	-
Less: Provision for diminution in value of investments	**-**	**-**	1,368.00	-
(Refer Note 14.1)				
Total - Trade (A)		**7,667.02**		7,667.02
B Other Investments (unquoted)				
(i) Investment in equity instruments :				
(a) 1,00,000 Equity shares of Rs.10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited. (Note 41)		**10.00**		10.00
(b) 40,00,000 Equity shares of Rs.10 each fully paid-up in Standard Motor Products of India Limited.	**400.00**		400.00	-
Less: Provision for diminution in value of Investment	**400.00**	**-**	400.00	-
(c) Suzlon Engitech Limited				
22,463 Equity Shares of Rs.10 each fully paid up		**2.24**		2.24
(d) OPG Power Generation Private Limited				
2,20,735 Equity shares of Rs.10 each fully paid up		**24.28**		24.28
		36.52		**36.52**
(ii) Investments in bonds				
3 years 0% interest bond in Mercantile Ventures Limited (allotted on 27th March 2013 in settlement of dues)	**163.60**		163.60	
Less: Redeemed during the year	**163.60**	**-**	-	163.60
Total - Other investments (B)		**36.52**		**200.12**
Aggregate amount of unquoted investments (A+B)		**7,703.54**		**7,867.14**

14.1 The Company sold 1,368,000 shares held in Petro Araldite Private Limited of Rs. 13,680,000 to the joint venture partner Huntsman International (India) Private Limited for a total consideration of Rs 1000 pursuant to termination of joint venture agreement on 2nd November, 2015

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March, 2015 (Rupees in lakhs)
15	**Long-term loans and advances (Unsecured, considered good)**		
	Capital advances	-	236.24
	Security deposits	1,288.45	1,739.71
	Security deposit to related party	-	235.44
	Advance income tax (net of provisions of Rs.11,230 Lakhs (As at 31 March, 2015 Rs.11,230 Lakhs)	279.68	114.29
	Balances with Customs, Sales tax and Excise Authorities	848.92	846.97
	Other loans and advances	15.45	17.71
		2,432.50	3,190.36
16	**Inventories**		
	Raw materials and components	2,881.31	4,372.07
	Work-in-progress	108.81	274.99
	Finished goods	487.70	546.35
	Stores and spares	2,687.93	3,163.30
		6,165.75	8,356.71
	Details of Work-in-progress:		
	Linear Alkyl Benzene	56.14	24.07
	Benzene	-	9.43
	Normal Paraffin	52.67	241.49
		108.81	274.99
17	**Trade receivables (Unsecured)**		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
	Considered good	88.02	138.70
	Considered doubtful	22.08	6.33
		110.10	145.03
	Other trade receivables - Considered good	3,049.32	6,253.02
		3,159.42	6,398.05
	Less: Provision for doubtful receivables	22.08	6.33
		3,137.34	6,391.72
18	**Cash and cash equivalents**		
	Cash on hand	0.85	0.47
	Balances with banks		
	In current accounts	124.39	225.51
	In earmarked accounts		
	- Unpaid dividend account	58.47	58.75
	- Margin Money deposits (towards non fund based facilities from Banks)	923.70	891.60
		1,107.41	1,176.33

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

			As at 31st March, 2016 (Rupees in lakhs)		As at 31st March, 2015 (Rupees in lakhs)
19	**Short-term loans and advances (Unsecured considered good unless otherwise stated)**				
	Security deposits		**52.91**		27.82
	Receivable from Related party		**-**		14.97
	Loans and advances to employees:				
	Secured loan against mortgage of title deeds	**7.62**		8.86	
	Other loans	**-**		11.99	
			7.62		20.85
	Prepaid expenses		**13.78**		86.72
	Balances with Government authorities				
	(i) CENVAT credit receivable	**141.45**		171.79	
	(ii) VAT credit receivable	**1.49**		3.00	
	(iii) Service tax credit receivable	**195.71**		144.15	
	(iv) Customs	**1.99**		-	
			340.64		318.94
	Advances to suppliers		**1,774.60**		1,916.90
			2,189.55		2,386.20
20	**Other current assets**				
	Interest accrued on deposits/advances		**28.87**		127.87
	Export benefits receivable		**111.90**		39.52
	Other receivable		**-**		60.00
			140.77		227.39
21	**Revenue from operations**				
	Sale of products		**79,231.50**		1,06,285.97
	Sale of services		**13.29**		255.88
	Other operating revenues		**109.68**		523.05
			79,354.47		1,07,064.90
	Less: Excise Duty		**9,291.77**		12,078.01
			70,062.70		94,986.89
	Sale of products comprises				
	Manufactured goods				
	Linear Alkyl Benzene		**70,376.55**		93,278.52
	Caustic soda		**5,812.35**		8,540.77
	Others		**2,479.19**		4,440.21
			78,668.09		1,06,259.50
	Traded goods				
	LAB		**563.41**		-
	Furnace Oil		**-**		26.47
			563.41		26.47
	Total - Sale of products		**79,231.50**		1,06,285.97
	Sale of services comprises				
	Effluent Treatment / Hydrogen Testing / Storage		**13.29**		-
	Steam / Others		**-**		255.88
	Total - Sale of Services		**13.29**		255.88
	Other operating revenues comprises				
	Scrap sales		**37.07**		103.91
	Sale of platinum		**-**		304.48
	Export incentives		**72.61**		114.66
	Total - Other operating revenues		**109.68**		523.05

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March, 2015 (Rupees in lakhs)
22	**Other income**		
	Interest		
	from bank deposits	**83.51**	129.24
	from others	**125.48**	157.26
	Profit on sale of assets (net)	**-**	0.02
	Profit on sale of investment in Associate - PAPL	**0.01**	-
	Rental income from operating leases	**42.84**	276.04
	Insurance claim received	**17.91**	56.38
	Sundry balances written back	**-**	85.84
	Others	**0.77**	451.39
		270.52	1,156.17
23	**Cost of materials consumed**		
	Opening stock	**4,372.07**	5,273.63
	Add: Purchases	**40,791.56**	59,680.08
		45,163.63	64,953.71
	Less: Closing Stock	**2,881.31**	4,372.07
	Cost of material consumed	**42,282.32**	60,581.64
	Material consumed comprises:		
	Kerosene	**20,764.38**	27,317.55
	Benzene	**12,542.88**	18,353.58
	Normal Paraffin	**7,225.93**	13,397.02
	Salt	**718.06**	931.07
	others	**1,031.07**	582.42
		42,282.32	60,581.64
24	**Purchase of Stock in trade**		
	Furnace Oil	**-**	22.03
	Linear Alkyl Benzene	**591.84**	-
		591.84	22.03
25	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year		
	Finished goods	**487.70**	546.35
	Work-in-progress	**108.81**	274.99
		596.51	821.34
	Inventories at the beginning of the year		
	Finished goods	**546.35**	6,512.33
	Work-in-progress	**274.99**	361.37
		821.34	6,873.70
		224.83	6,052.36
26	**Employee benefits expense**		
	Salaries and wages (Refer Note 40)	**2,500.10**	2,180.79
	Contributions to provident and other funds	**417.49**	196.75
	Staff welfare expenses	**353.44**	354.55
		3,271.03	2,732.09

TPL

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
27	**Finance costs**		
	Interest expense on :		
	Interest expense on borrowings	**1,101.85**	1,610.63
	Letter of Credit and other bank charges	**231.62**	346.29
	Net loss on foreign currency transactions and translation considered as finance cost	**140.68**	-
		1,474.15	1,956.92
28	**Other expenses**		
	Consumption of stores and spare parts	**2,152.67**	1,420.74
	Utilities consumed	**356.82**	503.34
	Power and fuel	**15,131.37**	22,785.60
	Rent including lease rentals	**150.20**	153.30
	Repairs to buildings	**13.78**	40.47
	Repairs to machinery	**1,379.72**	1,075.45
	Payment to Auditors: (net of taxes)		
	Towards audit fee	**17.00**	15.00
	For other services	**9.00**	12.10
	Out of pocket expenses	**1.00**	-
	Insurance	**109.75**	109.79
	Rates and Taxes	**157.71**	94.97
	Freight and forwarding	**1,956.10**	1,577.01
	Net loss on foreign currency transactions (other than considered as finance cost)	**178.01**	351.10
	Loss on fixed assets sold/scrapped	**52.34**	-
	Bad Loans and Advances written off	**-**	2.15
	Provision for doubtful receivables	**15.75**	-
	Decrease of excise duty on inventory	**0.73**	(599.81)
	Miscellaneous expenses	**1,005.60**	968.26
		22,687.55	28,509.47
29	**Exceptional items**		
	a) Profit on sale of property	**6,620.37**	-
	b) Provision for impairment of ECH assets (refer note 39)	**(849.00)**	-
	c) Provision for diminution in value of investments	**-**	(1,368.00)
		5,771.37	(1,368.00)
30	**Contingent Liabilities and commitments (to the extent not provided for)**		
	Contingent liabilities:		
	A1. Disputed Demands under Appeals		
	i) Sales Tax	**1,728.05**	1,728.05
	The demands relate to disallowance of claims for exemption of turnover arising on account of stock transfers to branches and genuineness of declarations filed by certain customers for availing concessional rate of tax.		
	ii) Excise Duty	**259.29**	259.29

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

	Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
iii) Service Tax	**339.05**	339.05
iv) Income Tax	**379.66**	379.66
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. Consequent to this decision upholding the exemption, the Company, in June 2007 reversed the provision for electricity tax amounting to Rs. 878.77 lakhs made in books since 2003-04.

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 favorable 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 Rs.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.

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. No reimbursements are expected.

A2. Disputed Income tax demands decided in favour of the Company and disputed by the Department :

Income Tax	**5,014.00**	5,014.00

A3. Others

Renewable Energy Purchase Obligation (RPO)

The Company has disputed the obligation under the “Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011” under Gazette notification TNERC/RPO/19/2 dated 29th July 2011 and filed a Writ Petition in March 2012 before the Honorable Madras High Court. On 26th March 2012, an interim stay was granted by the Honorable Madras High Court on the operation of the Regulations. The Company is hopeful of successful outcome of the writ petition filed before the Honorable Madras High Court and hence no provision is considered necessary in this regard.	**673.85**	545.68

B Commitments

Capital commitments	**45.13**	142.09
Lease commitments in respect of warehouse	**56.14**	-

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
31	**CIF Value of Imports**		
	Intermediates	**4,999.95**	10,984.00
	Stores and spares	**831.34**	891.62
		5,831.29	11,875.62
32	**Expenditure in Foreign Currency**		
	Travel and training	**0.60**	11.67
	Technical services	**127.55**	77.38
	Interest on buyers credit	**14.61**	19.28
	Subscription	**26.10**	23.04
		168.86	131.37
33	**Earnings in Foreign Exchange**		
	Export of goods on FOB basis	**3,845.22**	2,268.85
34	**Earnings per share**		
	Profit / (Loss) after taxation (Rs. In lakhs)	**3,814.92**	(5,307.06)
	Weighted number of equity shares outstanding	**8,99,71,474**	8,99,71,474
	Basic earnings per share- (Face value – Rs.10/- per share)	**4.24**	(5.90)

		Year ended March 31, 2016		Year ended March 31, 2015	
35	**Consumption of Imported and Indigenous raw materials, stores and spare parts and percentage of each to total consumption**	**% of Total Consumption**	**Value (Rs in Lakhs)**	% of Total Consumption	Value (Rs in Lakhs)
(i)	Raw materials and intermediates consumed				
	Imported	**17.09**	**7,225.93**	22.11	13,397.02
	Indigenous	**82.91**	**35,056.39**	77.89	47,184.62
		100.00	**42,282.32**	100.00	60,581.64
(ii)	Stores and spare parts consumed				
	Imported	**46.65**	**1,004.26**	39.70	564.10
	Indigenous	**53.35**	**1,148.41**	60.30	856.64
		100.00	**2,152.67**	100.00	1,420.74

36 Related Party Disclosure under Accounting Standard -18

i) The list of related parties as identified by the management and relied upon by the auditors are as under

A) Promoters	1.	Southern Petrochemical Industries Corporation Limited (SPIC)
	2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B) Associates	1.	Petro Araldite Private Limited (PAPL) (upto 2nd November 2015)
	2.	Manali Petrochemicals Limited (MPL) (upto 3rd February 2016) (Company in which the KMP can exercise significant influence)
C) Subsidiaries	1.	Certus Investment and Trading Limited (CITL), Mauritius
	2.	Certus Investment and Trading (S) Private Limited, Singapore
	3.	Proteus Petrochemicals Private Limited, Singapore (formerly TPL India Singapore Private Limited).
D) Key management personnel		Muthukrishnan Ravi, Managing Director (upto 3rd February 2016)
		D. Senthikumar, Whole-time Director (Operations) (from 18th February 2016)

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Notes forming part of the Standalone financial statements for the year ended 31st March 2016

The Company has identified all related parties and details of transactions are given below

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

(Rs. In Lakhs)

Particulars	Promoters	Associate	Subsidiaries	Key Management Personnel (KMP)
Sale of Goods				
a) SPIC	18.07			
	(11.67)			
b) MPL		669.49		
		(1,514.64)		
Sale of services				
a) PAPL		-		
		(630.24)		
b) MPL		11.10		
		(14.53)		
Sale of assets to MPL		26.39		
		(13.26)		
Purchase of goods				
MPL		0.33		
		(0.71)		
Services Availed				
MPL - Effluent Line Usage		15.26		
		(14.98)		
Managerial remuneration				34.05
				(36.30)
Rent paid	-			
	-			
Interest paid on Trade Advance				
MPL		2.18		
		(137.15)		
Reimbursement of expenses				
SPIC	2.27			
	-			
MPL		33.72		
		-		
Sitting Fees (TIDCO)	5.00			
	(4.10)			
Trade Advance received		-		
MPL		(100.00)		
Balance outstanding as of 31st March 2016				
Trade Receivables				
a) SPIC	0.33			
	(0.26)			
b) PAPL		-		
		(38.90)		
c) MPL		-		
		(110.09)		
Deposit with MPL		-		
		(235.44)		
Other Receivables				
SPIC	4.39			
	(6.12)			
MPL		-		
		(14.97)		

(Rs. In Lakhs)

Particulars	Promoters	Associate	Subsidiaries	Key Management Personnel (KMP)
PAPL		-		
		(60.00)		
Deposit received from PAPL		-		
		(291.39)		
Trade payables - MPL		-		
		(108.74)		
Other payables				
a) SPIC	3.05			
	(1.21)			
b) CITL			9.61	
			(9.61)	
Trade Advance payable to MPL		-		
		(196.00)		
Figures in brackets relates to previous year.				

37. Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 there are no overdue amounts payable anytime during the year to them. Hence, no interest during the year has been paid or payable under the terms of the Act. Such parties are as identified by the management and relied upon by the auditors.

38. Derivative Instruments

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 (Rs.in lakhs)
Amount receivable in foreign currency - Exports	USD	4,57,706	303.23
	USD	(5,90,669)	(369.11)
Amount payable in foreign currency - Imports	USD	2,53,887	168.20
	USD	(19,06,143)	(1,191.14)
	GBP	12,460	11.90
	GBP	-	-
	EURO	-	-
	EURO	(5,011)	(3.37)
Amount payable in foreign currency - Buyers Credit	USD	-	-
	USD	(45,16,896)	(2,822.60)

There are no derivative contracts outstanding at the end of the year

Figures in brackets are in respect of previous year

39. The Company suspended the operations of Epichlorohydrin (ECH) Plant from April 2013 owing to continuous losses. Management has decided to effectively utilise the existing facility to manufacture Propylene Oxide (PO), after making necessary modifications. As at the balance sheet date, Environment Clearance from the Ministry of Environment and Forests has been obtained and Consent to Establish is awaited for the proposed project. Based on a technical evaluation, certain machineries with net book value of Rs. 849 lakhs was identified as not usable in PO production and hence were written down in the books of accounts.

40. Employee benefits expense includes an amount of Rs.248.83 lakhs towards compensation paid to the employees who had opted for early retirement from service (ERS) during the year.

41. Other payables represent amount received in advance towards sale of 100000 equity shares in SEPC Power (Private) Limited during Financial year 2012-13. The same will get adjusted against Investment held, on successful implementation of the power project by SEPC Power (Private) Limited.

Notes forming part of the Standalone financial statements for the year ended 31st March 2016

42. Employee Defined Benefit Plans

The Company offers Gratuity benefits to its employees which are funded with Life Insurance Corporation of India. The following table sets out the funded status of the Gratuity scheme and the amount recognised in the financial statements.

		As at March 31, 2016 (Rs. in lakhs)	As at March 31, 2015 (Rs. in lakhs)
A)	**Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2016**		
	Present value of obligation	**661.23**	550.88
	Fair value of plan assets	**417.01**	508.56
	Net liability	**(244.22)**	(42.32)
B).	**Expense recognized in the Statement of Profit and Loss account for the year ended March 31, 2016**		
	Current service cost	**25.88**	32.35
	Interest cost	**44.07**	52.40
	Expected return on plan assets	**(32.67)**	(47.51)
	Actuarial (gains) / Losses	**192.65**	(84.55)
	Total expense	**229.93**	(47.31)
C)	**Change in present value of Obligation during the year ended March 31, 2016**		
	Present value of defined benefit obligation as at the beginning of the year	**550.88**	654.94
	Current service cost	**25.88**	32.35
	Interest cost	**44.07**	52.40
	Actuarial (gains) /losses	**192.65**	(84.55)
	Benefits paid	**(152.25)**	(104.26)
	Present value of defined benefit obligation as at the end of the year	**661.23**	550.88
D)	**Change in fair value of plan assets during the year ended March 31, 2016**		
	Plan assets at the beginning of the year	**508.56**	562.06
	Expected return on plan assets	**32.67**	47.51
	Actuarial gains /(losses)	**-**	-
	Contributions by employer	**28.03**	3.25
	Benefits paid	**(152.25)**	(104.26)
	Plan assets at the end of the year	**417.01**	508.56
E)	**Principal actuarial assumptions as at March 31, 2016**		
	Discount rate	**8.0%**	8.0%
	Expected return on plan assets	**8.35%**	9.00%
	Salary escalation	**5.0%**	5.0%
	Attrition	**10.0%**	10.00%
	Mortality Table - LIC (2006-08) Ultimate Mortality Table.		

F) Basis used to determine expected rate of return.

The information on major categories of plan assets and expected return on each class of plan assets have not been furnished in the absence of necessary information from Life Insurance Corporation of India.

G) Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions and other factors.

H) In the absence of relevant information from the actuary, the above details do not include the experience adjustment in respect of actuarial losses/gains.

43. The Company operates in only one segment, namely, Industrial Intermediate Chemicals. Details of secondary segment information are disclosed in the consolidated financial statements.

44. Operating Leases

The property given under operating leases :

	Year ended 31st March, 2016 (Rs. in Lakhs)	Year ended March 31,2015 (Rs. in Lakhs)
Gross carrying amount of building	**-**	1,117.61
Accumulated depreciation	**-**	239.82
Depreciation for the year	**9.79**	19.53
Future minimum lease payments under non- cancellable operating leases		
Particulars		
Not later than 1 year	**-**	47.43
Later than 1 year and not later than 5 years	**-**	-

45. During December 2015 and January 2016, the operations of the Company was significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and LAB and HCD Plants were shut down for 55 days and 44 days respectively. An ad hoc advance of Rs. 2,100 lakhs was received during the year and the final assessment is pending. The claim will be recorded in the books upon completion of assessment by the Insurance company.

46. The performance of Chlor Alkali Division (CAD) tapered considerably due to various extraneous factors since 2012. Though the demand for Caustic soda, the main product of the division has been constant, the profitability was greatly affected consequent to high cost of power and salt, the main raw materials. The management has been taking necessary steps to reduce the high cost of power. Based on the estimated future revenues that would be generated by CAD and also based on valuation of the Plant by an Independent Chartered Engineers in the previous year, the management has assessed and concluded that the recoverable value, as defined in the Accounting Standard 28, of the Plant is higher than the carrying value of Rs.4,752.23 lakhs (excluding land cost) as on the balance sheet date and hence no provision for impairment is considered necessary.

47. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached	**For and on behalf of the Board of Directors**	
For Deloitte Haskins & Sells	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Wholetime Director (Finance) & CFO	Wholetime Director (Operations)
	DIN: 02341353	DIN: 00202578
Bhavani Balasubramanian	**TK Arun**	**R Deepti**
Partner	Director	Company Secretary
	DIN: 02163427	M. No.: A35488
Place : Chennai		
Date : 30th May, 2016		

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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"), comprising of the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2016, their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs.2,735 lakhs as at 31 March, 2016, total revenues of Rs.464 lakhs and net cash flows amounting to Rs. 4,005 lakhs for the year ended on that date, as considered in the 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 is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 reports of the other auditors.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 March, 2016 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 and the operating effectiveness of such controls, refer to 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 over financial reporting only, since the Subsidiaries consolidated are incorporated outside India.

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

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii. The Group did not have any long-term contracts including derivate contracts for which there were any material foreseeable lossess to be provided for.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year by the Holding Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, 30th May, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2016, 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. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company 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 (ICAI)". 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 Holding 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.

Auditors' 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 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 whether a risk of material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai, 30th May, 2016

TPL

Consolidated Balance Sheet As at 31st March, 2016

	Notes		As at 31st March, 2016 (Rupees in lakhs)		As at 31st March, 2015 (Rupees in lakhs)
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	3	**8,997.15**		8,997.15	
Reserves and Surplus	4	**21,238.40**		17,547.92	
			30,235.55		26,545.07
Non- Current liabilities					
Long-term borrowings	5	**526.51**		986.67	
Deferred tax liabilities(net)	6	**-**		-	
Other long term liabilities	7	**26.14**		313.92	
Long-term provisions	8	**272.02**		231.71	
			824.67		1,532.30
Current liabilities					
Short -term borrowings	9	**5,692.71**		8,675.67	
Trade payables	10				
(i) total outstanding dues of micro enterprises and small enterprises		**-**		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**7,908.63**		14,913.23	
Other current liabilities	11	**4,241.92**		7,738.15	
Short-term provisions	12	**42.39**		41.80	
			17,885.65		31,368.85
TOTAL			**48,945.87**		59,446.22
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	13		**21,788.29**		24,677.56
Capital Work-in-progress			**1,545.91**		1,776.16
Non-current investments	14		**36.52**		200.12
Long term loans and advances	15		**2,432.46**		4,440.16
Current Assets					
Inventories	16	**6,165.75**		8,356.71	
Trade receivables	17	**3,137.34**		6,391.72	
Cash and cash equivalents	18	**11,506.75**		7,570.66	
Short-term loans and advances	19	**2,192.08**		5,805.74	
Other current assets	20	**140.77**		227.39	
			23,142.69		28,352.22
TOTAL			**48,945.87**		59,446.22

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

KT Vijayagopal
Wholetime Director (Finance) & CFO
DIN: 02341353

D Senthikumar
Wholetime Director (Operations)
DIN: 00202578

Bhavani Balasubramanian
Partner

TK Arun
Director
DIN: 02163427

R Deepti
Company Secretary
M. No.: A35488

Place : Chennai
Date : 30th May, 2016

TPL

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March, 2015 (Rupees in lakhs)
INCOME			
Revenue from operations (gross)	21	**79,354.47**	107,064.90
Less: Excise Duty		**9,291.77**	12,078.01
Revenue from operations (net)		**70,062.70**	94,986.89
Other income	22	**735.20**	1,257.08
Total Revenue		**70,797.90**	96,243.97
EXPENSES			
Cost of Materials consumed	23	**42,282.32**	60,581.64
Purchase of Stock-in-trade	24	**591.84**	22.03
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	25	**224.83**	6,052.36
Employee benefits expense	26	**3,271.03**	2,732.09
Finance costs	27	**1,475.66**	1,958.71
Depreciation	13	**1,757.95**	2,059.91
Other expenses	28	**23,272.65**	28,246.13
Total expenses		**72,876.28**	101,652.87
Loss before exceptional item and taxes		**(2,078.38)**	(5,408.90)
Exceptional items	29	**57,771.37**	-
Profit / (Loss) before tax		**3,692.99**	(5,408.90)
Tax expense:			
Current tax		**2.51**	2.33
Deferred tax	6	**-**	(1,832.24)
Profit / (Loss) for the year		**3,690.48**	(3,578.99)
Add: Share in Loss of associate		**-**	(684.09)
Profit / (Loss) for the year		**3,690.48**	(4,263.08)
Earnings per equity share (in Rs).:			
Basic	31	**4.10**	(4.74)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Wholetime Director (Finance) & CFO	Wholetime Director (Operations)
	DIN: 02341353	DIN: 00202578
Bhavani Balasubramanian	**TK Arun**	**R Deepti**
Partner	Director	Company Secretary
	DIN: 02163427	M. No.: A35488

Place : Chennai

Date : 30th May, 2016

TPL

Consolidated Cash Flow Statement for the year ended 31st March 2016

			For the year ended 31st March, 2016 (Rupees in Lakhs)		For the year ended 31st March, 2015 (Rupees in Lakhs)
A	Cash flow from operating activities:				
	Profit / (Loss) before tax		**3,692.99**		(5,408.90)
	Adjustments for				
	Depreciation	**1,757.95**		2,059.91	
	Profit on sale of property	**(6,620.37)**		(0.02)	
	Provision for impairment of ECH assets	**849.00**		-	
	Loss on fixed assets sold/scrapped	**52.34**		-	
	Profit on sale of investments in associate - PAPL	**(0.01)**		-	
	Bad trade receivables written off	**-**		65.70	
	Finance costs	**1,475.66**		1,958.71	
	Interest income	**(242.59)**		(308.24)	
	Bad loans and advances written off	**15.75**		2.15	
	Provision for diminution in the value of investment	**-**		-	
	Rental income from operating leases	**(42.84)**		(276.04)	
	Net unrealised exchange (gain) / loss	**-**		9.79	
	Sundry balances written back	**4.44**		(85.84)	
			(2,750.67)		3,426.12
	Operating profit /(loss) before working capital changes		**942.32**		(1,982.78)
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**2,190.96**		7,378.31	
	Trade receivables	**3,234.19**		1,261.89	
	Short-term loans and advances	**3,613.65**		(1,043.96)	
	Long-term loans and advances	**2,173.06**		(849.41)	
	Other current assets	**(12.38)**		(39.52)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**(7,004.60)**		296.96	
	Other current liabilities	**2,578.46**		(1,489.01)	
	Other long-term liabilities	**(287.77)**		-	
	Short-term provisions	**0.59**		(8.79)	
	Long-term provisions	**40.31**		(16.11)	
			6,526.47		5,490.36
	Cash generated from operations		**7,468.79**		3,507.58
	Net income tax (paid)		**(167.86)**		(112.00)
	Net cash flow from / (used in) operating activities (A)		**7,300.93**		3,395.58
B	Cash flow from investing activities:				
	Capital expenditure on fixed assets, including capital advances	**(868.44)**		(329.97)	
	Proceeds from sale of fixed assets	**1,949.04**		0.15	
	Advances received against sale of immovable property	**-**		4,000.00	
	Proceeds from Redemption of Zero Coupon Bond	**163.60**		-	
	Proceeds from sale of investments - PAPL	**0.01**		-	
	Purchase of long term investment	**-**		(24.28)	
	Interest received - others	**341.59**		251.65	
	Rental income from operating leases	**42.84**		276.04	
	Bank balances not considered as cash and cash equivalents	**(31.82)**		145.38	
			1,596.82		4,318.97
	Net cash flow from / (used in) investing activities (B)		**1,596.82**		4,318.97

Consolidated Cash Flow Statement for the year ended 31st March 2016 (continued)

			For the year ended 31st March, 2016 (Rupees in Lakhs)		For the year ended 31st March, 2015 (Rupees in Lakhs)
C	Cash flow from financing activities:				
	Proceeds from short-term borrowings	**(72.98)**		(1,931.43)	
	Repayment of long-term borrowings	**(460.16)**		(533.14)	
	Net increase / (decrease) in working capital borrowings	**(2,982.96)**		(3,198.41)	
	Finance costs	**(1,477.10)**		(1,958.11)	
	Dividends paid	**(0.28)**		(0.76)	
	Paid to Investor Education and Protection Fund	**-**		-	
			(4,993.48)		(7,621.85)
	Net cash from / (used in) financing activities (C)		**(4,993.48)**		(7,621.85)
	Net cash flows during the year (A+B+C)		**3,904.27**		92.70
	Cash and cash equivalents at the beginning of the year		**6,620.31**		6,527.61
	Cash and cash equivalents at the end of the year		**10,524.58**		6,620.31
	Net increase / (decrease) in cash and cash equivalents		**3,904.27**		92.70
	Reconciliation of Cash and cash equivalents with the Balance Sheet:				
	Cash and cash equivalents as per Balance Sheet (Refer Note 18)		**11,506.75**		7,570.66
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 - Cash Flow Statements:				
	Unpaid dividend account		**58.47**		58.75
	Margin money deposits		**923.70**		891.60
	Cash and cash equivalents at the end of the year *		**10,524.58**		6,620.31
	*** Comprises:**				
	Cash on hand		**0.85**		0.47
	Cheques on hand		**-**		-
	Balances with banks				
	In current accounts		**10,523.73**		6,619.84
			10,524.58		6,620.31

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells	**KT Vijayagopal**	**D Senthikumar**
Chartered Accountants	Wholetime Director (Finance) & CFO	Wholetime Director (Operations)
	DIN: 02341353	DIN: 00202578
Bhavani Balasubramanian	**TK Arun**	**R Deepti**
Partner	Director	Company Secretary
	DIN: 02163427	M. No.: A35488

Place : Chennai

Date : 30th May, 2016

TPL

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

1. Corporate information

Tamilnadu Petroproducts Limited ('the Company') was incorporated in 1984 as a public limited Company and is jointly promoted by Southern Petrochemicals Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO). Its shares are listed on two stock exchange in India. viz. National Stock Exchange of India Ltd and BSE Limited. The Company is currently engaged in the manufacturing and selling of petrochemical/chemical products namely Linear Alkyl Benzene (LAB) and Caustic Soda from the manufacturing facilities situated at Manali, near Chennai. The details of subsidiaries, jointly controlled entity and associate 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 Private Limited	Subsidiary	Mauritius	100%	31.03.2016Audited
Certus Investment and Trading (S) Private Limited *	Subsidiary	Singapore	100%	31.03.2016Audited
Proteus Petrochemical Private Limited *	Subsidiary	Singapore	100%	31.03.2016 Audited
Petro Araldite Private Limited	Associate	India	NIL	Associate company till November 2, 2015

* Shareholding is through Certus Investment & Trading Limited.

2 . BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as stated below

I BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company, its subsidiaries and associate (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standardsprescribed under Section 133 of the Companies Act, 2013, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 1996, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

II PRINCIPLES OF CONSOLIDATION

(a) The financial statements of the Company and its Subsidiaries have been consolidated in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standards-21, on a line-by-line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profit/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

(b) The overseas subsidiaries viz., Certus Investment & Trading Private Limited, Certus Investment & Trading (S) Private Limited, Proteus Petrochemical Private Limited are classified as Integralforeign operations. The financials were translated into Indian Currency as per the Accounting Standard AS 11 (Revised) and the exchange gains / (losses) arising on conversion is adjusted to the Statement of Profit and Loss.

III USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with IndianGAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

IV INVENTORIES

Inventories are valued at the lower of cost (weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

V CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

VI CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

VII FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less depreciation. Cost comprises of purchase price (net of rebates and discounts), import duties, levies (net of CENVAT and VAT) and any directly attributable cost including borrowing cost, of bringing the assets to its working condition for its intended use. Certain assets have been revalued as on 31st March, 1996 and the resultant surplus has been added to the cost of the assets.

Depreciation amount for assets is the cost of an assets, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

General Plant and Machinery used in Epichlorodydrin plant – 10 years

Certain Plant and Machinery used in Linear Alkyl Benzene plant – 4.5 years

Furniture and Fixture provided to employees depreciated – 5 years

Depreciation on the tangible fixed assets of the Company's foreign subsidiary has been provided on straight-line method as per the estimated useful life of such assets, as follows:

Computer equipment-3 years.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

VIII REVENUE RECOGNITION

a) Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales include excise duty but exclude sales tax and value added tax.

b) Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

c) Export incentive

Export benefits in the nature of focus market scheme are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations/policies and when there is no uncertainty in receiving the same. Adjustments, if any, to the amounts recognized in accordance with the accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance

IX OTHER INCOME

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Property lease rentals are accrued as per terms of the agreement with the lessees and are recognized equally on a straight-line basis over the non-cancellable lease period.

X FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Integral Foreign Operations:

Fixed assets are recorded at the rates of exchange prevailing on the date of acquisition of such assets. Monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the accounting period and difference in exhange is recogonized as a change in the Consolidated Statement of Profit and Loss. All the revenue transactions are translated at the average rates.

XI INVESTMENTS

Long term investments are valued at their acquisition cost, less provision for diminution in value, other than temporary.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

XII EMPLOYEE BENEFITS

Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amounts in the Profit and Loss account of the year in which the related services are rendered.

Defined Benefits Plans:

a) Provident Fund:

Contributions are made monthly at a predetermined rate to the Provident Fund Trust managed by the company and debited to the Profit and Loss account on an accrual basis. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rates and recognizes such shortfall as an expense.

b) Gratuity:

The Company has an arrangement with the Life Insurance Corporation of India(LIC) to administer its Gratuity fund. Premium paid / payable is determined based on an actuarial valuation carried out by LIC using the projected unit credit method as on the Balance Sheet date and debited to the Profit & Loss account on accrual basis. Actuarial gain or loss is recognised in the statement of profit or loss as income or expense.

Long term compensated absences:

Liability towards long term compensated absences is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded

XIII BORROWING COST:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

XIV OPERATING LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

XV EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) 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.

XVI TAXES ON INCOME

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

XVII IMPAIRMENT OF ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

XVIII PROVISIONS AND CONTINGENCIES

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statement.

XIX RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

XX INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

XXI SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

XXII OPERATING CYCLE

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March, 2015 (Rupees in lakhs)
3	**Share Capital**		
	Authorised		
	200,000,000 equity shares of Rs.10/- each with voting rights	**20,000.00**	20,000.00
	Issued		
	89,976,899 equity shares of Rs 10/- each with voting rights	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 equity shares of Rs 10/- each with voting rights	**8,997.15**	8,997.15

3.1 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 is due to said shares kept in abeyance under Section 126 of the Companies Act, 2013.

3.2 Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholders	31st March, 2016		31st March 2015	
Equity Shares of Rs. 10/- each fully paid up	**No of Shares**	**% of holding**	No of Shares	% of holding
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

3.3 There has been no movement in equity share capital during the year.

3.4 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- . Each holder is entitled to one vote per equity share.

Repayment of capital will be in proportion to the number of equity shares held.

4	**Reserves and Surplus**		
	Capital reserve	**42.23**	42.23
	Securities premium account	**4,611.57**	4,611.57
	Revaluation reserve	**1,986.18**	1,986.18
	General reserve	**13,859.94**	13,859.94
	Surplus in Statement of Profit and Loss		
	Opening balance	**(2,952.00)**	2,721.77
	(Less): Profit / (Loss) for the year	**3,690.48**	(4,263.08)
	Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax Rs.630.84 lakhs)	**-**	(1,410.69)
	Closing balance	**738.48**	(2,952.00)
		21,238.40	17,547.92

TPL

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

			As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
5	**Long term borrowings**	**Terms of payment**		
	Other loans and advances			
	Interest free deferred sales tax loan (unsecured)	Repayable in 24 monthly installments	**526.51**	986.67
			526.51	986.67
6	**Deferred tax liability (net)**			
	Tax effect of item constituting deferred tax liability			
	On difference between book balance and tax balance of fixed assets		**3,925.48**	4,449.62
			3,925.48	4,449.62
	Tax effect of items constituting deferred tax assets			
	Unabsorbed depreciation and business losses		**3,821.50**	4,363.15
	Provision for compensated absences		**97.15**	84.51
	Provision for doubtful debts/advances		**6.83**	1.96
			3,925.48	4,449.62
7	**Other long-term liabilities**			
	Security deposit received		**9.21**	296.99
	Other payables (Note 41)		**16.93**	16.93
			26.14	313.92
8	**Long term provisions**			
	Provision for employee benefits			
	Compensated absences		**272.02**	231.71
9	**Short term borrowings**			
	Loan repayable on demand from Banks (Secured)		**5,692.71**	8,675.67
	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.			
10	**Trade payables**			
	Acceptances		**-**	3,299.25
	Other than acceptances			
	Outstanding dues of micro enterprises and small enterprises (Note 33)		**-**	
	Outstanding dues of creditors other than micro enterprises and small enterprises.		**7,905.58**	11,504.03
	Payable to related parties		**3.05**	109.95
			7,908.63	14,913.23
11	**Other current liabilities**			
	Current maturities of long term debt		**460.15**	533.14
	Interest accrued but not due on borrowings		**-**	1.44
	Unpaid dividends *		**58.47**	58.75
	Deposits		**10.18**	76.72
	Gratuity payable		**244.22**	42.32

TPL

	As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
Other Payables		
Statutory remittances (Contributions to PF and ESIC and other taxes payable)	**368.90**	818.33
Advance from related parties	**-**	196.00
Advance received from customers	**1,000.00**	-
Advance against sale of immovable property	**-**	6,000.00
Advance received from Insurance company	**2,100.00**	-
Accrued expenses	**-**	11.45
	4,241.92	7,738.15

* Amount to be credited to Investor Education and Protection Fund towards unpaid dividends

	As at 31st March, 2016 (Rupees in lakhs)	As at 31st March 2015 (Rupees in lakhs)
12 Short term provisions		
Provision for employee benefits		
Provision for Compensated absences	**42.39**	41.80
	42.39	41.80

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

13 Fixed assets

Current year :

(Rs in Lakhs)

Description	Cost / Valuation				Accumulated Depreciation / Impairment					Net book value	
	As at 1 April, 2015	Additions	Deductions	As at 31st March, 2016	As at 1 April, 2015	For the year	Impairment	Deductions	As at 31st March, 2016	As at 31st March, 2016	As at 31 March, 2015
Tangible assets: (Owned)											
Land (Freehold)	2,187.26	-	478.65	1,708.61	-	-	-	-	-	1,708.61	2,187.26
Buildings:											
Own use	4,659.20	69.83		4,729.03	3,467.78	231.31	-		3,699.09	1,029.94	1,191.42
Given under operating lease	1,117.61	-	1,117.61	-	239.82	9.79	-	249.61	-	-	877.79
Plant and Equipment	118,123.48	950.07	67.46	119,006.09	97,760.94	1,488.51	849.00	42.55	100,055.90	18,950.19	20,362.54
Furniture and Fixtures	137.01	24.20	1.44	159.77	133.78	0.83	-	1.25	133.36	26.41	3.23
Vehicles	33.97	11.22	6.26	38.93	31.57	0.35	-	5.57	26.35	12.58	2.40
Office equipment	951.93	43.37	298.64	696.66	899.01	27.16	-	290.07	636.10	60.56	52.92
Total	**127,210.46**	**1,098.69**	**1,970.06**	**126,339.09**	**102,532.90**	**1,757.95**	**849.00**	**589.05**	**104,550.80**	**21,788.29**	**24,677.56**
Previous year	123,985.00	1,062.51	122.17	124,925.34	89,333.10	3,739.20		92.55	92,979.75		24,677.56

Previous year :

(Rs in Lakhs)

Description	Cost / Valuation				Accumulated Depreciation					Net book value	
	As at 1 April, 2014	Additions	Deductions	As at 31st March, 2015	As at 1 April, 2014	For the year	Other Adjustments	Deductions	As at 31st March, 2015	As at 31st March, 2015	As at 31 March, 2014
Tangible assets: (Owned)											
Land (Freehold)	2,187.26	-	-	2,187.26	-	-	-	-	-	2,187.26	2,187.26
Buildings:											
Own use	4,659.20	-	-	4,659.20	2,187.59	480.93	799.26	-	3,467.78	1,191.42	2,471.61
Given under operating lease (Note 45)	1,117.61	-	-	1,117.61	220.29	19.53	-	-	239.82	877.79	897.32
Plant and Equipment (Note below)	118,123.48	-	-	118,123.48	95,081.23	1,523.03	1,156.68	-	97,760.94	20,362.54	23,042.25
Furniture and Fixtures	137.01	-	-	137.01	130.02	0.85	2.91	-	133.78	3.23	6.99
Vehicles	33.97	-	-	33.97	27.15	0.68	3.74	-	31.57	2.40	6.82
Office equipment	954.05	-	2.12	951.93	787.17	34.89	78.94	1.99	899.01	52.92	166.88
Total	**127,212.58**	**-**	**2.12**	**127,210.46**	**98,433.45**	**2,059.91**	**2,041.53**	**1.99**	**102,532.90**	**24,677.56**	**28,779.13**

Note: Depreciation on Plant and Equipment includes depreciation on R & D assets for Rs.2.19 lakhs (Rs5.81 lakhs).

		As at 31st March, 2016 (Rupees in lakhs)		As at 31st March, 2015 (Rupees in lakhs)
14. Non current investments				
Investments (At cost)				
A Other Investments (unquoted)				
(i) Investment in equity instruments:				
(a) 1,00,000 Equity shares of Rs.10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited. (Note 37)		**10.00**		10.00
(b) 40,00,000 Equity shares of Rs.10 each fully paid-up in Standard Motor Products of India Limited.	**400.00**		400.00	-
Less: Provision for diminution in value of Investment	**400.00**	**-**	400.00	-
(c) Suzlon Engitech Limited 22,463 Equity Shares of Rs.10 each fully paid up		**2.24**		2.24
(d) OPG Power Generation Private Limited 2,20,735 Equity shares of Rs.10 each fully paid up		**24.28**		24.28
		36.52		36.52
(ii) Investments in bonds				
3 years 0% interest bond in Mercantile Ventures Limited (allotted on 27th March 2013 in settlement of dues)	**163.60**			
Less: Redeemed during the year	**163.60**	**-**		163.60
Total - Other investments (A)		**36.52**		200.12
Aggregate amount of unquoted investments		**36.52**		200.12

Notes forming part of the Consolidated Financial Statements

15 Long-term loans and advances (Unsecured, considered good)		
Capital advances	**-**	236.24
Security deposits	**1,288.45**	2,989.51
Security deposit to related party	**-**	235.44
Advance income tax (net of provisions of Rs.11,230 Lakhs (As at 31 March, 2015 Rs.11,230 Lakhs)	**279.64**	114.29
Balances with Customs, Sales tax and Excise Authorities	**848.92**	846.97
Other loans and advances	**15.45**	17.71
	2,432.46	4,440.16

TPL

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March, 2015 (Rupees in lakhs)
16	**Inventories**		
	Raw materials and components	**2,881.31**	4,372.07
	Work-in-progress	**108.81**	274.99
	Finished goods	**487.70**	546.35
	Stores and spares	**2,687.93**	3,163.30
		6,165.75	8,356.71
	Details of Work-in-progress:		
	Linear Alkyl Benzene	**56.14**	24.07
	Benzene	**-**	9.43
	Normal Paraffin	**52.67**	241.49
		108.81	274.99
17	**Trade receivables (Unsecured)**		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
	Considered good	**88.02**	138.70
	Considered doubtful	**22.08**	6.33
		110.10	145.03
	Other trade receivables - Considered good	**3,049.32**	6,253.02
		3,159.42	6,398.05
	Less: Provision for doubtful receivables	**22.08**	6.33
		3,137.34	6,391.72
18	**Cash and cash equivalents**		
	Cash on hand	**0.85**	0.47
	Balances with banks		
	In current accounts	**10,523.73**	6,619.84
	In earmarked accounts		
	- Unpaid dividend account	**58.47**	58.75
	- Margin Money deposits (towards non fund based facilities from Banks)	**923.70**	891.60
		11,506.75	7,570.66

			31st March, 2016		31st March, 2015	
19	**Short-term loans and advances (Unsecured considered good unless otherwise stated)**					
	Security deposits			**52.91**		27.82
	Receivable from Related party			**-**		14.97
	Loans and advances to employees:					
		Secured loan against mortgage of title deeds	**7.62**		8.86	
		Other loans	**-**		11.99	
			7.62		20.85	
	Prepaid expenses			**13.78**		86.72
	Balances with Government authorities					
	(i)	CENVAT credit receivable	**141.45**		171.79	
	(ii)	VAT credit receivable	**1.49**		3.00	
	(iii)	Service tax credit receivable	**195.71**		144.15	
	(iv)	Customs	**1.99**		-	
			340.64		318.94	
		Advances to suppliers		**1,777.13**		5,336.44
				2,192.08		5,805.74

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

		As at 31st March, 2016 (Rupees in lakhs)	As at 31st March, 2015 (Rupees in lakhs)
20	**Other current assets**		
	Interest accrued on deposits/advances	**28.87**	127.87
	Export benefits receivable	**111.90**	39.52
	Other receivable	**-**	60.00
		140.77	227.39
21	**Revenue from operations**		
	Sale of products	**79,231.50**	106,285.97
	Sale of services	**13.29**	255.88
	Other operating revenues	**109.68**	523.05
		79,354.47	107,064.90
	Less: Excise Duty	**9,291.77**	12,078.01
		70,062.70	94,986.89
	Sale of products comprises		
	Manufactured goods		
	Linear Alkyl Benzene	**70,376.55**	93,278.52
	Caustic soda	**5,812.35**	8,540.77
	Others	**2,479.19**	4,440.21
		78,668.09	106,259.50
	LAB	**563.41**	-
	Furnace Oil	**-**	26.47
		563.41	26.47
	Total - Sale of products	**79,231.50**	106,285.97
	Sale of services comprises		
	Effluent Treatment / Hydrogen Testing / Storage	**13.29**	-
	Steam / Others	**-**	255.88
	Total - Sale of Services	**13.29**	255.88
	Other operating revenues comprises		
	Scrap sales	**37.07**	103.91
	Sale of platinum	**-**	304.48
	Export incentives	**72.61**	114.66
	Total - Other operating revenues	**109.68**	523.05
22	**Other income**		
	Interest		
	from bank deposits	**83.51**	150.98
	from others	**159.08**	157.26
	Profit on sale of assets (net)	**-**	0.02
	Profit on sale of investment in Associate - PAPL	**0.01**	-
	Net gain on foreign currency transactions and translation	**431.08**	79.17
	Rental income from operating leases	**42.84**	276.04
	Insurance claim received	**17.91**	56.38
	Sundry balances written back	**-**	85.84
	Others	**0.77**	451.39
		735.20	1,257.08

TPL

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
23	**Cost of materials consumed**		
	Opening stock	**4,372.07**	5,273.63
	Add: Purchases	**40,791.56**	59,680.08
		45,163.63	64,953.71
	Less: Closing Stock	**2,881.31**	4,372.07
	Cost of material consumed	**42,282.32**	60,581.64
	Material consumed comprises:		
	Kerosene	**20,764.38**	27,317.55
	Benzene	**12,542.88**	18,353.58
	Normal Paraffin	**7,225.93**	13,397.02
	Salt	**718.06**	931.07
	others	**1,031.07**	582.42
		42,282.32	60,581.64
24	**Purchase of Stock in trade**		
	Furnace Oil	**-**	22.03
	Linear Alkyl Benzene	**591.84**	-
		591.84	22.03
25	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year		
	Finished goods	**487.70**	546.35
	Work-in-progress	**108.81**	274.99
		596.51	821.34
	Inventories at the beginning of the year		
	Finished goods	**546.35**	6,512.33
	Work-in-progress	**274.99**	361.37
		821.34	6,873.70
		224.83	6,052.36
26	**Employee benefits expense**		
	Salaries and wages (Refer Note 36)	**2,500.10**	2,180.79
	Contributions to provident and other funds	**417.49**	196.75
	Staff welfare expenses	**353.44**	354.55
		3,271.03	2,732.09
27	**Finance costs**		
	Interest expense on :		
	Interest expense on borrowings	**1,101.85**	1,610.63
	Letter of Credit and other bank charges	**233.13**	348.08
	Net loss on foreign currency transactions and translation considered as finance cost	**140.68**	-
		1,475.66	1,958.71

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
28	**Other expenses**		
	Consumption of stores and spare parts	**2,152.67**	1,420.74
	Utilities consumed	**356.82**	503.34
	Power and fuel	**15,131.37**	22,785.60
	Rent including lease rentals	**150.20**	139.79
	Repairs to buildings	**13.78**	40.47
	Repairs to machinery	**1,379.72**	1,075.45
	Payment to Auditors: (net of taxes)		
	Towards audit fee	**19.29**	21.95
	For other services	**13.00**	12.10
	Out of pocket expenses	**1.00**	-
	Insurance	**109.75**	109.79
	Rates and Taxes	**159.37**	108.48
	Freight and forwarding	**1,956.10**	1,577.01
	Loss on fixed assets sold/scrapped	**52.34**	-
	Bad loans and advances written off	**730.09**	2.15
	Provision for doubtful receivables	**15.75**	65.70
	Decrease of excise duty on inventory	**0.73**	(599.81)
	Miscellaneous expenses	**1,030.67**	983.37
		23,272.65	28,246.13
29	**Exceptional items**		
	a) Profit on sale of property	**6,620.37**	-
	b) Provision for impairment of ECH assets (refer note 35)	**(849.00)**	-
		5,771.37	-

30 Contingent Liabilities and commitments (to the extent not provided for)

Contingent liabilities:

A1. Disputed Demands under Appeals

i)	Sales Tax	**1,728.05**	1,728.05
	The demands relate to disallowance of claims for exemption of turnover arising on account of stock transfers to branches and genuineness of declarations filed by certain customers for availing concessional rate of tax.		
ii)	Excise Duty	**259.29**	259.29
iii)	Service Tax	**339.05**	339.05
iv)	Income Tax	**379.66**	379.66
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.

		Year ended 31st March, 2016 (Rupees in lakhs)	Year ended 31st March 2015 (Rupees in lakhs)
	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. Consequent to this decision upholding the exemption, the Company, in June 2007 reversed the provision for electricity tax amounting to Rs. 878.77 lacs made in books since 2003-04.		
	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 favorable 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 Rs.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.		
	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. No reimbursements are expected.		
	A2. Disputed Income tax demands decided in favour of the Company and disputed by the Department :		
	Income Tax	**5,014.00**	5,014.00
	A3.Others		
	Renewable Energy Purchase Obligation (RPO)		
	The Company has disputed the obligation under the "Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011" under Gazette notification TNERC/RPO/19/2 dated 29th July 2011 and filed a Writ Petition in March 2012 before the Honorable Madras High Court. On 26th March 2012, an interim stay was granted by the Honorable Madras High Court on the operation of the Regulations. The Company is hopeful of successful outcome of the writ petition filed before the Honorable Madras High Court and hence no provision is considered necessary in this regard.	**673.85**	545.68
	B Commitments		
	Capital commitments	**45.13**	142.09
	Lease commitments in respect of warehouse	**56.14**	-
31	**Earnings per share**		
	Profit / (Loss) after taxation (Rs. In lacs)	**3,690.48**	(4,263.08)
	Weighted number of equity shares outstanding	**89,971,474**	89,971,474
	Basic earnings per share- (Face value – Rs.10/- per share)	**4.10**	(4.74)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

32 Related Party Disclosure under Accounting Standard -18

i) The list of related parties as identified by the management and relied upon by the auditors are as under

A) Promoters	1.	Southern Petrochemical Industries Corporation Limited (SPIC)
	2.	Tamilnadu Industrial Development Corporation Limited (TIDCO)
B) Associates	1.	Petro Araldite Private Limited (PAPL) (upto 2nd November 2015)
	2.	Manali Petrochemicals Limited (MPL) (upto 3rd February 2016) (Company in which the KMP can exercise significant influence)
C) Key management personnel		Muthukrishnan Ravi, Managing Director (upto 3rd February 2016)
		D. Senthikumar, Whole-time Director (operations) (from 18th February 2016)

The Company has identified all related parties and details of transactions are given below:

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

(Rs. In Lakhs)

Particulars	Promoters	Associate	Key Management Personnel (KMP)
Sale of Goods			
a) SPIC	18.07		
	(11.67)		
b) MPL		669.49	
		(1,514.64)	
Sale of services			
a) PAPL		-	
		(630.24)	
b) MPL		11.10	
		(14.53)	
Sale of assets to MPL		26.39	
		(13.26)	
Purchase of goods			
MPL		0.33	
		(0.71)	
Services Availed			
MPL - Effluent Line Usage		15.26	
		(14.98)	
Managerial remuneration			34.05
			(36.30)
Rent paid	-		
	-		
Interest paid on Trade Advance			
MPL		2.18	
		(137.15)	
Reimbursement of expenses			
SPIC	2.27		
	-		
MPL		33.72	
		-	
Sitting Fees (TIDCO)	5.00		
	(4.10)		
Trade Advance received		-	
MPL		(100.00)	

(Rs. In Lakhs)

Particulars	Promoters	Associate	Key Management Personnel (KMP)
Balance outstanding as of 31st March 2016			
Trade Receivables			
a) SPIC	0.33 (0.26)		
b) PAPL		- (38.90)	
c) MPL		- (110.09)	
Deposit with MPL		- (235.44)	
Other Receivables			
SPIC	4.39 (6.12)		
MPL		- (14.97)	
PAPL		- (60.00)	
Deposit received from PAPL		- (291.39)	
Trade payables - MPL		- (108.74)	
Other payables			
a) SPIC	3.05 (1.21)		
Trade Advance payable to MPL		- (196.00)	
Figures in brackets relates to previous year.			

33. Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 there are no overdue amounts payable anytime during the year to them. Hence, no interest during the year has been paid or payable under the terms of the Act. Such parties are as identified by the management and relied upon by the auditors.

34. Derivative Instruments

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

Particulars	Currency	Amount in Foreign Currency	Amount (Rs.in lakhs)
Amount receivable in foreign currency - Receivables	USD	459,981	303.23
	USD	(590,669)	(369.11)
Amount payable in foreign currency - Payables	USD	874,080	168.20
	USD	(1,906,143)	(1,191.14)
	GBP	12,460	11.90
	EURO	(5,011)	(3.37)
Amount payable in foreign currency - Buyers Credit	USD	-	-
	USD	(4,516,896)	(2,822.60)

There are no derivative contracts outstanding at the end of the year

Figures in brackets are in respect of previous year

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

35. The Company suspended the operations of Epichlorohydrin (ECH) Plant from April 2013 owing to continuous losses. Management has decided to effectively utilise the existing facility to manufacture Propylene Oxide (PO), after making necessary modifications. As at the balance sheet date, Environment Clearance from the Ministry of Environment and Forests has been obtained and Consent to Establish is awaited for the proposed project. Based on a technical evaluation, certain machineries with net book value of Rs. 849 lakhs was identified as not usable in PO production and hence were written down in the books of accounts.

36. Employee benefits expense includes an amount of Rs.248.83 lakhs towards compensation paid to the employees who had opted for early retirement from service (ERS) during the year.

37. Other payables represent amount received in advance towards sale of 100000 equity shares in SEPC Power (Private) Limited during Financial year 2012-13.

The same will get adjusted against Investment held, on successful implementation of the power project by SEPC Power (Private) Limited.

38. Employee Defined Benefit Plans

The Company offers Gratuity benefits to its employees which are funded with Life Insurance Corporation of India. The following table sets out the funded status of the Gratuity scheme and the amount recognised in the financial statements.

		As at March 31, 2016 (Rs. in lakhs)	As at March 31, 2015 (Rs. in lakhs)
A)	**Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2016**		
	Present value of obligation	**661.23**	550.88
	Fair value of plan assets	**417.01**	508.56
	Net liability	**(244.22)**	(42.32)
B)	**Expense recognized in the Statement of Profit and Loss account for the year ended March 31, 2016**		
	Current service cost	**25.88**	32.35
	Interest cost	**44.07**	52.40
	Expected return on plan assets	**(32.67)**	(47.51)
	Actuarial (gains) / Losses	**192.65**	(84.55)
	Total expense	**229.93**	(47.31)
C)	**Change in present value of Obligation during the year ended March 31, 2016**		
	Present value of defined benefit obligation as at the beginning of the year	**550.88**	654.94
	Current service cost	**25.88**	32.35
	Interest cost	**44.07**	52.40
	Actuarial (gains) /losses	**192.65**	(84.55)
	Benefits paid	**(152.25)**	(104.26)
	Present value of defined benefit obligation as at the end of the year	**661.23**	550.88
D)	**Change in fair value of plan assets during the year ended March 31, 2016**		
	Plan assets at the beginning of the year	**508.56**	562.06
	Expected return on plan assets	**32.67**	47.51
	Actuarial gains /(losses)	**-**	-
	Contributions by employer	**28.03**	3.25
	Benefits paid	**(152.25)**	(104.26)
	Plan assets at the end of the year	**417.01**	508.56
E)	**Principal actuarial assumptions as at March 31, 2016**		
	Discount rate	**8.0%**	8.0%
	Expected return on plan assets	**8.35%**	9.00%
	Salary escalation	**5.0%**	5.0%
	Attrition	**10.0%**	10.00%
	Mortality Table - LIC (2006-08) Ultimate Mortality Table.		

F) Basis used to determine expected rate of return.

The information on major categories of plan assets and expected return on each class of plan assets have not been furnished in the absence of necessary information from Life Insurance Corporation of India.

G) Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions and other factors.

H) In the absence of relevant information from the actuary, the above details do not include the experience adjustment in respect of actuarial losses/gains.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March 2016

39. The Company operates in only one segment, namely, Industrial Intermediate Chemicals.

There are no secondary segments & hence, no disclosure is given.

40. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars				
Name of the entity in the	**Net assets, i.e., total assets minus total liabilities**		**Share of profit or loss**	
	As % of consolidated net assets	**Amount in lacs**	**As % of consolidated profit or loss**	**Amount in lacs**
Parent **Tamilnadu Petroproducts Limited**	67%	20,257	103%	3,815
Subsidiaries				
- Foreign				
1 Certus Investments and Trading Limited, Mauritius	30%	9,072	8%	301
2 Certus Investments and Trading Limited, Singapore	3%	899	2%	62
3 Proteus Petrochemicals Private Limited	0%	7	-13%	(488)

41. Operating Leases

The property given under operating leases :

	Year ended 31st March, 2016 (Rs. in Lakhs)	Year ended March 31,2015 (Rs. in Lakhs)
Gross carrying amount of building	**-**	1,117.61
Accumulated depreciation	**-**	239.82
Depreciation for the year	**9.79**	19.53
Future minimum lease payments under non- cancellable operating leases		
Particulars		
Not later than 1 year	**-**	47.43
Later than 1 year and not later than 5 years	**-**	-

42. During December 2015 and January 2016, the operations of the Company was significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and LAB and HCD Plants were shut down for 55 days and 44 days respectively. An ad hoc advance of Rs. 2,100 lakhs was received during the year and the final assessment is pending. The claim will be recorded in the books upon completion of assessment by the Insurance company.

43. The performance of Chlor Alkali Division (CAD) tapered considerably due to various extraneous factors since 2012. Though the demand for Caustic soda, the main product of the division has been constant, the profitability was greatly affected consequent to high cost of power and salt, the main raw materials. The management has been taking necessary steps to reduce the high cost of power. Based on the estimated future revenues that would be generated by CAD and also based on valuation of the Plant by an Independent Chartered Engineers in the previous year, the management has assessed and concluded that the recoverable value, as defined in the Accounting Standard 28, of the Plant is higher than the carrying value of Rs.4,752.23 lakhs (excluding land cost) as on the balance sheet date and hence no provision for impairment is considered necessary.

44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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 ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

S. No	Particulars	Name of the Subsidiaries					
		Certus Investments and Trading Limited (M)		Certus Investments and Trading (S) Private Limited		Proteus Petrochemical Private Limited	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2016		31st March 2016		31st March 2016	
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD		USD		USD	
		INR in Lakhs*	USD in Mio.	INR in Lakhs*	USD in Mio.	INR in Lakhs*	USD in Mio.
3	Share capital	13,529.63	20.42	1,242.60	1.88	198.78	0.30
4	Reserves & surplus	(3,213.23)	(4.85)	(332.40)	(.50)	(192.19)	(0.29)
5	Total assets	10,330.55	15.59	924.81	1.40	410.89	0.62
6	Total Liabilities	10,330.55	15.59	924.81	1.40	410.89	0.62
7	Investments	1,242.60	1.88	-	-	-	-
8	Turnover (inc other income)	21.33	0.03	32.33	0.05	-	-
9	Profit (Loss) before tax	(740.57)	(1.12)	2.60	-	3,188.10	4.81
10	Provision for taxation/Tax Expense	-	-	2.51	-	-	-
11	Profit (Loss) after tax	(740.57)	(1.12)	0.09	-	-	-
12	Proposed Dividend	-	-	-	-	-	-
13	% of shareholding	100%	-	100%	-	100%	-

* Translated at exchange rate prevailing as on 31st March 2016

1 USD = Rs. 66.26

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.
   -Nil-

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

-NIL-

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

KT Vijayagopal
Wholetime Director (Finance) & CFO
DIN: 02341353

D Senthikumar
Wholetime Director (Operations)
DIN: 00202578

Bhavani Balasubramanian
Partner

TK Arun
Director
DIN: 02163427

R Deepti
Company Secretary
M. No.: A35488

Place : Chennai
Date : 30th May, 2016

FINANCIAL HIGHLIGHTS

(Rs. in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Share Capital	89.97	89.97	89.97	89.97	**89.97**
Reserves & Surplus	306.45	255.70	218.19	151.01	**189.16**
Networth	376.16	325.61	288.30	221.12	**259.27**
Return on Capital Employed	9.21	(9.94)	(3.13)	(13.29)	**(1.77)**
Fixed Assets (net)	355.63	328.95	302.25	264.54	**233.34**
Sales	1259.82	1286.96	1063.94	961.43	**700.63**
Gross Profit/(Loss)	75.30	(0.34)	7.09	(17.55)	**12.76**
Interest/Finance Charges	31.66	31.83	32.27	19.57	**14.74**
Depreciation	37.19	38.62	30.43	20.60	**17.58**
Current Tax	3.91	-	-	-	**-**
Deferred Tax	(3.40)	(21.97)	(18.30)	(18.32)	**-**
Net Profit/(Loss)	5.94	(50.56)	(37.30)	(53.07)	**38.15**
Dividend (incl.Tax)	5.23	-	-	-	**-**
Dividend %	5.00	-	-	-	**-**
Earnings Per Share (Rs.)	0.66	(5.62)	(4.15)	(5.90)	**4.24**

TAMILNADU PETROPRODUCTS LIMITED

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