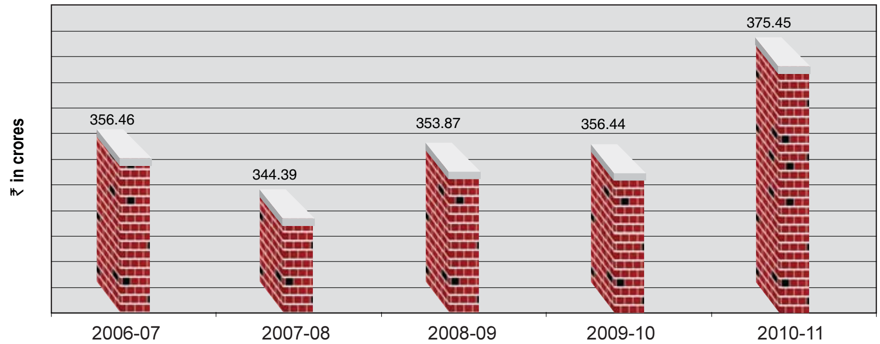
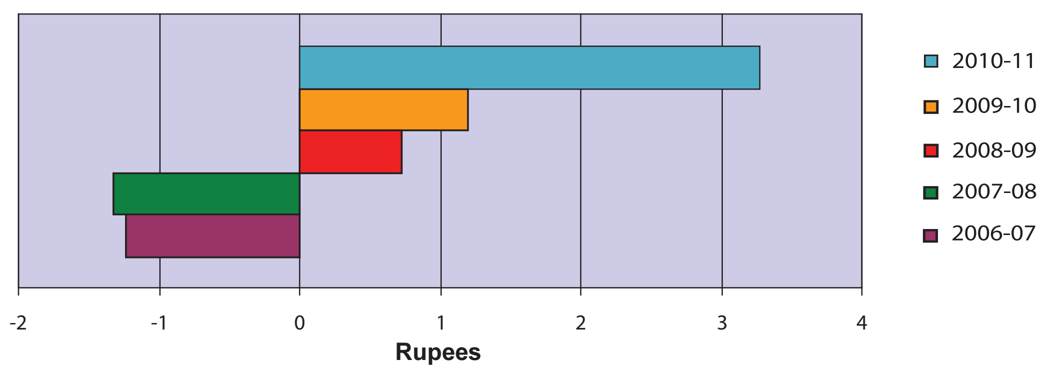
Tamilnadu Petroproducts Limited

26th ANNUAL REPORT
2010 - 11

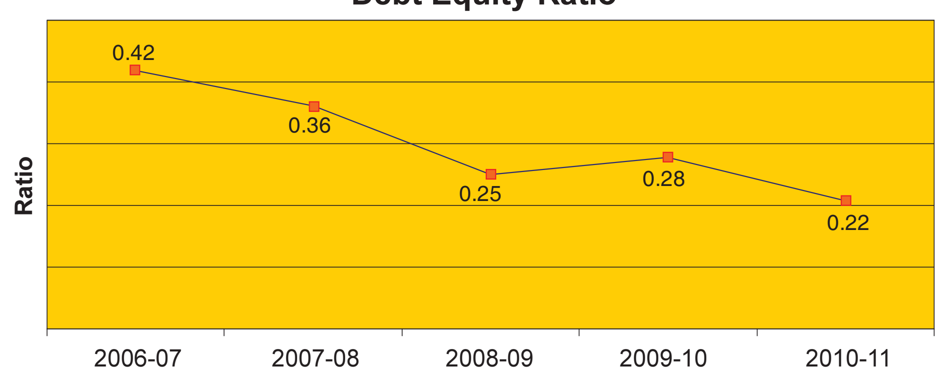
Networth



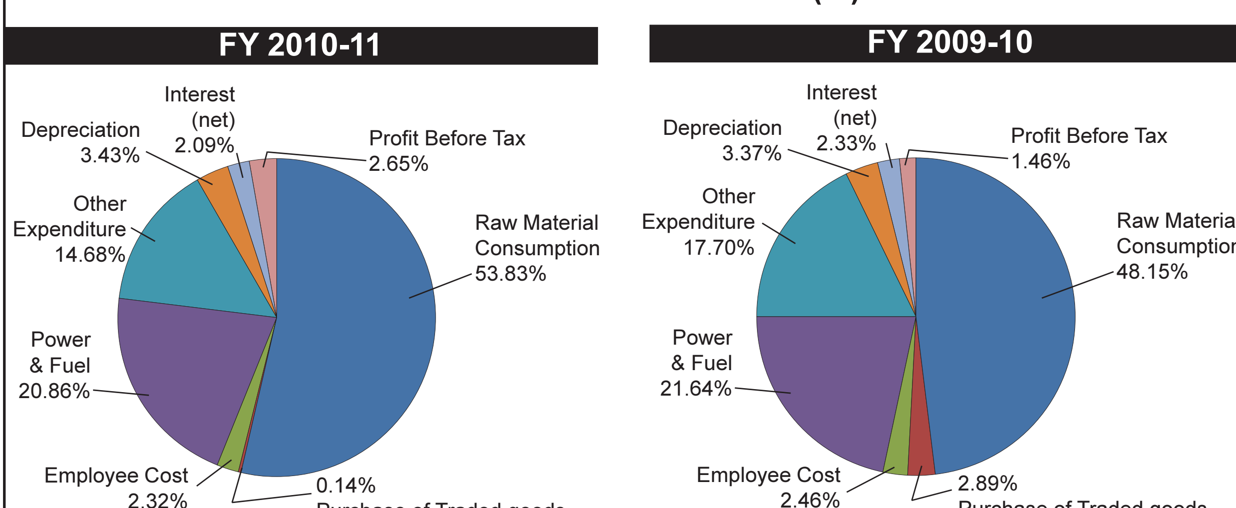
Earnings Per Share



Debt Equity Ratio



Cost and Profit to Revenue (%)



TPL

BOARD OF DIRECTORS

(As on 29th July 2011)

Dr. N. SUNDARADEVAN, IAS	Chairman
Dr. A.C. MUTHIAH	Vice Chairman
T.K. ARUN	Director
R. KARTHIKEYAN	Director
ASHWIN C. MUTHIAH	Director
C. RAMACHANDRAN	Director
DHANANJAY N. MUNGALE	Director
N.R. KRISHNAN	Director
Dr. K.U. MADA	Director
V. RAMANI (Whole-time Director)	Director & Chief Financial Officer
RM. MUTHUKARUPPAN (Whole-time Director)	Managing Director

AUDIT COMMITTEE

C. RAMACHANDRAN	Chairman
T.K. ARUN	Member
N.R. KRISHNAN	Member
Dr. K.U. MADA	Member

M.B. GANESH	Secretary

REGISTERED OFFICE & FACTORY

Manali Express Highway, Manali,
Chennai - 600 068
Tel : 25941501 - 10 Fax : 25941139
Website : www.tnpetro.com

CORPORATE OFFICE

"TPL House", 3rd Floor,
No. 3, Cenotaph Road, Teynampet,
Chennai - 600 018.
Tel : 24311035 Fax : 24311033

STATUTORY AUDITORS

Deloitte Haskins & Sells
Chartered Accountants
Old No. 37, New No. 52, ASV N Ramana Towers,
Venkatanarayana Road, T. Nagar,
Chennai - 600 017.

LEGAL ADVISOR

T. Raghavan
New No. 47, Old No. 25, T.T.K. Road,
Alwarpet, Chennai - 600 018

REGIONAL OFFICE

C/o. SPIC Limited,
1201, 12th Floor,
16, Vikram Tower, Rajendra Place,
New Delhi - 110 008.
Tel : 011-25868018 Fax : 011-25868019

BANKERS

IDBI Bank Ltd.
Axis Bank Ltd.
IndusInd Bank Ltd.
State Bank of India
State Bank of Bikaner & Jaipur
State Bank of Patiala
Federal Bank Ltd.

SECRETARIAL DEPARTMENT

Manali Express Highway,
Manali, Chennai - 600 068.
Tel : 25940761 (Direct) : 25941501-10 Ext. : 2388

REGISTRAR & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
"Subramanian Building",
1, Club House Road, Chennai - 600 002.
Tel : 28460084 / 28460395 Fax : 28460129

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TPL

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Share Capital	89.97	89.97	89.97	89.97	**89.97**
Reserves & Surplus	287.75	275.48	281.83	287.13	**305.94**
Networth	356.46	344.39	353.87	356.44	**375.45**
ROCE (%)	1.76	1.12	5.99	7.61	**11.37**
Fixed Assets (net)	479.61	449.65	369.09	388.31	**354.75**
Sales / Other Income	837.51	802.41	955.08	914.03	**1,086.89**
Gross Profit	42.58	38.38	60.17	65.44	**68.27**
Interest / Finance Charges	24.74	23.94	25.68	21.29	**23.13**
Depreciation	33.12	32.82	32.58	30.82	**37.99**
Current Tax	0.16	0.15	0.15	1.59	**5.03**
Deferred Tax	(4.37)	(6.63)	(4.78)	0.97	**(5.12)**
Net Profit /(Loss)	(11.06)	(11.91)	6.54	10.77	**29.47**
Dividend (incl.Tax)	-	-	-	5.26	**10.46**
Dividend (%)	-	-	-	5.00	**10.00***
Earnings Per Share (₹)	(1.23)	(1.32)	0.73	1.20	**3.28**

* Subject to approval of Shareholders at the 26th AGM.

NOTICE FOR THE TWENTY SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held at 10.25 a.m. on Friday, the 16th September 2011 at Tamil Isai Sangam, Rajah Annamalai Hall, Esplanade, Chennai - 600 108 to transact the following business:

Ordinary Business

1. To receive and adopt the audited Balance Sheet as at 31st March 2011 and Profit and Loss Account of the Company for the year ended 31st March 2011 and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Thiru C. Ramachandran, who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in place of Dr. K.U. Mada, who retires by rotation and being eligible offers himself for re-election.
5. To appoint a Director in place of Thiru R Karthikeyan, who retires by rotation and being eligible offers himself for re-election.
6. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S), the retiring Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office until the conclusion of the 27th Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors of the Company."

Special Business

7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 , to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situate both present and future (except for the exclusive mortgage of a specified property by way of deposit of title deeds to Housing Development Finance Corporation Limited) and the whole of the undertaking of the Company, to or in favour of IDBI Bank Ltd, (IDBI Bank), Axis Bank Limited (ABL) and IndusInd Bank Ltd., (IIBL) respectively to secure

   a) additional working capital facility of Rs.2,500 lacs lent and advanced by IDBI Bank
   b) additional working capital facility of Rs.2,000 lacs lent and advanced by ABL
   c) additional working capital facility of Rs.750 lacs lent and advanced by IIBL

   together with interest thereon at the respective agreed rates, interest, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges and expenses and other monies payable by the Company to IDBI Bank, ABL and IIBL under the respective Heads of Agreements/Loan Agreements/Letters of Sanction/ Memorandum of Terms and Conditions entered into/ to be entered into by the Company in respect of the said additional working capital facilities."

   "RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to finalise with IDBI Bank Ltd., Axis Bank Ltd., and IndusInd Bank Ltd., the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

By order of the Board
for TAMILNADU PETROPRODUCTS LIMITED

Regd.Office
Manali Express Highway
Manali, Chennai-600 068
29th July, 2011

M B GANESH
Secretary

Notes :

a) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and on a poll to vote instead of himself and a proxy need not be a Member of the Company. The proxy form attached must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting, in default, the instrument of proxy shall not be treated as valid.

b) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Resolution set out against Item No. 7 of the Notice is annexed hereto.

c) The Register of Members and the Share Transfer Books of the Company will remain closed from 30th August 2011 to 16th September 2011 (both days inclusive).

d) Members are requested to notify immediately any change in their address to the Company/Share Transfer Agents if shares are held in physical mode and to the Depository Participants if shares are held in electronic mode.

e) Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting will be paid to those Shareholders whose names appear in the Register of Members on 16th September 2011.

f) Claims on unclaimed dividend, if any, for the financial years 2004-05, 2005-06 and 2009-10 shall be made to the Company or Share Transfer Agents. The Shareholders may kindly note that the amounts in the unpaid dividend account relating to the financial year 2003-04 is due for transfer to “Investor Education and Protection Fund” established by the Central Government under Section 205C of the Companies Act, 1956, during September 2011 after which no claims will be permitted by Central Government.

g) Members / Proxies should bring the Attendance slip duly filled in for attending the Meeting.

h) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays, Sundays and holidays between 8.15 A.M. to 5.00 P.M. upto the date of the Annual General Meeting.

i) The Company’s equity shares are listed at Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees to BSE and NSE for the financial year 2011-12.

j) ***Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.***

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.7 of the Notice

IDBI Bank Ltd, (IDBI Bank), Axis Bank Limited (ABL), and IndusInd Bank Ltd., (IIBL) have sanctioned additional Working Capital facilities of Rs. 2,500 lacs, Rs.2,000 lacs and Rs.750 lacs respectively to the Company. One of the conditions stipulated for availing the said financial assistance is to secure the loan by a mortgage/charge on all the immovable and movable properties of the Company both present and future ranking pari passu with the charges created and/or to be created in favour of the existing charge holders, subject to the exclusive mortgage of a specified property by way of deposit of title deeds to Housing Development Finance Corporation Limited.

Pursuant to Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a public company shall not, without the consent of shareholders in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking.

Since your Company is mortgaging/charging its moveable and immovable properties as security in favour of IDBI Bank, ABL and IIBL, approval of shareholders under Section 293(1)(a) of the Companies Act, 1956, for creation of such mortgages / changes in favour of the abovesaid banks is required.

Hence, the proposed resolution.

None of the Directors is interested in the resolution.

By order of the Board
for TAMILNADU PETROPRODUCTS LIMITED

Chennai - 600 068
29th July, 2011

M B GANESH
Secretary

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT ABOUT THE PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED AT THE 26TH AGM.

Item No. 3, 4 & 5 of the Notice

	Item No. 3	**Item No. 4**	**Item No. 5**
Name of the Directors (Tvl.)	C. Ramachandran	Dr. K.U. Mada	R. Karthikeyan
Age	72	77	33
Qualification	M.A., M.P.A. (Master of Public Administration)	B.A. (Hon), M.A. (Eco), Ph.D. (Eco) & Cert. in Financial Management - Bombay University	B.E. (Mech.) MBA
Expertise	Retired Member of Indian Administrative Service. Management & Public Administration	Formerly Faculty Member - Bombay University, Member of Board of Governors, Management Development Institute, Executive Director, IDBI and acting Chairman & MD of Industrial Reconstruction Bank of India and presently Director in number of companies.	Experience in preparation of Project reports, project appraisal and promotion/monitoring the implementation of the projects. Also serving as Nominee Director in various joint venture companies promoted and assisted by TIDCO. Facilitated investments in specialized infrastructure projects in Tamilnadu throught joint ventures of TIDCO.
No. of shares held	Nil	3,500	Nil
Other Directorships	**Director :** Elnet Technologies Limited, Indian Green Grid Group Ltd. (Formerly ETL Infrastructure Services Limited), Elnet Software City Limited, Grand Luxe Hotels Ltd. (Formerly ETL Hospitality Services Limited), The Great Indian Linen & Textile Infrastructure Company P. Ltd., ETL Corporate Services P. Ltd., ETL Power Services Ltd., Appu Hotels Limited, Tulsian NEC Limited	**Director :** Hotel Leelaventure Ltd., Lupin Ltd., PCI Ltd.	**Director :** Tamilnadu Trade Promotion Organisation (See 25 Co), Sree Maruthi Marine Industries Ltd., Malladi Specialities Ltd., Ramanasekhar Steels Ltd., Great Sea Trawler Building Yard Mandapam Ltd., Suvarna Florex Ltd., Tanfac Industries Ltd., Tamilnadu Road Development Co. Ltd., IT Expressway Ltd., Jayamkondam Lignite Power Corpn. Ltd.
Committee Memberships Chairman (C) Member (M)	**Audit Commitee** Tamilnadu Petroproducts Ltd. (C), Elnet Technologies Ltd. (M), Indian Green Grid Group Ltd. (M), Grand Luxe Hotels Ltd., (M), Appu Hotels Ltd., (M) **Share Allotment Committee** Appu Hotels Ltd., (C) **Appointment & Remuneration Committee** Indian Green Grid Group Ltd., (M) **Remuneration Committee** Tamilnadu Petroproducts Ltd. (C), Appu Hotels Ltd., (M) **Share Transfer & Shareholders/ Investors Grievance Committee** Tamilnadu Petroproducts Ltd., (M), Elnet Technologies Ltd. (M)	**Audit Committee** Lupin Ltd. (C), Hotel Leeventure Ltd. (M), PCI Ltd. (M), Tamilnadu Petroproducts Ltd. (M) **Shareholders/Investor's Grievance Committee** Hotel Leeventure Ltd. (C), PCI Ltd. (C), Lupin Ltd. (M)	**Audit Committee** Tanfac Industries Ltd., (M), Ramanasekhar Steels Ltd., (M) **Shareholders/Investor's Grievance Committee** Tanfac Industries Ltd., (M)

TPL

DIRECTORS' REPORT

To

The Shareholders

Your Directors have pleasure in presenting the Twenty Sixth Annual Report on the business and operations of your Company and the audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

(₹ in crores)	2010-11	2009-10
Sales (Gross)	**1182.74**	973.49
Profit before Depreciation and Interest	**68.28**	65.44
Less: Interest and Financial charges	**23.13**	21.29
Profit after Interest	**45.15**	44.15
Less: Depreciation	**37.99**	30.82
Add: Exceptional Item	**22.22**	–
Profit before tax	**29.38**	13.33
Provision for tax	**-0.09**	2.56
Profit/(loss) after tax	**29.47**	10.77
Balance carried to Balance Sheet	**90.04**	71.02

FINANCIAL REVIEW

The company's debt equity ratio and Debt Service Coverage Ration DSCR as at 31st March, 2011 stands at 0.22 and 2.01 times respectively. Your Company continues to maintain the confidence of lenders as short term working capital requirements for enhanced additional production were fully met from the working capital lenders by first quarter of 2009-10. Further, improved rating of BBB determined by Credit Analysis and Research Limited (CARE) helped the company to negotiate interest rates with lenders. With repayment of long term debts, the company's debt profile is skewed towards short term lending. With the upswing in interest rates due to policy announcements of RBI, the interest rate saw upward swings from quarter to quarter during the financial year 2009-10. Despite these developments, the company by judiciously managing the working capital, could limit the interest cost with only a marginal increase. The cash chest built out of disinvestment of equity shares of Henkel India Limited augurs well for your company as it would help to leverage the availing of working capital limits during 2011-12.

DIVIDEND

Your company has achieved a net profit after tax of ₹ 29.47 crores for the year 2010-11 as against ₹ 10.77 crores during 2009-10. Considering the satisfactory financial health, availability of funds and with a view to reward the shareholders, the Board of Directors have pleasure in recommending payment of dividend of 10% (₹ 1/- per equity share) on the paid up equity share capital of your Company.

OPERATIONAL HIGHLIGHTS

Linear Alkyl Benzene (LAB)

The overall performance of LAB operations has surpassed that of the previous year with increased production and sales. The installation of new molecular sieves in the n-paraffin unit in January 2010 has yielded results improving the normal paraffin plant capacity utilization. LAB production during the year was higher at 98,682 MT.

The steady increase in crude prices during the year has not affected the performance much. Your Company still derives energy conservation benefits year after year through advanced process controls and other stringent measures. During the year, your Company has taken up revamp of the pre-fractionation unit, to be followed by the revamp of the balance section of the n-paraffin unit. This will help to increase further the n-paraffin capacity in the years to come. New markets are being identified for increasing the sales volume.

Among the Indian Companies, your Company continued to be the leader in meeting the domestic supplies of LAB to leading international detergent manufacturers like Henkel AG & Co., KGaA, Germany and Procter & Gamble.

Epichlorohydrin (ECH)

The performance of ECH plant was profitable with improved production and sales. The capacity utilization of the plant was 80%. The higher sales volume compared to the previous year was due to higher off-take in India. The margins improved in line with the price trend in international market. The international price trend seems to be moving north due to shut down of plants in Japan and reduced availability of products from Russia. Margins could have been better but for the high price of propylene and cost of power. Although the low duty on imports continues to be a major deterrent, M/s. Petro Araldite Private Ltd., the Joint Venture Company is relying on your Company for its ECH requirements.

Caustic Soda / Chlor Alkali

The performance of the Chlor Alkali division, in terms of production and sales, was maintained in 2010-11 as well. Profitability was, however, greatly affected due to non-availability of industrial grade salt resulting in higher prices, power cuts /restrictions on usage of power by TNEB leading to higher reliance on captive power based on fuel oil with higher attendant costs. The increased cost of production could not be passed on to the consumer due to surplus supply and stiff competition.

SAFETY, HEALTH & ENVIRONMENT

Strict safety standards, on site and off site required to protect the employees, plant and machinery and the environment were maintained. The Company won safety awards for safe operation of the plants. Safe days of operation reckoned as per safety practices achieved in LAB, ECH and Chlor-alkali plants as on 31st March 2011 stood at 31, 1403 and 498 respectively. Health of the employees is given utmost attention. As a contribution to the cause of environment and service to the society your Company undertook a tree plantation programme in a school in Manali.

RESEARCH & DEVELOPMENT

Research and development was given due importance to improve the quality of the products. Process improvements to achieve better specific consumptions and superior quality were the areas of concentration. Studies relating to the improvement of environmental performance of the organization were carried out. In the ECH plant, studies aimed at improving the quality of side stream products and converting them into value added products was carried out.

SUBSIDIARIES

SPIC Electric Power Corporation Private Ltd. (SEPC)

Project related activities to develop the 525 MW Thermal Power plant at Tuticorin are fast progressing. The investor company, Trinity Infraventure Limited, has been infusing funds and has contributed ₹1191.45 lakhs so far. Tuticorin Port Trust (presently known as "VO Chidambaranar Port Trust") have communicated to SEPC that the Ministry of Shipping, Government of India have approved the proposal of allocation of alternate land for the project. Action has been initiated to take possession of the land. Environmental clearance from the Ministry of Environment and Forests has been obtained for the project. SEPC filed a Petition during April 2010 before the Hon'ble Tamil Nadu Electricity Regulatory Commission (TNERC) seeking its direction to pass an order directing the Tamil Nadu Electricity Board (TNEB) to act in accordance with the terms contained in the already concluded PPA (Power Purchase Agreement) with SEPC. Hearing is over and final orders are reserved in the matter. SEPC has filed an application for financial assistance which is under consideration.

Certus Investment and Trading Ltd., and its Wholly owned Subsidiaries

With the objective of setting up LAB and NP projects in regions with encouraging demand potential viz., Middle East and South East Asia, your Company established M/s. Certus Investment and Trading Ltd. (CITL) Mauritius as a Wholly Owned Subsidiary Company (WOS) of TPL to serve as a Special Purpose Vehicle (SPV).

M/s CITL in partnership with M/s. Saudi Offset Limited Partnership (SOLP) established a Company viz., M/s Gulf Petroproduct Co., EC (GPC) to set up a LAB project in the Middle East.

Pre-project activities for setting up the LAB unit are in the final stage. Steps are afoot to enter into a firm feedstock supply agreement with a Qatar based supplier who proposes to supply the feedstock, n-paraffin, from its gas to liquid plant. The gas to liquid plant is in the final stage of completion. The project will pick up momentum once the feedstock supply agreement is firmed up.

Proteus Petrochemicals Private Ltd.

CITL has set up a subsidiary, M/s.Proteus Petrochemicals Private Ltd., as the Project Company 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 plant capacity is 125000 MTs per annum. CITL has proposed to invest 28% of the equity with the balance equity contribution being met by a foreign Investor and the Singapore Economic Development Board.

During the year under review, M/s.Proteus Petrochemicals Private Limited has recorded significant progress in its project activities. The Basic Engineering Agreement with UOP has been signed and the kick off meeting took place during December 2010. LOI on a lump sum fixed price basis was given to Mitsubishi Kakoki Kaisha Ltd. (a subsidiary of Mitsubishi Heavy Industries) for Engineering, Procurement and Design with completion and process guarantees. A definitive agreement is expected to be signed by July 2011. Financial closure is expected by May 2011 and commencement of commercial production by November 2012.

A statement pursuant to Section 212 of the Companies Act, 1956, giving information on the subsidiary companies is attached hereto.The consolidated financial statements presented by your Company include the financial information of its subsidiaries, as required under Accounting Standard AS-21, issued by the Institute of Chartered Accountants of India.

In terms of the exemption granted to your Company by the Central Government under Section 212(8) of the Companies, Act, 1956, copies of the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies that are required to be attached to the Balance Sheet of your Company have not been attached. The Annual Accounts of the subsidiary will be made available to the shareholders and the subsidiary company investors who seek such information. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the Registered Office of TPL and of the subsidiary company concerned.

STATUS OF ACTIVE INVESTMENTS

Henkel India Limited (HIL)

Henkel India Limited achieved a turnover of ₹ 553 crores for the year ending 31st December 2010 compared to

₹ 592 crores in the previous year with Profit (before exceptional items) of ₹ 51.80 crores as against a Profit of ₹ 57.60 crores in the previous year.

Your Company has been looking for an opportunity to disinvest its equity holdings in HIL as part of its business restructuring. M/s. Jyothy Laboratories Ltd., Mumbai (JLL), a leading FMCG player in the country, with presence in detergent for fabric care and dish-wash categories and in household insecticides evinced interest in purchasing the equity shares of HIL held by TPL. After mutual discussions JLL offered to buy 14.90% of the equity share capital of HIL and the sale was completed on 16th March 2011. Subsequently, both Henkel AG & Co., KGaA, Germany and your Company mutually agreed to terminate the Shareholders' Agreement entered into between them with no further liability or claim against each other. An understanding to this effect was signed on 6th April 2011.

Petro Araldite Pvt. Ltd. (PAPL)

In 2010-11 PAPL produced a total of 30,536 MT comprised of basic liquid resin, solid resin and formulated products. Sales during the year were ₹ 327.80 crores compared to ₹ 270.15 crores during the previous year. Total exports during the period were 3478 MTs compared to 3768 MT during the same period of last year.During the financial year 2010-11, PAPL earned a net profit of ₹ 14.22 crores (unaudited) as against ₹ 13.53 crores during the previous year. PAPL declared a dividend of 10% on the paid up equity share capital for the year 2009-10 and your Company received a dividend of ₹136.80 lacs on its equity investment.

EMPLOYEES

The Management strongly believes that the strength of the Company lies in the morale, loyalty, knowledge and ability of its employees. The Company has been practising multiple HR initiatives such as recognition of good performance, empowerment, personality development, decentralization and delegation of powers and authority among other things to retain talent and to nurture it. A balanced and judicious staffing system has been adopted by the Company wherein fresh talent has been made to engage with age and experience.

The effective communication system prevalent in the company facilitates employees positioned at various levels and in various functional areas to weave into large vibrant cohesive team. Regular flow of upward communication to the top Management by way of MIS from various functions and perculation of Management messages, corporate goals and objectives of the Company to the junior most team member contributes, to a great extent, to the efficiency of the employees.

To improve manpower efficiency further, a scientific system of performance planning and review system has been established. This brings about a healthy competition among the employees by motivating them through rewards linked with progressions / promotions based on performance scores. The Company has introduced a scheme titled "Best Employee of the Quarter" in each unit viz. LAB/ECH and HCD every quarter and a suitable reward is given to the chosen employee along with the title of "The Best Employee of the Quarter".

Training Needs of employees have been identified at regular intervals through performance appraisal systems and necessary training is imparted through in-house and external programmes. Apart from routine job related training, special programmes for personality development and leadership skills are organized to enhance the administrative capabilities of employees.

The Company's HR Management systems and procedures are constantly benchmarked with an eye on excellence and to take care of internal and external challenges in the rapidly changing business scenario.

Wage settlement with employees of LAB/ECH and HCD are pending from 1.1.2005 and 1.7.2005 respectively. The disputes have been referred to the Industrial Tribunal. An Award was passed by the Industrial Tribunal for employees of LAB / ECH divisions. Management has challenged the Award in the Madras High Court and a stay has been granted with the condition to match the salary of unsigned employees, as per Section 18(1) settlement, and deposit 50% of amount payable as per the Industrial Tribunal award with the High Court . The Management has duly complied with the order of the High Court and the main case is pending. In respect of employees of HCD, the matter is pending before the Industrial Tribunal.

During the year, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under Section 217(2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of Employees) Rules, 1975 does not arise.

DIRECTORS

The changes that had occurred in the composition of the Board of Directors from the date of last Directors' Report are given below:

The Board of Directors

a) on 29th July 2011 recorded the withdrawal by TIDCO of the nomination of Thiru Rajeev Ranjan, IAS, as Director and Chairman. On the same day, Dr. N. Sundaradevan, IAS, nominee of TIDCO was co-opted as Director not liable to retirement by rotation and appointed as Chairman in the place of Thiru Rajeev Ranjan, IAS.

b) on 29th July 2011 recorded the withdrawal by TIDCO of the nomination of Thiru Sunil Paliwal, IAS, as Director of the Company.

The Board of Directors wish to place on record their appreciation of the valuable services rendered by Thiru Rajeev Ranjan, IAS, as Director & Chairman and Thiru Sunil Paliwal, IAS as Director during their tenure.

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Tvl. C. Ramachandran, Dr. K.U. Mada and R. Karthikeyan shall retire by rotation and being eligible, offer themselves for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956 (the Act), your Directors hereby confirm that: -

(i) in preparing the Annual Accounts for the year ended 31st March 2011, all the applicable accounting standards have been followed;

(ii) accounting policies were adopted and applied consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the profit or loss of the Company for year ended on that date;

(iii) proper and sufficient care for the maintenance of adequate accounting records have been taken in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities; and

(iv) the Annual Accounts have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Report on Corporate Governance with Auditors' Certificate on compliance with the conditions of Corporate Governance and a Management Discussion and Analysis Report have been attached to form part of the Annual Report.

AUDITORS

M/s. Deloitte Haskins & Sells, appointed as Statutory Auditors at the 25th Annual General Meeting held on 11th August 2010, retire at the conclusion of the Twenty Sixth Annual General Meeting and are eligible for re-appointment.

With reference to the comments contained in the Auditors' Report pertaining to the Assets held by the Company amounting to ₹ 2,123.63 lacs and expected to be transferred to the proposed overseas project, the Board of Directors wish to state that the Company is confident that the assets which are in the form of equipment and drawings for paraffin production can be transferred to its overseas project at a value not less than their cost as explained in Note No.19 of Notes to the Accounts.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, are attached to form part of the Report.

ACKNOWLEDGEMENT

The Management is grateful to the Government of India, the Government of Tamilnadu, the Reserve Bank of India, financial institutions, banks, other lending institutions, insurance companies, promoters, shareholders, technology suppliers, raw material suppliers, valued customers, joint venture partners, statutory auditors, contractors, marketing agents and vendors for their continued support and co-operation.

The Directors also wish to place on record their appreciation of the persistent efforts, involvement and contribution of all the employees which have been instrumental for the improved performance.

For and on behalf of the Board of Directors

29th July, 2011 Dr. N. SUNDARADEVAN
Chennai – 600 068 Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

Tamilnadu Petroproducts Limited (TPL) is manufacturing and marketing Petrochemicals viz. Linear Alkyl Benzene (LAB), Epichlorohydrin (ECH) and Chemical intermediates-Caustic Soda and Chlorine. These are basic products used as raw materials in industries involved in manufacture of detergents and cleaning agents, lubricants, epoxy resins, pharmaceuticals and textiles. Chlorine is also used in bleaching and water treatment applications.

LINEAR ALKYL BENZENE (LAB)

LAB is the leading surfactant used in the formulation of synthetic detergents. LAB business in the country continues to be competitive due to adequacy of internal supply and continuous increase in imports. However, the LAB market has witnessed some reasonable increase in demand due to the improved consumption pattern of detergents. The fact of the prices of alternatives for LAB like detergent alcohols ruling high, has made them unviable for detergent formulations. This is a positive sign for the growth of demand for LAB.

The instability in the Middle East countries has created a spurt in crude oil prices and a consequential increase of raw material prices for LAB. We are able to sustain our business mainly because of the methodology of product pricing being linked to raw material prices. We have been trying to reduce our input costs continuously by innovative supply chain management.

EPICHLOROHYDRIN (ECH)

ECH is a speciality petrochemical used in the Resin industry for manufacture of corrosion prevention products, in the pharma industry and in speciality applications in certain industries like Aircraft production, Wind electric generators, Electronic PCB manufacturing etc. Your Company is the only manufacturer of ECH in India. The demand for this product from major consumers, namely Resin manufacturers (both liquid and solid resins and formulations for specialized end use), remained steady throughout the year. Continued awareness of corrosion prevention, greater stress on infrastructural development and life style changes in the country, at large have accounted for the increase in demand. The capacity of your plant being less as compared to the domestic demand of ECH has led to import of this key raw material from countries like China, Europe and Russia.

The anomaly of inverted duty structure on final products still continues despite persistent representations to the Government. The inverted duty structure facilitates consumers to import the end product for their speciality manufacturing at competitive prices rather than sourcing ECH indigenously. The price of the key raw material for the manufacture of ECH, namely propylene, has been moving in tandem with crude prices as propylene is a derivate of crude. Hence there had been a lead and lag in product pricing in respect of ECH.

Supply of ECH to M/s. Petro Araldite Private Limited, the joint venture company, continued through out the year.

CAUSTIC SODA / CHLOR ALKALI

Caustic Soda is mainly used in the Textile Industry, Soaps and Detergents Industry, Aluminium Smelting, Paper and Pulp Industry. The over-supply situation of caustic soda in the country has exercised an adverse pressure on finished goods pricing contributing to negative margins. Depressed market conditions that prevailed during a major part of the year caused a loss in this business.

The Caustic Chlor industry in India accounts for almost 70% of total production of basic chemicals in India. Your Company's production for the period, April'10 to March'11, showed a marginal growth of 1.81% as compared to the corresponding period of earlier year. The growth in demand of this sector till Dec'10, according to Ministry of Chemicals and Petrochemicals was 1.43%. The sluggish growth in demand and excess availability of product has driven the price southwards. Overall demand for Caustic soda is crucially linked to the end-use segments and direct import by such end-users is also a key factor for depressed domestic pricing. Hence, as and when the international prices stabilize, the domestic prices are expected to show a sympathetic trend.

The continued consumption of Chlorine – the Co-product in the manufacture of Caustic Soda - at our Epichlorohydrin plant and by an adjacent industry in Manali is a welcome feature for your Company.

THREATS AND OPPORTUNITIES

Linear Alkyl Benzene

Imports from Middle East countries continue to pose a threat to indigenous LAB manufacturers. Further, the proposed increase in LAB capacity by manufacturers in the Middle East region is an indicator of likely increased LAB imports into India. This will squeeze our margins further. Due to continued civilian unrest in the Middle East and the natural calamity in Japan leading to closure of nuclear power plants and consequent demand for oil for power generation, crude prices are likely to rule high. The high Crude price scenario may force leading MNC consumers of LAB to turn to alternatives which they attempted to use when crude prices hit the peak of USD 147 per bbl during 2008.

The increase in detergent consumption in India was the real driving force behind the growth of LAB business in India. Tapping the potential this year, the MNC consumers have targeted their segments and would then cater with products. Being a preferred supplier to such MNCs, we should be successful in harnessing the market potential and increasing our sales.

Our proximity to the south Indian market has always been an advantage in terms of generating sales and prompt supply.

Epichlorohydrin

Dumping of supplies into India by overseas competitors having higher plant capacities than your Company and by the emerging new plants in Asia are potential threats to our business. Their strength lies in competitive sourcing of raw materials, coupled with competitive alternate cutting edge technologies for production of ECH. Prices of petroleum based raw materials supplied by PSU companies in India being governed by the Administered Pricing mechanism and high energy costs have acted as major deterrents in the local manufacture of ECH . In addition, there is information of a new ECH plant being considered for establishment in Western India. While that project is yet to take shape, it may pose competition as and when it is setup and commissioned.

The key concern in the minds of all manufacturing companies is the high energy prices. Never in the recent past had the Fuel oil price for energy production ruled at such high levels for long periods. The recent natural calamity in Japan affecting nuclear power generation has resulted in a surge in demand for refinery products for oil based power generation.

Unless the anomaly of inverted duty structure of end products is addressed, domestic ECH supplies to end consumers cannot remain competitive. Small and medium entrepreneurs prefer to import the Basic Liquid Resin (BLR) to make value addition at their end by way of solid resins or specialty formulations.

On the opportunity front, the ECH industry, as a whole, is looking up with increased and sustained demand. Internationally, supply is restricted due to the shutdown of high capacity plants in Japan and Russia. With the thrust given to infrastructure development in India and the growing awareness in industry to fight corrosion at the design and construction stages, the demand for ECH is expected to increase. With the abolition of ECH export tax rebates and the ban on the processing trade of propylene based ECH, China's ECH market has grown only slowly. This is indeed an opportunity for your Company to increase the domestic market share after meeting the requirement of M/s.Petro Araldite. With the growth in demand, shutdown of major capacities in Japan and Russia, the price of ECH is looking up internationally and hence the price situation in the domestic market is expected to be healthier.

Caustic Soda / Chlor Alkali

The Caustic industry in India is suffering due to over capacity. Added to the over capacity, the industry in the State of Tamilnadu in particular, is facing consistent power cut and poor quality power supply resulting in frequent trip outs and Shut downs.

Salt prices have gone up to unprecedented levels due to unseasonal rains, fall in productivity due to non-mechanization of salt manufacturing units and continued exports.

The rise in prices of key inputs viz., power and salt, has put the Caustic and Chlorine industry in Tamilnadu under pressure resulting in negative margins.

With the recent natural calamity in Japan, the global Caustic industry scenario is undergoing a change. Power intensive industries in Japan are advised to shut down to reduce the power drawl from the grid. This has given an opportunity to Caustic industry elsewhere to get better prices. The requirement of Caustic Soda for major Alumina producers in Australia which until recently was served by Japan is currently fed by imports from other countries. This has resulted in an increase in international prices of Caustic & Chlorine.

Due to the increase in international prices, it is expected that imports into India will be reduced resulting in better prospects for your Company in meeting the domestic demand. The rise in domestic demand is also expected to sustain increased price levels. This scenario is likely to mark other co-products based on Caustic and Chlorine like Sodium Hypo and Hydrochloric acid.

RISKS & CONCERNS

Linear Alkyl Benzene

Our own risks have been largely reduced by increase in production which helped us to achieve the targeted sales and commitment made to customers.

The emergence of new capacities may shift the LAB demand across globe to higher levels of competition causing much concern to domestic manufacturers. Sustainability of sales at higher price levels of inputs will depend largely on high operational efficiency.

Maintaining the high value supplier status amongst customers would be the prime concern of your Company in the coming year.

Epichlorohydrin

The power cut announced in the state, poor quality of available power, increased price of Propylene fixed by the

Administered Pricing Mechanism and increase in fuel oil prices are posing constant risk for the company in its ECH production. The ECH plant, by itself, is prone to corrosion. Hence, the risk and concern for sustaining the plant production and performance at high levels is a continuing one for the Company.

A hidden risk is the emergence of new technologies in ECH production and their efficacy in triggering companies, to switch to them. The result would be expansion of ECH capacities abroad. As per market reports, one of China's Glycerol based ECH manufacturers is planning to expand his capacity to 60,000 MTPA. Such huge increases will give the producers greater flexibility and strength to switch supplies on their domestic markets to exports. Their target will naturally be Asia and in particular, India, as the demand here is high and growing.

The imports of Resin, the inverted duty structure for ECH, new plants with efficient and lower cost technologies, quantum increase in the variable cost of production in India are the risks which your Company would face in the future. Hence, the need for your Company to constantly rejig strategies.

Caustic Soda / Chlor Alkali

Irrespective of the pricing of the products, sustained high energy costs is a greater risk in the present context. Having produced the product at higher variable costs, failure to recover these costs, particularly in a possible global scenario of falling prices, is a foreseeable risk. Hence continued power cuts on HT consumers is a real high risk. Further, power cuts are accompanied by a reduction in quality of power. Power dips due to voltage reduction cause the plant to trip and a restart takes considerable time and results in loss of production.

A new emerging concern is the regulation by the Bureau of Energy Efficiency (BEE) to Perform, Achieve and Trade (PAT) Scheme, wherein the industry and specifically each unit or the designated consumer has to achieve the target reduction of specific power consumption within a given period. Details of the scheme are being worked out. However, the target for each unit will by itself will be a threat on the form of a penalty to be imposed. This threat, could however, be converted into a "positive stress" to achieve.

Continued imports, reduced consumption of products by major consumers, availability of alternate chemicals or technologies are some of the risks which this business is facing. The concern of availability of industrial grade salt is growing with every passing year. All these need to be addressed and morphed into challenges and opportunities.

OUTLOOK

Linear Alkyl Benzene

The growing Indian economy drives the consumption of LAB and hence the outlook for LAB remains positive in 2010-11 as well. Though elevated crude prices may pose a constraint in obtaining higher LAB sale figures, the higher disposable incomes of the population at large, should result in higher demand for lifestyle goods, housing detergents. The gradual increase in consumption of detergents ensures a sustainable positive growth for LAB business.

Epichlorohydrin

On balancing the threats, risks and concern with the opportunities for ECH business, the outlook for the coming year looks promising. The ability to place the entire production capacity of your company to PAPL and in the domestic market would provide the platform for better performance in the coming year. With the sourcing of raw materials having been streamlined within India assuring sustained supplies, the concern for raw materials has been met with. Higher plant performance assured by higher availability of equipment would result in higher production in the coming year. With increase in production, higher price for ECH, the outlook is purple and would shore up the income of the Company. With the infrastructure sector and Auto market showing impressive growth, the rising demand within India is certainly a positive factor to fetch a higher price for ECH.

Caustic Soda / Chlor Alkali

With the hardening trend of prices of Caustic lye, chlorine and associated products, the outlook looks better compared to last year. The emerging requirement of PAT (Perform, Achieve and Trade introduced by BEE) compels reduction of specific power consumption which would be, expectedly, the lowest ever in the history of the company.

The continued supply of Caustic lye and Chlorine to neighboring industries has given your company a greater marketing strength. Reliability of supplies being a key factor in such situations, your company has always utilized the available opportunities. The Company is also working on Coal based power plant as an alternative to the existing Fuel Oil based power to reduce power costs.

Overall, the coming year is expected to be better than the earlier year with a favourable market for your Company's products and with the greater commitment of the Management and employees at all levels.

FINANCE

The improved operating results of the Company for the year ending 31st March 2010 enabled the Company to secure a higher credit rating of BBB for the current term in place of the lower BBB minus held earlier. The Company continues to enjoy the support of lenders by meeting all debt servicing obligations in time and keeping them informed regularly at quarterly intervals on the progress in business operations. All these enable the company to secure additional working capital limits to the extent of ₹ 4500 lacs during the year under review. Apart from this, long term funds have also been mobilised to the tune of ₹ 968 lacs by securitising the rental receivables for the Corporate Office. The debt equity ratio as on 31st March 2011 stands at 0.21.

The Company, through disinvestment of its equity holdings in Henkel India Limited, was able to infuse funds into its operations and these funds were parked in working capital limits. The macro economic conditions and the policies pursued by the RBI pushed the interest cost northwards. However, the company had initiated various steps to contain the interest cost for the year leveraging its improved credit rating, better terms of interest negotiation with lenders, operating with structures of low interest cost products offered by Banks etc. A concern, however could be the volatility of rupee against dollar coupled with the increase in crude and its derivatives. The company is poised to improve its financial ratios significantly with overall targeted improvement in operations.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an adequate and effective internal control system monitored by the Internal Audit Department on a continuous basis. Audit Reports are submitted periodically to the Management and to the Audit Committee. The Audit Committee at its meetings, reviews the audit reports and the performance of the Company and provides guidance to the Management as well as to the Internal Audit Department.

The Managing Director and the Director & Chief Financial Officer are reviewing the business risks and the implementation status of mitigation plans with senior management personnel periodically at meetings convened by the Chief Risk Officer. In the light of a dynamic business environment, the Company is constantly reviewing the possible emergence of new risks. These initiatives have helped in taking timely preventive / remedial measures against threats to business that may impact stakeholders' expectation. Action taken is periodically reported to the Audit Committee.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONTS.

The manpower strength, as on 31st March 2011, was 597. The current situation of economic slow down has pushed the corporates across the world to defer their recruitment plans, downsize their manpower strength and trimming of pay bills. The higher rates of attrition that prevailed in the previous years have come down currently and your Company is successful in retaining talent. The company is poised to meet the manpower demand-supply pattern through strategic manpower planning.

With regard to the Wage Settlement pertaining to LAB/ ECH, the Industrial Tribunal gave an award, which was challenged by the Management in the Madras High Court. A stay has been granted. The main case is in the trial stage. With regard to Heavy Chemicals Division wage settlement, the case is in the Industrial Tribunal.

Despite the above developments, the Management is negotiating with both the Unions for a mutual settlement.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking" statements within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand / supply and price in the domestic and international markets, changes in the Government regulations, tax laws, statutes and other incidental factors.

Disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956 with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the period ended 31st March 2011.

CONSERVATION OF ENERGY

The following energy conservation measures were implemented in LAB/ECH/Chlor Alkali Division (CAD) plants.

LAB

Prefractionation Stripper Overhead Pumps (PM1102 A/B) internals were replaced to minimize the hydraulic losses and has resulted in the savings of around 98769 units/year of electrical energy.

Hydrogen augmentation compressor (KM-1404) motor is provided with VFD as part of energy saving and resulted in the savings of around 175200 units/year.

Fuel Oil Pump (PM1911B) motor has been replaced with low capacity (37 to 22kw). This resulted in savings of approximately 35040 units/year.

Lighting circuits were modified and doom lights were replaced with energy efficient CFL and resulted in savings of around 33719 units/year.

ECH

Energy efficient Lamps (35 Nos) has been installed in place of 250W sodium vapor lamps and the half yearly savings achieved is about 83 Units/day.

Timer for A/C's in ECH admin building implemented. This resulted in saving of approximately 205 units per day (for 6 months).

The higher capacity Fuel oil circulation pump was stopped and replaced with new low capacity pump. This resulted in savings of approximately 300 units/day (for 3 months).

CAD

In cooling Tower 1, the running two pumps having 110 KW+ 45 KW motor (1 No each), was replaced with 1 No. of 132 KW motor. This resulted in the savings of around 201480 KW/year.

In cooling Tower 2, the running two pumps having 110 KW motor (2 Nos.), was replaced with 1 No. of 132 KW motor. This resulted in savings of around 770880 KW/year.

Chlorine air compressor of low efficiency was replaced with new compressor and resulted in savings of around 98550 KW/Year.

Mercury Vapour lamps (15 Nos) of 160 W were replaced with 40 W LED bulbs and resulted in savings of around 7884 KW/Year.

FORM-A

Form for disclosure of particulars with respect to conservation of Energy

A. **Power and Fuel Oil consumption**	**Current year 2010-11**	Previous year 2009-10
1) Electricity		
a. Purchased power		
Units (in lakhs)	**901.60**	729.08
Variable cost (₹ in lakhs)	**3684.40**	2697.72
Total cost (₹ in lakhs)	**4311.80**	3152.22
Rate/Unit (₹)		
Units charges (₹ / Unit)**	**4.10**	3.70
Demand charges (₹ / KVA)	**300**	300
**Variable cost includes peak hour charges		
b. Own generation		
Through Diesel generator		
Units (in lakhs)**	**1168.83**	1357.05
Units/Litre of fuel	**4.11**	4.06
Rate/Unit (₹)	**6.16**	5.25
**Includes power exported to grid		
2) Coal		
Quantity (Tonnes)	–	–
Total cost	–	–
Average rate	–	–
3) Furnace oil/LSHS		
Quantity (KL)	**82204.70**	80734.00
Total amount (₹ in lakhs)	**18803.40**	16378.25
Average rate (₹ / KL)	**22873.90**	20286.73
4) Diesel		
Quantity (KL)	**55.45**	85.57
Total amount (₹ in lakhs)	**21.59**	27.81
Average rate (₹ / KL)	**38941.00**	32500.15

B. Consumption per unit (MT) of production

Products with details	(Standard if any)	**Current year**			Previous year		
		LAB	**ECH**	**CAD-Caustic**	LAB	ECH	CAD-Caustic
Electricity (KWHR/MT)		**631.24**	**1536.00**	**2687.00**	634.55	1461.00	2703.00
Furnace oil (MT)		**0.47**	**0.60**	**0.05**	0.47	0.69	0.03
Coal (Specify quality)		–	–	–	–	–	–
Others (Specify)		–	–	–	–	–	–

FORM-B

Form for disclosure of particulars with respect to Technology absorption

RESEARCH & DEVELOPMENT

Research and Development activities are mainly focussed on Quality improvement studies of existing Products, studies related to improvement of production processes and studies related to the development of new products using existing by-products as raw materials.

1) Specific Areas in which R&D carried out by the Company

a) Studies related to improvement of Quality of LAB Product.

b) Development of purification process for producing high pure 1,2,3, Trichloropropane from by-products of ECH process.

c) Studies aiming at improving the specific consumption norms of ECH production process.

d) Studies related to improve the quality effluents generated for improving environmental performance.

2) Benefits derived as a result of above R&D

a) Improving the customer satisfaction thereby retaining the existing customers.

b) Value addition by developing new products.

c) Improvement in the Process performance.

d) Improving the environmental performance of the organisation.

3) Future Plan of Action

1. Development of new applications for side stream products.
2. Studies aimed at improving specific consumption norms.

4) Expenditure on R&D

Capital : ₹ 1.35 lakhs

Recurring : ₹ 38.74 lakhs (includes Depreciation amount of ₹ 34.76 lakhs)

Total : ₹ 40.09 lakhs

TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION

Improvements in the process developed from the in house R&D were adopted in the process wherever applicable.

FOREIGN EXCHANGE EARNINGS AND OUT GO

a. Foreign Exchange outgo : ₹ 19605.61 lakhs

b. Foreign Exchange earnings : ₹ 9987.44 lakhs

REPORT ON CORPORATE GOVERNANCE (2010 - 11)

1. Company's philosophy :

Tamilnadu Petroproducts Limited firmly believes in the implementation of best practices of corporate governance so that the Company could achieve its corporate goals and further enhance stakeholder value. It has been its endeavor to attach a great deal of importance on 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.

2. Board of Directors :

a. Promoter Non-Executive Directors

	Name (Tvl.)	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Director-ships@	Committee Membership*	
						Chairman	Member
1	Rajeev Ranjan, IAS (TIDCO Nominee)	Chairman	3	Yes	10	-	-
2	Dr A.C. Muthiah (SPIC Nominee)	Vice-Chairman	4	Yes	5	-	-
3	Ashwin C Muthiah (SPIC Nominee)	Director	2	No	9	-	2
4	Sunil Paliwal, IAS (TIDCO Nominee)	Director	2	Yes	12	1	2
5	T K Arun (TIDCO Nominee)	Director	4	Yes	9	1	8
6	R Karthikeyan (TIDCO Nominee)	Director	4	Yes	9	-	3
	b. Promoter Executive Directors						
7	RM Muthukaruppan (SPIC Nominee)	Managing Director	4	Yes	1	-	2
8	V Ramani (SPIC Nominee)	Director & Chief Financial Officer	4	Yes	1	-	1
	c. Independent Non-Executive Directors						
9	C. Ramachandran	Director	4	Yes	7	1	6
10	Dhananjay N Mungale	Director	1	No	10	4	7
11	N R Krishnan	Director	3	Yes	4	1	3
12	Dr K U Mada	Director	2	Yes	3	3	4

TIDCO is a Public Financial Institution as per Section 4A of the Companies Act, 1956 and their nominees are also considered independent.

@ Does not include directorships in companies excluded under Section 278 of the Companies Act, 1956

* *As per SEBI guidelines, memberships in Audit Committee / Shareholders Grievance Committee only are taken into consideration.*

Persons who ceased to be Directors : Nil

- Number of Board Meetings held - 4
- Dates on which held : 5th May 2010, 11th August 2010, 26th October 2010 & 27th January 2011.

3. AUDIT COMMITTEE:

An Audit Committee of the Board of Directors was constituted in 1987. The terms of reference of the Audit Committee cover the matters specified in respect of such Committee under Clause 49 of the Listing Agreement, as amended from time to time and Section 292 A of the Companies Act, 1956. The terms of reference of the Audit Committee in brief are as under:

TPL

Brief Description and terms of reference:

1. Overseeing of the Company's financial reporting process and the disclosures of its Financial Information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
3. Reviewing with the Management the quarterly, half-yearly and annual Financial Statements before submission to the Board.
4. Reviewing with the Management, statutory and internal Auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit function, including the structure of the Internal Audit Department.
6. Discussion with Internal Auditors any significant findings and follow-up thereon.
7. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with External Auditors before the audit commences on the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Compliance with listing and other legal requirements relating to financial statements.

Composition and Names of Chairman and Members

During the year 5 Meetings were held on 5th May'10, 10th Aug'10, 25th Oct'10, 27th Jan'11 and 28th Mar'11.

Name of the Member (Tvl.)	Designation	Number of Meetings attended
C. Ramachandran	Chairman (Independent)	5
T K Arun	Member (TIDCO Nominee)	4
Dhananjay N Mungale	Member (Independent)	2
N.R. Krishnan	Member (Independent)	5
Dr K.U. Mada	Member (Independent)	2

- There was no change in the constitution of the Audit Committee.
- The Statutory Auditors, Cost Auditor, Internal Auditor and the Whole-time Directors are invited to participate in the Audit Committee meetings. The Company Secretary is the Secretary of the Audit Committee.

4. (a) Details of Remuneration paid to Whole-time Directors during 2010-11:

(₹)

Name (Tvl.) and Term of Service	Salary	Performance linked pay	Perquisites	Retirement Benefits	Total
RM. Muthukaruppan 4.2.2010 - 3.2.2013	13,20,000	10,76,713	14,53,640	4,26,360	42,76,713
V. Ramani 4.2.2010 - 3.2.2013	10,80,000	9,99,079	11,68,311	3,48,840	35,96,230
Total	24,00,000	20,75,792	26,21,951	7,75,200	78,72,943

All the above components are fixed.

Notice Period or Severance Fee : Three calendar months notice or salary and other benefits due in lieu of notice.

(b) Remuneration to Non Executive Directors (2010-11)

Commission

Due to the absence of profits computed in accordance with Section 198 of the Companies Act, 1956, no provision has been made in the accounts towards commission payable to the Non-Wholetime Directors for the year 2010-11.

Sitting Fees paid to Non-Executive Directors during 2010-11:

Name (Tvl.)	Sitting Fees (₹)	
	Board Meetings	Committee Meetings
Rajeev Ranjan, IAS	30,000 *	--
Dr. A C Muthiah	40,000	--
Ashwin C Muthiah	20,000	70,000
T K Arun	40,000 *	2,10,000 *
Dhananjay N Mungale	10,000	20,000
N R Krishnan	30,000	60,000
Sunil Paliwal, IAS	20,000 *	--
Dr K U Mada	20,000	20,000
C Ramachandran	40,000	2,40,000
R Karthikeyan	40,000	--
Total	2,90,000	6,20,000

* Paid to TIDCO as they are TIDCO Nominees.

5. Remuneration Committee: (Non Mandatory)

There was no requirement to constitute and convene a meeting of the Remuneration Committee.

6. Share Transfer & Shareholders / Investors Grievances Committee:

The Board of Directors constituted a Share Transfer & Shareholders / Investors' Grievance Committee to approve the Share Transfer in physical form and also Transmission, Transposition of Name, Issue of Split / Duplicate Certificates, to ratify confirmations made to the demat requests received by the Company and to review the status report on redressal of shareholder and investor complaints received by the Company / Share Transfer Agents. During the year, 20 meetings were held.

Composition and Name of Members and Chairman:

Thiru C. Ramachandran : Member

Thiru Ashwin C Muthiah : Member

Thiru T K Arun : Member

Thiru RM. Muthukaruppan : Member

(Chairman of the meeting will be elected by the Members at each Meeting).

During the year, 43 letters/complaints received from the shareholders were attended to/resolved. As on 31st March 2011, 28 valid transfer deeds involving 2925 Equity Shares were under process, out of which 6 proposals involving 800 Equity Shares were subsequently approved during April 2011. The balance are pending for compliance by shareholders on technical grounds.

Name & Designation of Compliance Officer : M.B. Ganesh
Company Secretary

General Body Meetings:

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

Year	Date & Time	Venue	Special Resolutions considered there of	Result
2007-08 (AGM)	24.9.2008 10.30 AM	Tamil Isai Sangam, Rajah Annamalai Hall, Esplanade, Chennai - 600 108	Re-appointment of Auditors	Passed
2008-09 (AGM)	23.9.2009 10.25 AM	-do-	Re-appointment of Auditors	Passed
2009-10 (AGM)	11.8.2010 10.30 AM	-do-	Re-appointment of Auditors	Passed
			Re-appointment of Thiru RM Muthukaruppan as Whole-time Managing Director for a period of three years from 4th Feb'10 to 3rd Feb'13 and payment of remuneration	Passed
			Re-appointment of Thiru V Ramani as Whole-time Director & Chief Financial Officer for a period of three years from 4th Feb'10 to 3rd Feb'13 and payment of remuneration	Passed

No resolution has been put through postal ballot.

No special resolution or ordinary resolution on matters requiring postal ballot are placed for approval of shareholders at the forthcoming 26th AGM to be held on 16th September 2011.

7. Disclosures:

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. : NIL
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years. : NIL
- The employees are given an opportunity to express their views and concerns directly to the Managing Director through email ID md@tnpetro.com.
- Your Company has complied with the requirements of mandatory provisions of the Corporate Governance as required under Clause 49 of the Listing Agreement and has not adopted the non-mandatory requirements thereof so far.
- Equity Shares of the Company held by Non-Executive Directors as on 31st March 2011: Dr A.C. Muthiah - 1001 Equity Shares and Dr K.U.Mada - 3500 Equity Shares.

8. Means of Communication:

The quarterly, half yearly and annual financial results of the Company are forwarded to the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., upon approval by the Board of Directors and published in a leading Newspaper in English language and Tamil (Regional language). The financial results are also displayed on the Company's website, www.tnpetro.com. Consequent to SEBI discontinuing the EDIFAR System with effect from 1st April 2010, the Company is providing the above mentioned information to the Stock Exchange as required under the Listing Agreement entered into with them. The financial results are not sent individually to shareholders. During the year, no presentation was made to any institutional investors or analysts.

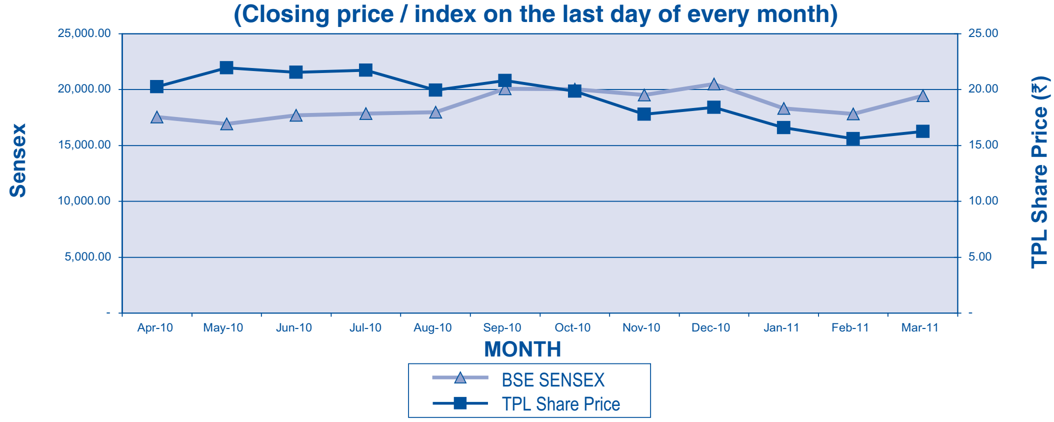
9. General Shareholder Information

- Annual General Meeting : 26th Annual General Meeting will be held on 16th September 2011 at Tamil Isai Sangam, Rajah Annamalai Hall, Esplanade, Chennai-600 108.
- Financial Calendar
  - Annual Results (Audited) - April / May
  - Unaudited First Quarter Results (subject to limited review by Auditors) - On or before 14th August
  - Annual General Meeting - August / September
  - Unaudited Second Quarter Results (subject to limited review by Auditors) - On or before 15th November
  - Unaudited third Quarter Results (subject to limited review by Auditors) - On or before 15th February
- Date of Book closure : The Register of Members and the Share Transfer Books of the Company will remain closed from 30th August 2011 to 16th September 2011 (both days inclusive)
- Dividend payment Date : Between 3rd October & 5th October, 2011
- Listing of Securities (Equity Shares) on Stock Exchanges : Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Ltd.(NSE)
- Stock Code (Equity Shares) : NSE - TNPETRO / BSE - 500777
- ISIN (International Securities Identification Number) for the Company's Equity Shares with National Securities Depository Ltd. and Central Depository Services (India) Ltd. : INE 148A01019

Market Price Data [High / Low during each month in 2010-11] (in ₹)

	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011
BSE												
High	22.60	22.75	23.35	23.75	24.35	22.60	22.20	24.40	19.90	19.95	17.45	18.50
Low	18.00	19.55	20.00	21.05	19.80	19.05	19.70	17.00	16.00	16.35	14.35	15.30
NSE												
High	22.60	22.75	23.25	23.85	23.95	22.65	22.15	24.40	19.45	19.95	17.20	18.80
Low	17.85	19.10	20.60	20.20	19.70	19.60	19.80	17.00	16.15	16.35	14.15	15.25

PERFORMANCE OF TPL SHARE PRICE IN COMPARISON TO BSE SENSEX
(Closing price / index on the last day of every month)



Registrar & Share Transfer Agents : M/s Cameo Corporate Services Limited, No. 1 Club House Road, "Subramanian Building", Chennai 600 002 Tel No.044-28460084/28460395/28460390 (5 Lines) Fax No.044-28460129, E-mail: investor@cameoindia.com

- **Share Transfer System:**

The Board had constituted a Share Transfer and Shareholders/Investors Grievances Committee to approve, inter alia, transfer of shares etc. in physical form and also to ratify the confirmations made to the demat requests and redress complaints from shareholders/investors received by the Company. The entire process, including despatch of share certificates to the shareholders, were completed within the time stipulated under the Listing Agreement.

(a) Distribution of Shareholding as of 31st March 2011:

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	84518	89.74	13326184	14.81
501 - 1000	5783	6.14	4762808	5.29
1001 - 2000	2047	2.17	3175809	3.53
2001 - 3000	617	0.66	1609995	1.79
3001 - 4000	265	0.28	967429	1.08
4001 - 5000	277	0.29	1325598	1.47
5001 - 10000	369	0.39	2747979	3.06
10001 & above	307	0.33	62055672	68.97
Total :	**94183**	**100**	**89971474**	**100**

(b) Shareholding Pattern as of 31st March 2011:

Category	No. of Equity Shares	% to Paid-up Capital	No. of Shareholders
Promoters :			
- Tamilnadu Industrial Development Corpn.Ltd.	15843751	17.61	1
- Southern Petrochemical Industries Corpn. Ltd.	15234375	16.93	1
Other Corporate Bodies	7129486	7.92	785
General Public	38608533	42.91	90905
Non Resident Individuals	3723849	4.14	2357
Foreign Institutional Investors	3128920	3.47	2
Overseas Corporate Bodies	1509200	1.68	3
Indian Financial Institutions / Banks	13025	0.01	15
Insurance Companies	4459729	4.96	5
Mutual Funds / UTI	15800	0.02	17
Shares in Transit [clearing Member account]	282067	0.32	86
Trust	22739	0.03	6
TOTAL	**89971474**	**100**	**94183**

- Dematerialization of Shares : Over 74.28% of the 89971474 outstanding shares (including TIDCO's holding) have been dematerialized up to 31st March 2011. Balance 25.72% (including SPIC's holding) are held in physical mode

- Liquidity : The Company's Equity shares are traded on BSE & NSE in compulsory demat form.

- Outstanding GDR's / ADR's / Warrants or any Convertible Instruments, conversion date and likely impact on equity : Nil
- Plant Location : Manali Express Highway, Manali, Chennai-600068.
- Address for Correspondence :

(A) Registered Office & Factory	(B) Corporate Office
Post Box No.9, Manali Express Highway, Manali, Chennai - 600 068 Tel No.044-25941501-10/25940761 Fax No.044-25942239/25940761 E-mail: secy-legal@tnpetro.com, mbg@tnpetro.com	"TPL House" No.3, III Floor, Cenotaph Road, Teynampet, Chennai-600018 Tel No. 044-24311035 Fax No. 044-24311033 Website:www.tnpetro.com

- Designate e-mail ID for investor Grievance : investorgrievance@tnpetro.com addressed to the Compliance Officer for redressal.
- Your Company has complied with the requirements of mandatory provisions of the Corporate Governance as required under Clause 49 of the Listing Agreement and has not adopted the non-mandatory requirements thereof.

CERTIFICATE ON COMPLIANCE TO THE CODE OF CONDUCT

To

The Members of Tamilnadu Petroproducts Ltd.

Pursuant to Clause 49(I) D (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all Members of the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of the Company for the period from 1st April 2010 to 31st March 2011.

Place : Chennai
Date : 27th April 2011.

RM. MUTHUKARUPPAN
MANAGING DIRECTOR

CERTIFICATE

To

The Members of Tamilnadu Petroproducts Limited

We have examined the compliance of conditions of Corporate Governance by Tamilnadu Petroproducts Limited (“the Company”) for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to 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 49 of the above mentioned Listing Agreement.

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

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

B. Ramaratnam
Partner
Membership No. 21209

Place: Chennai
Date : 27th April 2011

AUDITORS' REPORT TO THE MEMBERS OF TAMILNADU PETROPRODUCTS LIMITED

1. We have audited the attached Balance Sheet of Tamilnadu Petroproducts Limited ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) *as stated in Note 19, assets held by the Company amounting to Rs. 2,123.63 lacs are expected to be transferred to the proposed overseas project at not less than cost. We are unable to express an opinion on the realisable value of these assets. Our audit report for the previous year was also similarly modified.*

   (f) *subject to paragraph (e) above, the effect of which could not be determined,* in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;

      (ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

B. Ramaratnam
Partner
Membership No. 21209

Place: Chennai
Date : 27th April 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

i) Having regard to the nature of the Company's business/activities/result, clauses (v), (vi), (x), (xii) to (xiv) and (xviii) to (xx) of CARO are not applicable.

ii) 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 are physically verified 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) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii) In respect of its inventory:

a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

vii) We have broadly reviewed the books of accounts maintained by the Company, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacturing of Linear Alkyl Benzene and Caustic Soda and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

viii) 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

c) Details of dues, if any, of Income tax, Sales Tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved net of deposits (Rs. in Lacs)
Various State Sales Tax Acts	Sales tax	Tribunal	1993 - 1994 to 2002-2003	1,659.00
		High Court	2006 - 2007	58.08
Central Excise Act	Excise duty	High Court	1994 - 2002	13.89
		Tribunal	2001 - 2005	206.50
		Commissioner (Appeals)	2002 – 2007	5.11
		Deputy Commissioner	1994 – 1997	10.90
Finance Act	Service tax	Tribunal	1997 – 2006	89.64
		Commissioner (Appeals)	2005 – 2006	0.05
Income Tax Act	Income tax	High Court	Assessment Year 2000-01	60.16
		Tribunal	Assessment Year 2002-03	151.16

ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.

x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that, prima facie, funds raised on short-term basis have not been used during the year for long term investment.

xiii) 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 has been noticed or reported during the year.

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

B. Ramaratnam
Partner
Membership No. 21209

Place: Chennai
Date : 27th April 2011

BALANCE SHEET

As at 31st March, 2011 (Rupees in Lacs)

	SCHEDULE		As at 31st March, 2011		As at 31st March, 2010
SOURCES OF FUNDS					
Shareholders' Funds:					
Share capital	1	**8,997.15**		8,997.15	
Reserves and surplus	2	**30,594.39**		28,713.03	
			39,591.54		37,710.18
Loan Funds:					
Secured	3	**9,416.09**		15,807.91	
Unsecured	4	**2,281.04**		2,344.24	
			11,697.13		18,152.15
Deferred tax liability (net)			**6,830.00**		7,342.05
TOTAL			**58,118.67**		63,204.38
APPLICATION OF FUNDS					
Fixed Assets:	5				
Gross block		**123,985.00**		123,666.17	
Less: Depreciation		**89,333.10**		85,541.16	
Net Block		**34,651.90**		38,125.01	
Capital work in progress including advances		**823.51**		705.95	
			35,475.41		38,830.96
Fixed assets held for transfer (Note 19)			**2,123.63**		2,123.63
INVESTMENTS	6		**14,220.55**		17,980.08
Current Assets, Loans and Advances	7				
Inventories		**9,923.75**		9,056.85	
Sundry debtors		**8,266.49**		6,334.55	
Cash and bank balances		**2,038.72**		1,192.73	
Loans and advances		**3,831.42**		4,815.24	
		24,060.38		21,399.37	
Less:Current Liabilities and Provisions	8				
Current liabilities		**16,306.16**		16,313.47	
Provisions		**1,455.14**		816.19	
		17,761.30		17,129.66	
Net current assets			**6,299.08**		4,269.71
TOTAL			**58,118.67**		63,204.38
Notes to the accounts	12				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 27th April 2011

For and on behalf of the Board

RAJEEV RANJAN — Chairman
A.C. MUTHIAH — Vice Chairman
C. RAMACHANDRAN — Director
V. RAMANI — Director & CFO
RM. MUTHUKARUPPAN — Managing Director

M.B. GANESH
Secretary

Place : Chennai
Date : 27th April 2011

TPL

Profit and Loss Account

For the year ended 31st March, 2011

(Rupees in Lacs)

	SCHEDULE		**Year ended 31st March, 2011**		Year ended 31st March, 2010
INCOME					
Sales and services		**118,274.47**		97,348.75	
Less : Excise Duty		**10,658.77**		6,841.21	
Net Sales and services			**107,615.70**		90,507.54
Other income	9		**1,073.73**		895.70
			108,689.43		91,403.24
EXPENDITURE					
Manufacturing and other expenses	10		**101,862.07**		84,859.56
Interest (Net)	11		**2,313.18**		2,129.28
Depreciation for the year		**3,818.66**		3,102.03	
Less: Credit for amount withdrawn from revaluation reserve		**20.11**		20.11	
			3,798.55		3,081.92
			107,973.80		90,070.76
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM			**715.63**		1,332.48
Exceptional item (see Note 20)			**2,222.46**		-
PROFIT BEFORE TAXATION			**2,938.09**		1,332.48
Provision for tax					
- current		**558.00**		226.45	
- Less: MAT credit entitlement		**(55.00)**		(67.75)	
- deferred		**(512.05)**		96.83	
			(9.05)		255.53
PROFIT AFTER TAXATION			**2,947.14**		1,076.95
Balance brought forward			**7,102.23**		6,551.59
Balance carried to balance sheet			**10,049.37**		7,628.54
APPROPRIATIONS					
Proposed dividends			**899.71**		449.86
Tax on dividends			**145.96**		76.45
Balance carried to balance sheet			**9,003.70**		7,102.23
			10,049.37		7,628.54
Earnings per share :					
Basic and diluted			**3.28**		1.20
Notes to the accounts	12				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 27th April 2011

For and on behalf of the Board

RAJEEV RANJAN — Chairman
A.C. MUTHIAH — Vice Chairman
C. RAMACHANDRAN — Director
V. RAMANI — Director & CFO
RM. MUTHUKARUPPAN — Managing Director

M.B. GANESH
Secretary

Place : Chennai
Date : 27th April 2011

Cash Flow Statement for the year ended 31st March 2011

(Rupees in Lacs)

		For the year ended 31st March, 2011		For the year ended 31st March, 2010
A Cash Flow from Operating Activities:				
Profit before tax		**2,938.09**		1,332.48
Adjustment for				
Depreciation	**3,798.55**		3,081.92	
(Profit) on sale / scrapping of fixed assets (net)	**0.08**		(1.92)	
Profit on sale of investments (net)	**(2,222.46)**		-	
Unrealised exchange gain (net)	**82.30**		135.99	
Dividend income	**(136.80)**		(68.40)	
Interest expense	**2,351.60**		2,173.56	
Interest income	**(38.42)**		(44.28)	
		3,834.85		5,276.87
Operating profit before working capital changes		**6,772.94**		6,609.35
Adjustments for :				
(Increase)/Decrease in sundry debtors	**(1,938.12)**		(1,369.74)	
(Increase)/Decrease in inventories	**(866.90)**		(2,055.68)	
(Increase)/Decrease in loans and advances	**902.10**		1,819.42	
Increase/(Decrease) in current liabilities and provisions	**(134.52)**		(282.60)	
		(2,037.44)		(1,888.60)
Cash generated from operations		**4,735.50**		4,720.75
Direct taxes paid		**(314.78)**		(16.25)
Net Cash from Operating Activities		**4,420.72**		4,704.50
B Cash Flow from Investing Activities:				
Additions to fixed assets (including capital work in progress and advances)	**(483.71)**		(4,894.17)	
Proceeds from sale of Investments	**5,981.99**		-	
Proceeds from sale of fixed assets	**20.52**		11.67	
Dividend received	**136.80**		68.40	
Interest received	**91.15**		44.07	
		5,746.75		(4,770.03)
Net cash from / (used in) investing activities		**5,746.75**		(4,770.03)

TPL

Cash Flow Statement for the year ended 31st March 2011 (continued)

(Rupees in Lacs)

		For the year ended 31st March, 2011		For the year ended 31st March, 2010
C Cash Flow from Financing Activities:				
Proceeds from new borrowings	**6,912.05**		7,401.28	
Repayment of borrowings	**(13,367.10)**		(4,375.06)	
Dividends paid	**(435.09)**		(3.77)	
Dividend tax paid	**(76.45)**		-	
Paid to Investor Education and Protection Fund	**(13.23)**		(26.54)	
Interest paid	**(2,341.66)**		(2,297.80)	
		(9,321.48)		698.11
Net cash from / (used in) financing activities		**(9,321.48)**		698.11
Net cash flows during the year (A+B+C)		**845.99**		632.58
Cash and cash equivalents (Opening balance)		**1,192.73**		560.15
Cash and cash equivalents (Closing balance)*		**2,038.72**		1,192.73
Net increase / (decrease) in cash and cash equivalents		**845.99**		632.58

* includes margin money Rs.144.91 lacs (Rs. 137.23 lacs as at 31.03.2010 and Rs.129.41 lacs as at 31.03.2009)

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 27th April 2011

For and on behalf of the Board

RM. MUTHUKARUPPAN, Managing Director

V. RAMANI, Director & CFO

M.B. GANESH, Secretary

Place : Chennai
Date : 27th April 2011

SCHEDULES

SHARE CAPITAL

SCHEDULE - 1

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Authorised		
200,000,000 equity shares of Rs.10 each	**20,000.00**	20,000.00
Issued		
89,976,899 equity shares of Rs 10 each (Note 2)	**8,997.69**	8,997.69
Subscribed and fully paid up		
89,971,474 equity shares of Rs 10 each (Note 2)	**8,997.15**	8,997.15

RESERVES AND SURPLUS

SCHEDULE - 2

(Rupees in Lacs)

	Balance as at 31st March, 2010	Transfer from profit and loss account/additions during the year	Transfer to profit and loss account/deductions during the year	Balance as at 31st March, 2011
Capital reserve	42.23	-	-	**42.23**
	(42.23)	(-)	(-)	(42.23)
Securities premium account	4,611.57	-	-	**4,611.57**
	(4,611.57)	(-)	(-)	(4,611.57)
Revaluation reserve account (Note 4)	2,066.62	-	20.11	**2,046.51**
	(2,086.73)	(-)	(20.11)	(2,066.62)
General reserve	14,890.38	-	-	**14,890.38**
	(14,890.38)	(-)	(-)	(14,890.38)
Profit and loss account	7,102.23	9,003.70	7,102.23	**9,003.70**
	(6,551.59)	(7,102.23)	(6,551.59)	(7,102.23)
	28,713.03	9,003.70	7,122.34	**30,594.39**
	(28,182.50)	(7,102.23)	(6,571.70)	(28,713.03)

Figures in brackets relate to previous year.

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SECURED LOANS

SCHEDULE - 3

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Loans from financial institutions		
Term loans [amounts due within one year Rs. Nil (Previous year Rs. 312.48 lacs)]	-	312.48
Loans from banks		
Term loans [amounts due within one year Rs. 1401.20 lacs (Previous year Rs. 2,641.17 lacs)]	**3,723.85**	6,371.06
Others (Long term) [Amounts due within one year Rs.208.98 lacs (Previous year Rs. 207.80 lacs)]	**2,188.77**	1,415.90
Others (Short term)	**3,503.47**	7,708.47
	9,416.09	15,807.91

Note:

1. Term Loan of Rs.Nil (previous year Rs. 312.48 lacs) from a financial institution is secured by first mortgage by deposit of title deeds of all company's immovable properties both present and future, and charge on all the movable properties of the company (except for exclusive charges referred in note 3 below) ranking pari passu with the loans stated in note 2.

2. Term loans from Banks of Rs. 3723.85 lacs (previous year Rs.6371.06 lacs) are secured by a first mortgage by deposit of title deeds of all company's immovable properties, both present and future, and charge on all the movable properties of the company (except for exclusive charges referred in note 3 below) ranking pari passu with the loans stated in note 1 above.

3. Others (long term) loan of Rs. 2188.77 lacs (previous year Rs. 1415.90 lacs) is secured by an exclusive mortgage of a specified property at Chennai by way of deposit of title deeds and rent receivables on the said property.

4. Others (short term) loans from banks of Rs. 3503.47 lacs (previous year Rs.7708.47 lacs) are secured by hypothecation by way of charge on 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, (except for exclusive charges stated in note 3 above) on second charge basis ranking pari passu amongst them.

UNSECURED LOANS

SCHEDULE - 4

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Interest Free Sales Tax Loan [Amounts due within one year Rs.120.24 lacs (Previous year Rs. 63.20 lacs)]	**2,281.04**	2,344.24
	2,281.04	2,344.24

FIXED ASSETS

SCHEDULE - 5

(Rupees in Lacs)

Description	COST / VALUATION				DEPRECIATION				NET BOOK VALUE	
	As at 01.04.2010	Additions	Deductions	**As at 31.03.2011**	As at 01.04.2010	For the Year	Deductions	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Land	2,187.26	-	-	**2,187.26**	-	-	-	**-**	**2,187.26**	2,187.26
Buildings	5,691.95	-	-	**5,691.95**	1,893.98	133.40	-	**2,027.38**	**3,664.57**	3,797.97
Plant and machinery	114,694.59	280.05	42.16	**114,932.48**	82,813.37	3,638.05	21.83	**86,429.59**	**28,502.89**	31,881.22
Furnitures and fixtures	138.06	3.56	-	**141.62**	116.71	5.10	-	**121.81**	**19.81**	21.35
Office and other equipment	893.58	76.23	-	**969.81**	683.42	35.49	-	**718.91**	**250.90**	210.16
Vehicles	60.73	6.31	5.16	**61.88**	33.68	6.62	4.89	**35.41**	**26.47**	27.05
	123,666.17	366.15	47.32	**123,985.00**	85,541.16	3,818.66	26.72	**89,333.10**	**34,651.90**	
Previous year	118,419.00	5,266.00	18.83	123,666.17	82,448.21	3,102.03	9.08	85,541.16		38,125.01
Capital work in progress including advances									**823.51**	705.95
									35,475.41	38,830.96

INVESTMENTS

SCHEDULE - 6

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Long Term Investments		
Equity Shares		
Trade (at cost) (quoted)		
Henkel India Limited (Note 20)	**442.92**	4,202.45
2,044,214 (1,93,95,900) equity shares of Rs.10 each		
Standard Motor Products of India Limited		
40,00,000 equity shares of Rs.10 each (cost Rs.400 lacs less provision for diminution in value of Rs 400 lacs)	**-**	-
Trade (at cost) (unquoted)		
Subsidiary companies:		
Certus Investment & Trading Limited, Mauritius	**9,645.13**	9,645.13
2,04,190 equity shares of US dollar 100 each		
SPIC Electric Power Corporation Private Limited	**2,764.50**	2,764.50
2,76,44,955 equity shares of Rs.10/- each (Refer Note 18)		
Associate company :		
Petro Araldite Private Limited	**1,368.00**	1,368.00
13,68,000 equity shares of Rs 100 each		
	14,220.55	17,980.08
Aggregate value of unquoted investments	**13,777.63**	13,777.63
Aggregate value of quoted investments	**442.92**	4,202.45
Market value of quoted investments	**857.55**	6,361.86

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CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE - 7

(Rupees in Lacs)

		As at 31st March, 2011		As at 31st March, 2010
A. CURRENT ASSETS:				
Inventories				
Stores	**3,092.64**		3,300.81	
Loose tools	**0.12**		15.90	
Raw materials	**5,872.10**		4,802.09	
Work in process	**93.69**		46.54	
Finished goods	**865.20**		891.51	
		9,923.75		9,056.85
Sundry debtors (Unsecured)				
Outstanding over six months				
Considered good	**954.94**		219.73	
Considered doubtful	**44.92**		44.92	
	999.86		264.65	
Outstanding under six months				
Considered good	**7,311.55**		6,114.82	
	8,311.41		6,379.47	
Less : Provision for doubtful debts	**44.92**		44.92	
		8,266.49		6,334.55
Cash and bank balances				
Cash on hand	**1.89**		1.19	
Cheques on hand	**615.63**		118.73	
With scheduled banks:				
On current accounts	**1,204.93**		864.89	
On unpaid dividend account	**71.36**		69.82	
On deposit accounts	**-**		0.87	
On margin money account (under lien)	**144.91**		137.23	
		2,038.72		1,192.73
B. LOANS AND ADVANCES:				
(Unsecured)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	**3,366.06**		3,098.58	
Balances with excise and customs authorities	**322.39**		1,544.70	
Taxation (net of provisions)	**-**		84.30	
MAT credit entitlement	**142.97**		87.66	
		3,831.42		4,815.24
		24,060.38		21,399.37

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE - 8

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
A. CURRENT LIABILITIES:		
Acceptances	**6,113.98**	3,208.63
Sundry creditors		
- Total outstanding dues to micro enterprises and small enterprises	**-**	-
- Others	**10,093.77**	11,016.86
Unpaid dividends	**71.36**	69.82
Interest accrued but not due	**9.94**	-
Advances received from customers	**17.11**	2,018.16
	16,306.16	16,313.47
B. PROVISIONS		
Compensated absences	**233.35**	257.88
Gratuity	**16.89**	32.00
Taxation (Net of advances)	**159.23**	-
Proposed dividend	**899.71**	449.86
Tax on proposed dividend	**145.96**	76.45
	1,455.14	816.19
	17,761.30	17,129.66

Note : There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2011

OTHER INCOME

SCHEDULE - 9

(Rupees in Lacs)

	Year ended 31st March, 2011	Year ended 31st March, 2010
Scrap Sales	**187.52**	119.78
Rent	**472.13**	395.83
Dividend Received from trade investment	**136.80**	68.40
Insurance claims	**125.13**	78.79
Profit on sale of assets (net)	**-**	1.92
Unclaimed balances written back	**16.25**	-
Miscellaneous income	**135.90**	230.98
	1,073.73	895.70

MANUFACTURING AND OTHER EXPENSES

SCHEDULE - 10

(Rupees in Lacs)

		Year ended 31st March, 2011		Year ended 31st March, 2010
Raw materials and Intermediates consumed		**59,728.25**		43,510.75
Purchase of traded goods		**155.06**		2,640.63
Stores and spare parts consumed		**2,535.86**		2,830.93
Utilities consumed		**991.21**		840.10
Power and fuel		**23,133.70**		19,776.79
Payments to and provisions for employees				
Salaries and allowances		**1,978.28**		1,665.40
Contribution to provident and other funds		**197.33**		197.32
Staff welfare		**399.43**		382.30
Travel and conveyance		**222.22**		199.88
Insurance		**243.56**		312.78
Rent		**192.39**		70.53
Rates and taxes		**132.79**		141.59
Repairs and maintenance				
Machinery	**1,168.68**		1,021.00	
Buildings	**149.80**		84.86	
Others	**155.09**		198.90	
		1,473.57		1,304.76
Discounts		**5,897.70**		7,382.59
Commission		**266.71**		225.78
Freight		**3,119.88**		2,042.26
Directors' sitting fees		**9.10**		11.70
Bad advances written off	**-**		125.23	
Less : Provision for doubtful advances written back	**-**		125.23	
		-		-
Exchange difference(net)		**201.42**		86.17
Loss on sale/scrapping of assets (net)		**0.08**		-
Legal and professional charges		**104.19**		150.45
Miscellaneous expenses		**893.65**		630.77
Increase / (Decrease) in excise duty included in opening and closing stock of finished goods		**6.53**		(41.67)
(Increase) / Decrease in work in process and finished goods				
Opening Stock				
Work in process	**46.54**		78.66	
Finished goods	**891.51**		1,357.14	
	938.05		1,435.80	
Closing Stock				
Work in process	**93.69**		46.54	
Finished goods	**865.20**		891.51	
	958.89		938.05	
		(20.84)		497.75
		101,862.07		84,859.56

INTEREST

SCHEDULE - 11

(Rupees in Lacs)

		Year ended 31st March, 2011		Year ended 31st March, 2010
Interest expenses				
- on fixed period loans	**976.96**		887.01	
- on others	**1,374.64**		1,410.79	
		2,351.60		2,297.80
		2,351.60		2,297.80
Less : Interest income				
- on bank	**9.00**		9.56	
(tax deducted at source Rs.0.89 lacs previous year Rs.2.91 lacs)				
- on others	**29.42**		34.72	
		38.42		44.28
		2,313.18		2,253.52
Less : Interest capitalised		**-**		124.24
		2,313.18		2,129.28

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULE - 12

1. **ACCOUNTING POLICIES**

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

I BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets etc. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

II 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. Fixed assets held for transfer are valued at cost (Refer Note 19).

Depreciation is provided on a pro-rata basis, from the date the assets have been installed and put to use, on a straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956 except for plant and machinery used in the Epichlorohydrin plant which is depreciated @ 10%, assets provided to employees which are depreciated @ 20% and certain specific assets whose useful life has been determined at 4.5 years.

III 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. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

IV FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions.

Foreign currency monetary assets and liabilities are translated at exchange rates prevailing on the Balance Sheet date or rate at the time of settlement, as applicable, and gain or loss arising on such translation is adjusted to the profit and loss account. Forward cover premium is recognised over the life of the contract.

V INVESTMENTS

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

VI INVENTORIES

Inventories are valued at lower of cost and net realisable value except stores and loose tools, which are valued at cost. The methods of determination of cost of various categories of inventories are as follows:

a. Stores, loose tools and raw materials at moving weighted average rates.

b. Work-in-process and finished goods at full absorption costing method.

VII REVENUE RECOGNITION

Sales is recognised at the point of despatch of materials to customers from plant and stock points.

VIII 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 Contribution Plans

a) Superannuation:

This plan covers Wholetime directors and the staff of the Company and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Profit and Loss account on an accrual basis.

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) 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.

c) Gratuity:

The Company has an arrangement with the Life Insurance Corporation of India 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.

IX TAXES ON INCOME

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

b. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

c. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

X 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.

2. 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 206 A of the Companies Act, 1956.

3. Research and development expenses incurred on revenue account is Rs. 38.74 lacs (Previous year Rs.34.16 lacs).

4. The depreciation charge for the year shown in the profit and loss account is after deducting an amount of Rs. 20.11 lacs (previous year Rs.20.11 lacs) representing additional depreciation arising on revaluation of fixed assets withdrawn from revaluation reserve.

(Rs. in Lacs)

	As at March 31, 2011	As at March 31, 2010
5. **Contingent Liabilities**		
Other claims not acknowledged as debts		
i) **Sales tax**	**1,728.05**	1,669.96
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**	**168.61**	169.51
iii) **Service Tax**	**67.85**	67.85
The above amounts are based on demands raised which the company is contesting with the concerned 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.		
iv) **Electricity Tax**	**1,138.00**	1,138.00
Vide a Government Order dated 23rd September 1996, the Tamilnadu Government 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 Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003 repealed the 1962 Act, and withdrew the earlier exemption granted to specified industries. The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court. The Company filed a special leave petition before the Supreme Court against the verdict. On 15th May 2007 the Supreme Court upheld that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.		
Consequent to the Supreme Court judgment upholding the exemption, the Company (in June 2007) reversed the provision for electricity tax amounting to Rs. 878.77 lacs made since 2003-04.		
Subsequently, the Government of Tamilnadu passed the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act in November 2007 amending the 2003 Act to invalidate the exemption granted with retrospective effect. In December 2007, the Company filed a writ petition before the Madras High Court challenging the Amendment Act. On 13th February 2008, the High Court passed an interim order that in the event of non payment of tax on consumption for those covered under exemption, TNEB is at liberty to make the demand but not enforce it until further orders.		
Exemption from payment of electricity tax has been extended to 31.03.2011.		

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(Rs. in Lacs)

	Year ended March 31, 2011	Year ended March 31, 2010
6. Managerial Remuneration		
Whole time Directors' remuneration	**70.98**	63.32
Contribution to provident and other funds	**7.75**	6.77
Directors' Sitting Fee	**9.10**	11.70
	87.83	81.79

(Excludes gratuity and compensated absences since employee wise valuation is not available)

7. **Computation of net profit under Section 198 of the Companies Act, 1956**

(Rs. in Lacs)

		Year ended March 31, 2011		Year ended March 31, 2010
Profit before taxation as per profit and loss account		**2,938.09**		1,332.48
Add :				
Depreciation as per accounts	**3,798.55**		3,081.92	
Managerial remuneration	**87.83**		81.79	
(Profit)/Loss on sale of assets (net) as per accounts	**0.08**		(1.92)	
		3,886.46		3,161.79
Less :				
Depreciation under Section 350 of the Companies Act, 1956	**3,661.23**		3,692.01	
Profit on sale of investments	**2,222.46**		-	
(Profit)/loss on sale of assets (net) as per Section 349 of the Companies Act, 1956	**0.08**		(1.92)	
		5,883.77		3,690.09
Net Profit/(Loss) in terms of Section 198 of the Companies Act, 1956		**940.78**		804.18
Less : Excess of expenditure over income under section 349 of the Companies Act, 1956		**(4,006.69)**		(4,810.87)
Excess of expenditure over income under Section 349(4)(1) of the Companies Act, 1956 carried forward		**(3,065.91)**		(4,006.69)
Maximum commission to Non Wholetime Director @ 1% of Net Profts		**Nil**		Nil

	Year ended March 31, 2011	Year ended March 31, 2010
8. Auditor's remuneration		
Audit fee	**17.00**	16.00
Other services	**19.25**	3.00
9. CIF Value of imports		
Intermediates	**11,392.70**	8,498.08
Raw materials	**7,129.10**	4,481.42
Capital Goods	**473.41**	2,788.98
Traded goods	**-**	848.21
Stores and spares	**378.03**	736.01

(Rs. in Lacs)

	Year ended March 31, 2011	Year ended March 31, 2010
10. **Expenditure in foreign currency**		
Travel and training	**5.70**	5.31
Technical services	**181.58**	22.30
Others	**45.09**	9.85
11. **Earnings in foreign exchange**		
Export of goods on FOB basis	**9,987.44**	7,194.89

12. **Capacity and Production**

Class of goods	Unit of Measurement	Installed Capacity*		Actual production	
		Current Year	Previous Year	**Current Year**	Previous Year
Linear Alkyl Benzene	MT	**1,20,000**	1,20,000	**98,682**	85,068
Heavy Normal Paraffin	MT	**15,000**	15,000	**4,268**	Nil
Heavy Alkylate	MT	**N.A.**	N.A.	**3,873**	3,258
Epichlorohydrin	MT	**10,000**	10,000	**7,989**	7,246
Caustic Soda	MT	**56,100**	56,100	**48,258**	51,293
Chlorine	MT	**40,000**	40,000	**39,183**	39,989
Hydrochloric acid	MT	**39,600**	39,600	**29,166**	30,901
Ammonium Chloride	MT	**21,000**	21,000	**346.25**	424

*As certified by the management and relied on by the auditors without verification being a technical matter.

The above products are delicensed.

N.A Not applicable

13. Consumption of imported and indigenous raw materials, stores and spare parts and percentage of each to total consumption.

	Year ended March 31, 2011		Year ended March 31, 2010	
	% of Total Consumption	**Value (Rs. in Lacs)**	% of Total Consumption	Value (Rs. in Lacs)
(i) Raw materials and intermediates consumed				
Imported	**36**	**21,460.19**	21	9,311.96
Indigenous	**64**	**38,268.06**	79	34,198.79
	100	**59,728.25**	100	43,510.75
(ii) Stores and spare parts consumed				
Imported	**29**	**740.03**	36	1,017.30
Indigenous	**71**	**1,795.83**	64	1,813.63
	100	**2,535.86**	100	2,830.93

14. (a) Government of India, Ministry of Corporate Affairs vide its Notification dated 8th February 2011 has granted general exemption from giving information in respect of para 3(i)(a) and 3 (ii) (a) of part II of Schedule VI to the Companies Act, 1956, only for those goods which forms less than 10% of the total value of turnover, purchase, consumption of raw material etc. The Company has also obtained specific exemption from giving information in respect of para 3(i)(a) and 3(ii)(a) of the Schedule relating to Linear Alkyl Benzene business.

(b) Government of India, Ministry of Corporate Affairs vide its Order No.47/34/2010-CL-III dated 14th January 2011 issued under Section 212(8) of the Companies Act, 1956 has directed that in relation to the Subsidiaries of the Company, the provision contained in Section 212(1) of the Companies Act, 1956 pursuant to which certain documents are required to be attached to the Company's accounts shall not apply for the current year.

(c) The Government of India, Department of Company Affairs vide its Order No. 47/34/2010-CL-III dated 14th January 2011 issued under Section 212 (8) of the Companies Act, 1956 has directed that in relation to the Subsidiaries of the Company, the provision contained in Section 212(1) of the Companies Act, 1956 pursuant to which certain documents are required to be attached to the Company's accounts shall not apply for the current year.

15. 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 to them. Such parties are as identified by the management and relied upon by the auditors. Further, no interest during the year has been paid or payable under the terms of the Act.

16. **Earnings per share**

	Year ended March 31, 2011	Year ended March 31, 2010
Profit after taxation (Rs. in lacs)	**2,947.14**	1,076.95
Weighted number of equity shares outstanding	**89,971,474**	89,971,474
Basic and diluted earnings per share (Face value – Rs.10/- per share)	**3.28**	1.20

17. **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
2. Tamilnadu Industrial Development Corporation Limited

B) Associate
Petro Araldite Private Limited

C) Subsidiaries
1. Certus Investment and Trading Limited (CITL),Mauritius
2. Certus Investment and Trading (S) Private Limited
3. Proteus Petrochemicals Private Limited (formerly TPL India Singapore Private Limited).
4. SPIC Electric Power Corporation (Private) Limited

D) Joint Venture
Gulf Petroproduct Company E.C.

E) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.
None

F) Key management personnel
1. Thiru. RM. Muthukaruppan
Managing Director
2. Thiru. V. Ramani
Director & Chief Financial Officer

G) Enterprise over which any person described in (E) or (F) is able to exercise significant influence. This includes enterprises owned by Directors or major shareholders of the reporting enterprise that enterprise that have a member of key management personnel in common with the reporting enterprise.
None

Related Party Transactions

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. (Rupees in lacs)

Sl. No	Particulars	Promoters	Associate	Joint Venture	Subsidiaries	Key management personnel (KMP)
1	Sale of goods	0.62 (17.68)	8706.38 (6647.23)			
	Certus Investments and Trading Limited				1613.62 (2019.22)	
2	Service/Consultancy charges paid	- (0.50)				
3	Commission paid	46.59 (35.11)				
4	Managerial remuneration					78.73 (70.09)
5	Rent paid	2.95 (0.59)				
6	Reimbursement of expenses	27.63 (31.03)				
7	Sitting fees (TIDCO)	3.40 (4.20)				
8	Dividend received		136.80 (68.40)			
9	Dividend Paid -TIDCO -SPIC	 79.22 76.17				
10	Balance outstanding as of 31st March 2011	52.46 Cr (30.25) Cr	265.43 Dr (104.76) Dr	158.37 Dr (158.37) Dr	1526.69 Dr (880.48) Dr	20.76 Cr (18.00) Cr

Transactions with promoters are with SPIC unless otherwise disclosed.
Figures in brackets are in respect of the previous year.

18. As at 31st March 2011, the Company has investments of Rs.2764.50 lacs in SPIC Electric Power Corporation (Private) Ltd., (SEPC) for setting up a 525 MW coal based power project (power project) made during the period 1995-2003 and advance against equity of Rs.33.91 lacs made during the period 2006-2008. The Company signed a Memorandum of Understanding (MoU) with Tamilnadu Electricity Board (TNEB) in February 1995 for setting up the power project at Tuticorin, Tamilnadu. As per the Power Purchase Agreement (PPA), TNEB had committed to provide Escrow. However, as there was a delay in allocation of Escrow by TNEB, SEPC filed a Writ Petition in the Hon'ble High Court seeking a direction for allocation of Escrow. The Company is awaiting the outcome of the case.

The Company, SEPC and an investor company executed on 28th May 2009, a Shareholders & Share Subscription Agreement (SSA) broadly underlining the obligations of the Shareholders with regard to the power project. The investor company has agreed to bring in 74% of the equity for the power project. They have been meeting all the expenses of SEPC since August 2007 and have so far contributed a sum of Rs. 1191.45 lacs upto 31st March 2011. Against this amount, 1,19,14,550 equity shares of Rs. 10/- each for cash at par have been allotted to them.

Due to non payment of lease rentals, Tuticorin Port Trust (TPT) sought to repossess the land allotted to SEPC for the power project. SEPC approached the Hon'ble High Court of Madras for appointment of an Arbitrator and by orders dated 18th July 2008 a sole arbitrator was appointed to settle the dispute between SEPC and TPT. SEPC also filed an appeal before the Division Bench of the High Court seeking an interim injunction restraining TPT from transferring the land by way of lease or otherwise to any other party. The Division Bench by its order dated 4th September 2008 stated that SEPC is at liberty to approach the arbitrator for seeking appropriate interim measure. The arbitrator in his proceedings dated 13th February 2009 observed that the rights of TPT and SEPC will be subject to the outcome of the arbitration proceedings in so far as the disputed site is concerned. Subsequently it was agreed between TPT and SEPC to defer the arbitration proceedings on the understanding that the issue would be amicably settled.

Arising out of this, a joint committee consisting of representative from Central Electricity Authority (CEA)/TNEB/TPT was constituted. The committee recommended an alternative site for locating the power project. SEPC after making preliminary investigations found the alternative site suitable. Ministry of Shipping, Government of India during February 2010 has approved the proposal for allocation of alternate site to SEPC and TPT communicated their willingness to enter into a long term lease . The Ministry of Environment and Forests (MoEF) had accorded clearance for the project on November 03, 2010. SEPC has paid lease rentals to TPT by calculating penal interest @ 15% amounting to Rs.830 lacs as against 18% proposed by TPT. A representation from

SEPC for charging 15% interest is under consideration by TPT and on receipt of confirmation from TPT on the final demand, action would be initiated to take physical possession of the alternate land.

The Company filed a writ petition dated 14th April 2010 with Hon'ble TNERC seeking its direction to pass orders directing the respondent TNEB Board to act in accordance with the terms contained in the concluded PPA between SEPC and TNEB. During the course of hearing of the petition, the Board filed an affidavit conveying its acceptance of the terms conveyed in the PPA and also stated that the PPA was valid and that it would stand by the said PPA. At the hearing on 7th March 2011, the Honourable Commission reserved the matter for final orders.

The detailed project report with revised project cost for the power plant has been finalized. SEPC's application for financial assistance is being processed by the Financial Institutions. The Company is hopeful that the project will be set up soon.

19. During the year 2004, due to change in global market conditions for Normal Paraffin, the company decided not to proceed with the expansion of Normal paraffin capacity. The equipments and drawings pertaining to this project amounting to Rs.2,123.63 lacs is expected to be transferred at not less than cost to its proposed overseas project at Singapore during 2011.

20. The Company promoted Henkel India Ltd., (HIL) as a joint venture with Henkel KG & Co., KGaA, Germany (Henkel) in Sept. 1989 to manufacture and market detergents to provide forward integration for the Company's LAB business. The Company, as part of its business re-structuring, decided to disinvest its equity shareholdings in HIL. In this regard discussions were held with Henkel and subsequently a buyer viz., M/s. Jyothy Laboratories Ltd., Mumbai (JLL) was identified. On 16th March 2011, a major portion of the Company's equity holding in HIL were sold to JLL. Thereafter, on 6th April 2011, both Henkel and TPL mutually agreed to terminate the Shareholders' Agreement (including the amendments and supplements thereto) entered into between them on 11th September 1989, with no further liability or claim against each other and an understanding to this effect was signed.

21. **Joint Venture Disclosure**

i) Interest in Joint Venture

Name of Company	Country of Incorporation	Proportion of ownership interest
Gulf Petroproduct Company E.C.*	Kingdom of Bahrain	50%

*Shareholding is through the wholly owned subsidiary, Certus Investment & Trading Limited

ii) Interest in the Assets, Liabilities, Income and Expenses with respect to the Joint Venture

(Rs. in Lacs)

		Particulars	**Current year**	Previous year
I	a)	Net Fixed Assets	**-**	-
	b)	Cash and Bank Balances	**4.77**	5.97
	c)	Loans and Advances	**226.62**	1,620.26
II	a)	Current Liabilities and provisions	**7.39**	1,384.09
	b)	Advance received towards equity	**48.92**	242.50
III	a)	Expenses	**0.73**	0.86
	b)	Depreciation	**-**	-

22. **Taxes on income**

MAT credit is recognized as an asset when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset will be reviewed at each balance sheet date.

23. **Details of Deferred tax asset / (liability) is as under** (Rs. in lacs)

	As at March 31, 2010	Tax effect for the year	**As at March 31, 2011**
Deferred tax asset :			
Accrued expenses deductible on payment	75.64	(8.90)	**66.74**
Provision for doubtful debts/Advances	14.91	(0.34)	**14.57**
Total	90.55	(9.24)	**81.31**
Deferred tax (liability):			
Fixed assets	(7,432.60)	(521.29)	**(6,911.31)**
Net deferred tax (liability)	(7,342.05)	(512.05)	**(6,830.00)**

24. **Derivative instruments:**

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

	US Dollars	Equivalent in INR (Rs. in Lacs)
Amount receivable in Foreign currency – Exports	5,191,493 (5,564,282)	2,314.37 (2,500.03)
Amount payable in Foreign currency - Imports	9,977,278 (8,708,389)	4,447.87 (3,911.12)

Figures in brackets are in respect of the previous year.

25. **Employee Defined Benefit Plans** (Rs. in Lacs)

		Current year		Previous year	
		Gratuity (Funded)	**Compensated Absences (Not funded)**	Gratuity (Funded)	Compensated Absences (Not funded)
a.	**Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2011**				
	Present value of obligation	**518.18**	**(233.35)**	449.50	(257.88)
	Fair value of plan assets	**501.29**	**-**	417.50	-
	Net liability	**(16.89)**	**(233.35)**	(32.00)	(257.88)
b.	**Expense recognized in the Profit & Loss account for the year ended March 31, 2011**				
	Current service cost	**21.99**	**11.19**	22.84	10.49
	Interest cost	**35.96**	**19.15**	32.08	18.12
	Expected return on plan assets	**(38.49)**	**-**	(33.75)	-
	Actuarial (gains) / Losses	**28.40**	**(17.84)**	15.45	(15.16)
	Total expense	**47.86**	**12.50**	36.62	13.45
c.	**Change in present value of Obligation during the year ended March 31, 2011**				
	Present value of defined benefit obligation as at the beginning of the year	**449.50**	**257.88**	400.99	252.07
	Current service cost	**21.99**	**11.19**	22.84	10.49
	Interest cost	**35.96**	**19.15**	32.08	18.12
	Actuarial (gains) /losses	**28.40**	**(17.84)**	15.45	(15.16)
	Benefits paid	**(17.67)**	**(37.03)**	(21.86)	(7.65)
	Present value of defined benefit obligation as at the end of the year	**518.18**	**233.35**	449.50	257.88
d.	**Change in fair value of plan assets during the year ended March 31, 2011**				
	Plan assets at the beginning of the year	**417.50**	**-**	373.64	-
	Expected return on plan assets	**38.49**	**-**	33.75	-
	Actuarial gains /(losses)	**-**	**-**	-	-
	Contributions by employer	**62.97**	**37.03**	31.97	7.65
	Benefits paid	**(17.67)**	**(37.03)**	(21.86)	(7.65)
	Plan assets at the end of the year	**501.29**	**-**	417.50	-
e.	**Principal actuarial assumptions as at March 31, 2011**				
	Discount rate	**8.00%**	**8.00%**	8.00%	8.00%
	Expected return on plan assets	**9.30%**	**-**	9.30%	-
	Mortality Table - LIC (94-96) Ultimate Mortality				
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 are not readily available. However LIC has confirmed that the average rate of return on plan assets is 9.3%.				
g.	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions and other factors.				

26. Details relating to segments are disclosed in the Consolidated Financial Statements.

27. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current years classification.

TPL

INFORMATION PURSUANT TO PART - IV OF SCHEDULE VI OF THE COMPANIES ACT,1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	0 1 0 9 3 1	State Code	1 8
Balance Sheet Date	31 (Date) 03 (Month) 11 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	- - - - N I L	Rights Issue	- - - - N I L
Bonus Issue	- - - - N I L	Private Placement	- - - - N I L

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities	7 5 8 7 9 9 7	Total Assets	7 5 8 7 9 9 7

Sources of Funds

Paid-up Capital	8 9 9 7 1 5	Reserves and Surplus	3 0 5 9 4 3 9
Secured Loans	9 4 1 6 0 9	Unsecured Loans	2 2 8 1 0 4
Deferred Tax Liability (net)	6 8 3 0 0 0		

Application of Funds

Net Fixed Assets	3 7 5 9 9 0 4	Investments	1 4 2 2 0 5 5
Net Current Assets	6 2 9 9 0 8		
Accumulated Losses	N I L	Miscellaneous Expenditure	N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	1 0 7 6 1 5 7 0	Total Expenditure	1 0 7 9 7 3 8 0
Profit Before Tax (+ ✓ / −)	2 9 3 8 0 9	Profit After Tax (+ ✓ / −)	2 9 4 7 1 4
Basic Earnings per Share in (Rs.)	3 . 2 8	Dividend Rate %	1 0

V. Generic Names of Three Principal Products / Services of Company
(as per Monetary terms)

Item Code No.	3 8 1 7 1 0 0 1
Product Description	L I N E A R A L K Y L B E N Z E N E
Item Code No.	2 9 1 0 3 0 0 0
Product Description	E P I C H L O R O H Y D R I N
Item Code No.	2 8 1 5 1 2
Product Description	C A U S T I C S O D A

For and on behalf of the Board

RAJEEV RANJAN	Chairman	
A.C. MUTHIAH	Vice Chairman	
C. RAMACHANDRAN	Director	
V. RAMANI	Director & CFO	M.B. GANESH
RM. MUTHUKARUPPAN	Managing Director	Secretary

Place : Chennai
Date : 27th April 2011

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Certus Investment & Trading Limited	Certus Investment & Trading (S) Private Limited (See foot note 1)	Proteus Petrochemical Private limited (formerly TPL India Singapore Private Limited (See foot note 1)	SPIC Electric Power Corporation Private Limited
1 The Financial Year of the Subsidiary Companies ended on	31st December, 2010	31st December, 2010	31st December, 2010	31st March, 2011
2 Date from which they became Subsidiary Companies	30th October, 2001	10th November, 2004	11th May, 2006	26th September, 2003
3 a. Number of shares held by Tamilnadu Petroproducts Limited in the subsidiaries at the end of the financial year of the subsidiary companies	2,04,190 Equity Shares of the face value of US $100 each fully paid-up	18,75,339 Equity Shares of the face value of US $ 1 each fully paid-up held by Certus Investment & Trading Limited	3,00,000 Equity Shares of the face value of US $ 1 each fully paid-up held by Certus Investment & Trading Limited	27,644,955 Equity Shares of the face value of Rs.10 each fully paid-up
b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Companies	100.00%	100.00%	100.00%	69.01%
4 The net aggregate amount of the Subsidiary Companies Profit / (Loss) so far as it concerns the members of the Holding Company				
a. Not dealt with in the Holding Company's accounts:				
i) for subsidiary's financial year	US $ (14,064) Rs. (6.27) lacs	US $ (4,368) Rs.(1.95) lacs	US $ (259,000) Rs. (115.46) lacs	Nil
ii) for the previous Financial years of the Subsidiary Companies since they became the Holding Company's subsidiaries	US $ 1,958,495 Rs. 873.10 lacs	US $ (65,798) Rs. (29.33) lacs	US $ (1,865,000) Rs.(831.42) lacs	Nil
b. Dealt with in Holding Company's accounts				
i) for subsidiary's financial year	Nil	Nil	Nil	Nil
ii) for the previous Financial years of the Subsidiary Companies since they became the Holding Company's subsidiaries	Nil	Nil	Not Applicable	Nil
5 Changes in the interest of the Holding Company between the end of the financial year of the subsidiary Company's and the end of the Holding Company's financial year.				
Number of Equity Shares allotted Face Value Paid up value Extent of Shareholding	Nil	Nil	Nil	Not Applicable
6 Material changes between the end of the Subsidiary's financial year and the end of the Holding Company's financial year.				
i) subsidiary's Fixed Assets	Nil	Nil	Nil	Not Applicable
ii) subsidiary's Investments	Nil	Nil	Nil	Not Applicable
iii) monies lent by the Subsidiary	Nil	Nil	Nil	Not Applicable
iv) monies borrowed by the subsidiary, other than that of meeting current liabilities (advance towards equity)	Nil	Nil	Nil	Not Applicable

Note 1 : 100 % Subsidiary of Certus Investment & Trading Limited.

For and on behalf of the Board

Place : Chennai	RM. MUTHUKARUPPAN	V. RAMANI	M.B. GANESH
Date : 27th April 2011	Managing Director	Director & CFO	Secretary

TPL

Auditor's report to the Board of Directors of Tamilnadu Petroproducts Limited

1) We have audited the attached Consolidated Balance Sheet of Tamilnadu Petroproducts Limited ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) (a) We did not audit the financial statements of the subsidiaries and joint venture, whose financial statements reflect total assets of Rs.16,460.26 lacs, as at 31st March 2011, total revenues of Rs.1,291.61 lacs and net cash inflows amounting to Rs.2,786.92 lacs 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, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

(b) The financial statements of a subsidiary, whose financial statements reflect total assets of Rs.102.87 lacs as at 31st March 2011, total revenues of Rs. Nil and net cash outflows amounting to Rs.3,826.81 Lacs for the year ended on that date are unaudited and we have relied upon the unaudited financial statements as provided by the management of those companies.

(c) The financial statements of one associate, which reflect the Group's share of profits of Rs. 367.20 lacs for the year ended March 31, 2011 and Group's share of profits of Rs.609.60 lacs upto March 31, 2011 are not audited and we have relied upon the unaudited financial statements as provided by the management of that company.

4) We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interest in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

(i) as stated in Note 13, assets held by the company amounting to Rs. 2,123.63 lacs are expected to be transferred to the proposed overseas project at not less than cost. We are unable to express an opinion on the realisable value of these assets. Our audit report for the previous year was also similarly modified.

5) Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, subject to our comments in the paragraph 4 (i) above, the effect of which could not be determined, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;

(b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

B. Ramaratnam
Partner
Membership No. 21209

Place: Chennai
Date : 27th April 2011

Consolidated Balance Sheet of Tamilnadu Petroproducts Limited as at 31st March 2011

(Rupees in Lacs)

	SCHEDULE		**As at 31st March, 2011**		As at 31st March, 2010
SOURCES OF FUNDS					
Shareholders' Funds:					
Share capital	1	**8,997.15**		8,997.15	
Reserves and surplus	2	**30,743.66**		29,492.51	
			39,740.81		38,489.66
Advance received by a Subsidiary pending issue of shares			**1,003.24**		1,003.70
Minority Interest			**1,241.46**		201.00
Loan Funds:					
Secured	3	**9,416.09**		15,807.91	
Unsecured	4	**2,281.04**		2,344.24	
			11,697.13		18,152.15
Deferred tax liability (net)			**6,830.00**		7,342.05
TOTAL			**60,512.64**		65,188.56
APPLICATION OF FUNDS					
Fixed Assets:	5				
Gross block		**124,059.45**		123,740.62	
Less: Depreciation		**89,376.91**		85,583.58	
Net Block		**34,682.54**		38,157.04	
Capital work in progress including advances		**3,365.38**		2,892.44	
			38,047.92		41,049.48
Fixed assets held for transfer (Note 13)			**2,123.63**		2,123.63
Expenditure during construction period pending allocation	6		**4,619.65**		4,876.78
Investments	7		**2,420.54**		5,949.67
Current Assets, Loans and Advances	8				
Inventories		**9,923.75**		9,056.85	
Sundry debtors		**7,727.06**		6,644.44	
Cash and bank balances		**7,258.15**		7,452.05	
Loans and advances		**7,394.11**		7,745.69	
		32,303.07		30,899.03	
Less:Current Liabilities and Provisions	9				
Current liabilities		**17,550.00**		18,896.37	
Provisions		**1,455.66**		817.15	
		19,005.66		19,713.52	
Net current assets			**13,297.41**		11,185.51
Miscellaneous Expenditure			**3.49**		3.49
Preliminary expenses (to the extent not written off or adjusted)					
TOTAL			**60,512.64**		65,188.56
Notes to the accounts	13				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 27th April 2011

For and on behalf of the Board

RAJEEV RANJAN — Chairman
A.C. MUTHIAH — Vice Chairman
C. RAMACHANDRAN — Director
V. RAMANI — Director & CFO
RM. MUTHUKARUPPAN — Managing Director

M.B. GANESH
Secretary

Place : Chennai
Date : 27th April 2011

TPL

Consolidated Profit and Loss Account of Tamilnadu Petroproducts Limited for the year ended 31st March 2011

(Rupees in Lacs)

	SCHEDULE		Year ended 31st March, 2011		Year ended 31st March, 2010
INCOME					
Sales and services		**118,274.47**		97,338.36	
Less : Excise Duty		**10,658.77**		6,841.21	
Net Sales and services			**107,615.70**		90,497.15
Other income	10		**934.27**		902.12
			108,549.97		91,399.27
EXPENDITURE					
Manufacturing and other expenses	11		**102,738.77**		85,809.27
Interest (Net)	12		**2,293.21**		2,105.96
Depreciation for the year		**3,820.05**		3,103.42	
Less: Credit for amount withdrawn from revaluation reserve		**20.11**		20.11	
			3,799.94		3,083.31
			108,831.92		90,998.54
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM			**(281.95)**		400.73
Exceptional item (see Note 14)			**2,222.46**		-
PROFIT BEFORE TAXATION			**1,940.51**		400.73
Provision for tax					
- Current		**558.00**		226.45	
- Less: MAT credit entitlement		**(55.00)**		(67.75)	
- Overseas tax		**(0.17)**		0.30	
- Deferred		**(512.05)**		96.83	
			(9.22)		255.83
PROFIT AFTER TAXATION			**1,949.73**		144.90
Share of profits of Associate			**367.20**		247.18
Net profit			**2,316.93**		392.08
Balance brought forward			**8,912.15**		9,046.38
			11,229.08		9,438.46
APPROPRIATIONS					
Proposed dividends			**899.71**		449.86
Tax on dividends			**145.96**		76.45
Balance carried to balance sheet			**10,183.41**		8,912.15
			11,229.08		9,438.46
Earnings per share :					
Basic and diluted			**2.58**		0.44
Notes to the accounts	13				

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

RAJEEV RANJAN — Chairman
A.C. MUTHIAH — Vice Chairman
C. RAMACHANDRAN — Director
V. RAMANI — Director & CFO
RM. MUTHUKARUPPAN — Managing Director

M.B. GANESH
Secretary

Place : Chennai
Date : 27th April 2011

Place : Chennai
Date : 27th April 2011

Consolidated Cash Flow Statement for the year ended 31st March 2011

(Rupees in Lacs)

		For the year ended 31st March, 2011		For the year ended 31st March, 2010
A Cash Flow from Operating Activities:				
Profit before tax		**1,940.51**		400.73
Adjustment for				
Depreciation	**3,799.94**		3,083.31	
(Profit) on sale / scrapping of fixed assets (net)	**0.08**		(1.92)	
(Profit) on sale of investments (net)	**(2,222.46)**		-	
Unrealised exchange gain (net)	**82.30**		135.99	
Interest expense	**2,351.60**		2,173.56	
Interest income	**(58.39)**		(67.60)	
		3,953.07		5,323.34
Operating profit before working capital changes		**5,893.58**		5,724.07
Adjustments for :				
(Increase)/Decrease in sundry debtors	**(1,088.80)**		(897.73)	
(Increase)/Decrease in inventories	**(866.90)**		(2,055.68)	
(Increase)/Decrease in loans and advances	**269.86**		2,181.95	
Increase/(Decrease) in current liabilities and provisions	**(1,472.04)**		(929.71)	
		(3,157.88)		(1,701.17)
Cash generated from operations		**2,735.70**		4,022.90
Direct taxes paid		**(314.61)**		(23.16)
Net Cash from Operating Activities		**2,421.09**		3,999.74
B Cash Flow from Investing Activities:				
Additions to fixed assets (including capital work in progress and advances)	**(839.09)**		(5,653.39)	
Expenditure during construction	**255.15**		(62.25)	
Proceeds from sale of Investments	**5,981.99**		-	
Proceeds from issue of Share Capital to minority Shareholders	**1,040.00**		140.46	
Proceeds from sale of fixed assets	**20.52**		12.03	
Interest and dividend received	**247.92**		67.39	
		6,706.49		(5,495.76)
Net cash from / (used in) investing activities		**6,706.49**		(5,495.76)

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Consolidated Cash Flow Statement for the year ended 31st March 2011 (continued)

(Rupees in Lacs)

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
C Cash Flow from Financing Activities:				
Proceeds from new borrowings	**6,912.05**		7,401.28	
Repayment of borrowings	**(13,367.10)**		(4,375.06)	
Dividend paid	**(435.09)**		(3.77)	
Dividend tax paid	**(76.45)**		-	
Paid to Investor Education and Protection Fund	**(13.23)**		(26.54)	
Interest paid	**(2,341.66)**		(2,297.80)	
		(9,321.48)		698.11
Net cash from / (used in) financing activities		**(9,321.48)**		698.11
Net cash flows during the year (A+B+C)		**(193.90)**		(797.91)
Cash and cash equivalents (Opening balance)		**7,452.05**		8,249.96
Cash and cash equivalents (Closing balance)*		**7,258.15**		7,452.05
Net increase / (decrease) in cash and cash equivalents		**(193.90)**		(797.91)

* includes margin money Rs.144.91 lacs (Rs. 137.23 lacs as at 31.03.2010 and Rs.129.41 lacs as at 31.03.2009)

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 27th April 2011

For and on behalf of the Board

RAJEEV RANJAN — Chairman
A.C. MUTHIAH — Vice Chairman
C. RAMACHANDRAN — Director
V. RAMANI — Director & CFO
RM. MUTHUKARUPPAN — Managing Director

M.B. GANESH
Secretary

Place : Chennai
Date : 27th April 2011

SCHEDULES

SHARE CAPITAL

SCHEDULE - 1

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Authorised		
200,000,000 equity shares of Rs.10 each	**20,000.00**	20,000.00
Issued		
89,976,899 equity shares of Rs 10 each (Note 3)	**8,997.69**	8,997.69
Subscribed and fully paid up		
89,971,474 equity shares of Rs 10 each (Note 3)	**8,997.15**	8,997.15

RESERVES AND SURPLUS

SCHEDULE - 2

(Rupees in Lacs)

	Balance as at 31st March, 2010	Transfer from profit and loss account/additions during the year	Transfer to profit and loss account/deductions during the year	**Balance as at 31st March, 2011**
Capital reserve	42.23	-	-	**42.23**
	(42.23)	(-)	(-)	(42.23)
Securities premium account	4,611.57	-	-	**4,611.57**
	(4,611.57)	(-)	(-)	(4,611.57)
Revaluation reserve account (Note 5)	2,066.62	-	20.11	**2,046.51**
	(2,086.73)	(-)	(20.11)	(2,066.62)
General reserve	13,859.94	-	-	**13,859.94**
	(13,859.94)	(-)	(-)	(13,859.94)
Profit and loss account	8,912.15	10,183.41	8,912.15	**10,183.41**
	(9,046.38)	(8,912.15)	(9,046.38)	(8,912.15)
	29,492.51	10,183.41	8,932.26	**30,743.66**
	(29,646.85)	(8,912.15)	(9,066.49)	(29,492.51)

Figures in brackets relate to previous year.

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SECURED LOANS

SCHEDULE - 3

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Loans from financial institutions		
Term loans [amounts due within one year Rs. Nil (Previous year Rs. 312.48 lacs)]	-	312.48
Loans from banks		
Term loans [amounts due within one year Rs. 1401.20 lacs (Previous year Rs. 2,641.17 lacs)]	**3,723.85**	6,371.06
Others (Long term) [Amounts due within one year Rs.208.98 lacs (Previous year Rs. 207.80 lacs)]	**2,188.77**	1,415.90
Others (Short term)	**3,503.47**	7,708.47
	9,416.09	15,807.91

UNSECURED LOANS

SCHEDULE - 4

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Interest Free Sales Tax Loan [Amounts due within one year Rs.120.24 lacs (Previous year Rs. 63.20 lacs)]	**2,281.04**	2,344.24
	2,281.04	2,344.24

FIXED ASSETS

SCHEDULE - 5

(Rupees in Lacs)

	COST / VALUATION				DEPRECIATION				NET BOOK VALUE	
Description	As at 01.04.2010	Additions/ Adjustments	Deductions/ Adjustments	**As at 31.03.2011**	As at 01.04.2010	For the Year	Deductions/ Adjustments	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Land	2,202.26	-	-	**2,202.26**	-	-	-	**-**	**2,202.26**	2,202.26
Buildings	5,691.95	-	-	**5,691.95**	1,893.98	133.40	-	**2,027.38**	**3,664.57**	3,797.97
Plant and machinery	114,694.59	280.05	42.16	**114,932.48**	82,815.33	3,638.05	21.83	**86,431.55**	**28,500.93**	31,879.26
Furnitures and fixtures	158.50	3.56	-	**162.06**	140.32	5.10	-	**145.42**	**16.64**	18.18
Office and other equipment	927.39	76.23	-	**1,003.62**	697.10	36.88	-	**733.98**	**269.64**	230.29
Vehicles	65.93	6.31	5.16	**67.08**	36.85	6.62	4.89	**38.58**	**28.50**	29.08
	123,740.62	366.15	47.32	**124,059.45**	85,583.58	3,820.05	26.72	**89,376.91**	**34,682.54**	
Previous year	118,500.64	5,281.90	41.92	123,740.62	82,511.78	3,103.61	31.81	85,583.58		38,157.04
Capital work in progress including advances									**3,365.38**	2,892.44
									38,047.92	41,049.48

Depreciation for the year includes Rs.(1.98) lacs (previous year Rs. 0.19 lacs) in respect of SPIC Electric Power Corporation (Private) Limited grouped under Schedule 6

EXPENDITURE DURING CONSTRUCTION PERIOD PENDING ALLOCATION

SCHEDULE - 6

(Rupees in Lacs)

		As at 31st March, 2011		As at 31st March, 2010
Payment to and provision for employees				
Salaries and allowances	**500.59**		484.67	
Contribution to provident and other funds	**36.31**		36.13	
Staff welfare	**53.85**		53.57	
		590.75		574.37
Repairs and maintenance - others		**39.18**		39.03
Land lease rent		**1,261.77**		1,685.27
Rent, rates and taxes		**139.80**		135.83
Professional fees		**1,618.01**		1,617.46
Travel		**275.22**		271.43
Directors sitting fees		**9.40**		8.65
Miscellaneous expenditure		**591.01**		438.64
Depreciation		**144.75**		146.73
Loss on sale of assets		**3.48**		3.48
Excess provision written back		**(9.61)**		-
		4,663.76		4,920.89
Less : Interest on deposits		**44.11**		44.11
		4,619.65		4,876.78

INVESTMENTS

SCHEDULE - 7

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
Long Term Investments		
Shares, debentures and bonds.		
Trade (at cost) (quoted)		
Henkel India Limited (formerly Henkel SPIC India Limited) 2,044,214 (1,93,95,900) equity shares of Rs.10 each	**442.92**	4,202.45
Standard Motor Products of India Limited 40,00,000 equity shares of Rs.10 each (cost Rs.400 lacs less provision for diminution in value of Rs 400 lacs)	-	-
Trade (at cost) (unquoted)		
Associate Company (accounted on equity method)		
Petro Araldite Private Limited 13,68,000 equity shares of Rs 100 each	**1,977.62**	1,747.22
	2,420.54	5,949.67
Aggregate value of unquoted investments	**1,977.62**	1,747.22
Aggregate value of quoted investments (net of provisions)	**442.92**	4,202.45
Market value of quoted investments	**857.55**	6,361.86

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CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE - 8

(Rupees in Lacs)

		As at 31st March, 2011		As at 31st March, 2010
A. CURRENT ASSETS:				
Inventories				
Stores	3,092.64		3,300.81	
Loose tools	0.12		15.90	
Raw materials	5,872.10		4,802.09	
Work in process	93.69		46.54	
Finished goods	865.20		891.51	
		9,923.75		9,056.85
Sundry debtors (Unsecured)				
Outstanding over six months				
Considered good	71.01		2.13	
Considered doubtful	44.92		44.92	
	115.93		47.05	
Outstanding under six months				
Considered good	7,656.05		6,642.31	
	7,771.98		6,689.36	
Less : Provision for doubtful debts	44.92		44.92	
		7,727.06		6,644.44
Cash and bank balances				
Cash on hand	1.89		1.19	
Cheques on hand	615.63		118.73	
With scheduled banks:				
On current accounts	1,204.93		883.43	
On unpaid dividend account	71.36		69.82	
On deposit accounts	-		0.87	
On margin money account	144.91		137.23	
With non scheduled banks on current account	5,219.43		6,240.78	
		7,258.15		7,452.05
B. LOANS AND ADVANCES:				
(Unsecured)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	6,928.75		5,789.61	
Considered doubtful	-		-	
	6,928.75		5,789.61	
Less : Provision for doubtful advances	-		-	
	6,928.75		5,789.61	
Balances with excise and customs authorities	322.39		1,784.12	
Taxation (net of provisions)	-		84.30	
MAT credit entitlement	142.97		87.66	
		7,394.11		7,745.69
		32,303.07		30,899.03

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE - 9

(Rupees in Lacs)

	As at 31st March, 2011	As at 31st March, 2010
A. CURRENT LIABILITIES:		
Acceptances	**6,113.98**	3,208.63
Sundry creditors		
- Total outstanding dues to micro enterprises and small enterprises	**-**	-
- Others	**11,337.61**	13,599.76
Unpaid dividends	**71.36**	69.82
Advances received from customers	**17.11**	2,018.16
Interest accrued but not due	**9.94**	-
	17,550.00	18,896.37
B. PROVISIONS		
Compensated absences	**233.87**	258.84
Gratuity	**16.89**	32.00
Taxation (net of advances)	**159.23**	-
Proposed dividend	**899.71**	449.86
Tax on proposed dividend	**145.96**	76.45
	1,455.66	817.15
	19,005.66	19,713.52

Note : There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2011

OTHER INCOME

SCHEDULE - 10

(Rupees in Lacs)

	Year ended 31st March, 2011	Year ended 31st March, 2010
Scrap Sales	**187.52**	119.78
Rent	**472.13**	395.83
Insurance claims	**125.13**	78.79
Profit on sale of assets (net)	**-**	1.92
Unclaimed balances written back	**16.25**	-
Miscellaneous income	**133.24**	305.80
	934.27	902.12

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MANUFACTURING AND OTHER EXPENSES

SCHEDULE - 11

(Rupees in Lacs)

		Year ended 31st March, 2011		Year ended 31st March, 2010
Raw materials and Intermediates consumed		**59,728.25**		43,510.75
Purchase of traded goods		**155.06**		2,640.63
Stores and spare parts consumed		**2,535.86**		2,830.93
Utilities consumed		**991.21**		840.10
Power and fuel		**23,133.70**		19,776.79
Payments to and provisions for employees				
Salaries and allowances		**1,978.28**		1,665.40
Contribution to provident and other funds		**197.33**		197.32
Staff welfare		**399.43**		382.30
Travel and conveyance		**222.22**		199.88
Insurance		**243.56**		312.78
Rent		**192.39**		70.53
Rates and taxes		**132.79**		141.59
Repairs and maintenance				
Machinery	**1,173.59**		1,023.90	
Buildings	**149.80**		84.86	
Others	**155.09**		198.90	
		1,478.48		1,307.66
Discounts		**5,897.70**		7,382.59
Commission		**266.71**		225.78
Freight		**3,119.88**		2,042.26
Directors' sitting fees		**9.10**		11.70
Exchange fluctuation (net)		**869.77**		989.11
Loss on sale/scrapping of assets (net)		**0.08**		-
Legal and Professional charges		**107.26**		164.20
Miscellaneous expenses		**1,094.02**		660.89
Increase / (Decrease) in excise duty included in opening and closing stock of finished goods		**6.53**		(41.67)
(Increase) / Decrease in work in process and finished goods				
Opening Stock				
Work in process	**46.54**		78.66	
Finished goods	**891.51**		1,357.14	
	938.05		1,435.80	
Closing Stock				
Work in process	**93.69**		46.54	
Finished goods	**865.20**		891.51	
	958.89		938.05	
		(20.84)		497.75
		102,738.77		85,809.27

INTEREST

SCHEDULE - 12

(Rupees in Lacs)

		Year ended 31st March, 2011		Year ended 31st March, 2010
Interest expenses				
- on fixed period loans	**976.96**		887.01	
- others	**1,374.64**		1,410.79	
		2,351.60		2,297.80
		2,351.60		2,297.80
Less : Interest income				
- on bank and intercorporate deposits	**9.00**		32.88	
- on others	**49.39**		34.72	
		58.39		67.60
		2,293.21		2,230.20
Less : Interest capitalised		**-**		124.24
		2,293.21		2,105.96

SCHEDULE - 13

NOTES TO THE CONSOLIDATED ACCOUNTS OF TAMILNADU PETROPRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH 2011

1. The Consolidated Financial Statements relate to Tamilnadu Petroproducts Limited (the Company) and its subsidiaries, associates and joint venture (TPL Group). These Consolidated Financial Statements have been prepared in accordance with (AS-21) "Consolidated Financial Statements", (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and (AS-27) "Financial Reporting of Interests in Joint Ventures", notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006.

   The companies considered in these consolidated financial statements are:

Name of the Company	Relationship	Country of Incorporation	Proportion of ownership interest	Accounts drawn upto / whether audited
Certus Investment & Trading Limited	Subsidiary	Mauritius	100%	31.12.2010 Unaudited
Certus Investment and Trading (S) Private Limited	Subsidiary	Singapore	100%	31.12.2010 Audited
SPIC Electric Power Corporation Private Limited	Subsidiary	India	69.01%	31.03.2011 Audited
Proteus Petrochemical Private Limited (formerly TPL India Singapore Private Limited)	Subsidiary	Singapore	100%	31.12.2010 Audited
Gulf Petroproduct Company E.C. *	Joint Venture	Kingdom of Bahrain	50.00%	31.12.2010 Audited
Petro Araldite Private Limited	Associate	India	24.00%	31.03.2011 Unaudited

* Shareholding is through a subsidiary, Certus Investment & Trading Limited.

2. ACCOUNTING POLICIES

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

I BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes and the useful lives of fixed assets etc. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

II 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. Fixed assets held for transfer are valued at cost (Refer Note 13).

Depreciation is provided on a pro-rata basis, from the date the assets have been installed and put to use, on a straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956 except for plant and machinery used in the Epichlorohydrin plant which is depreciated @ 10%, assets provided to employees which are depreciated at 20% and certain specific assets whose useful life has been determined at 4.5 years.

III 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. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

IV FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions.

Foreign currency monetary assets and liabilities are translated at exchange rates prevailing on the Balance Sheet date or rate at the time of settlement, as applicable, and gain or loss arising on such translation is adjusted to the profit and loss account. Forward cover premium is recognised over the life of the contract.

Overseas 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 exchange is recognized as a change in the Profit and Loss Account. All the revenue transactions are translated at the average rates.

V INVESTMENTS

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

VI INVENTORIES

Inventories are valued at lower of cost and net realisable value except stores and loose tools, which are valued at cost. The methods of determination of cost of various categories of inventories are as follows

a. Stores, loose tools and raw materials at moving weighted average rates.

b. Work-in-process and finished goods at full absorption costing method.

VII REVENUE RECOGNITION

Sales is recognised at the point of despatch of materials to customers from plant and stock points.

VIII 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 Contribution Plans

a) Superannuation:

This plan covers Wholetime directors and the staff of the Company and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Profit and Loss account on an accrual basis.

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) 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.

c) Gratuity:

The Company has an arrangement with the Life Insurance Corporation of India 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.

IX TAXES ON INCOME

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

b. Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

c. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

X 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.

3. 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 206 A of the Companies Act, 1956.

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4. Research and development expenses incurred on revenue account is Rs.38.74 lacs (Previous year Rs.34.16 lacs).

5. The depreciation charge for the year shown in the profit and loss account is after deducting an amount of Rs. 20.11 lacs (previous year Rs.20.11 lacs) representing additional depreciation arising on revaluation of fixed assets withdrawn from revaluation reserve.

(Rs. in Lacs)

	As at March 31, 2011	As at March 31, 2010
6. **Capital Commitments not provided for**	**158.48**	416.37
7. **Contingent Liabilities**		
Other claims not acknowledged as debts		
i) Sales tax	**1,728.05**	1,669.96
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	**168.61**	169.51
iii) Service Tax	**67.85**	67.85
The above amounts are based on demands raised which the company is contesting with the concerned 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.		
iv) Electricity Tax	**1,138.00**	1,138.00
Vide a Government Order dated 23rd September 1996, the Tamilnadu Government 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 Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003 repealed the 1962 Act, and withdrew the earlier exemption granted to specified industries. The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court. The Company filed a special leave petition before the Supreme Court against the verdict. On 15th May 2007 the Supreme Court upheld that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax.		
Consequent to the Supreme Court judgment upholding the exemption, the Company (in June 2007) reversed the provision for electricity tax amounting to Rs. 878.77 lacs made since 2003-04.		
Subsequently, the Government of Tamilnadu passed the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act in November 2007 amending the 2003 Act to invalidate the exemption granted with retrospective effect. In December 2007, the Company filed a writ petition before the Madras High Court challenging the Amendment Act. On 13th February 2008, the High Court passed an interim order that in the event of non-payment of tax on consumption for those covered under exemption, TNEB is at liberty to make the demand but not enforce it until further orders.		
Exemption from payment of electricity tax has been extended to 31.03.2011.		
v) Others	**1.87**	1.87

	Year ended March 31, 2011	Year ended March 31, 2010
		(Rs. in Lacs)
8. Managerial Remuneration		
Whole time Directors' remuneration	**70.98**	63.32
Contribution to provident and other funds	**7.75**	6.77
Directors' Sitting Fee	**9.10**	11.70
	87.83	81.79

(Excludes gratuity and compensated absences since employee wise valuation is not available)

	Year ended March 31, 2011	Year ended March 31, 2010
9. Auditor's remuneration		
Audit fee	**22.10**	23.75
Other services	**19.25**	3.00

	Year ended March 31, 2011	Year ended March 31, 2010
10. Earnings per share		
Net Profit/ (Loss) (Rs. in lacs)	**2316.93**	392.08
Weighted number of equity shares outstanding	**89,971,474**	89,971,474
Basic and diluted earnings per share (Face value – Rs.10/- per share)	**2.58**	0.44

11. 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) Associate	Petro Araldite Private Limited
C) Joint Venture	Gulf Petroproduct Company E.C.
D) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	None
E) Key management personnel	1. Thiru. RM. Muthukaruppan Managing Director 2. Thiru. V. Ramani Director & Chief Financial Officer
F) Enterprise over which any person described in (D) or (E) is able to exercise significant influence. This includes enterprises owned by Directors or major shareholders of the reporting enterprise that enterprise that have a member of key management personnel in common with the reporting enterprise.	None

Related Party Transactions

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 lacs)

Sl. No	Particulars	Promoters	Associate	Joint Venture	Key management personnel (KMP)
1	Sale of goods	0.62 (17.68)	8706.38 (6647.23)		
2	Service/Consultancy charges paid	- (0.50)			
3	Commission paid	46.59 (35.11)			
4	Managerial remuneration				78.73 (70.09)
5	Rent paid	2.95 (0.59)			
6	Reimbursement of expenses	27.63 (31.03)			
7	Sitting fees (TIDCO)	3.40 (4.20)			
8	Dividend received		136.80 (68.40)		
9	Dividend Paid				
	-TIDCO	79.22 (Nil)			
	-SPIC	76.17 (Nil)			
10	Balance outstanding as of 31st March 2011	52.46Cr (30.25)Cr	265.43Dr (104.76)Dr	158.37Dr (158.37)Dr	20.76Cr (18.00)Cr

Transactions with promoters are with SPIC unless otherwise disclosed.
Figures in brackets are in respect of the previous year.

12. As at 31st March 2011, the Company has investments of Rs.2764.50 lacs in SPIC Electric Power Corporation (Private) Ltd., (SEPC) for setting up a 525 MW coal based power project (power project) made during the period 1995-2003 and advance against equity of Rs.33.91 lacs made during the period 2006-2008. The Company signed a Memorandum of Understanding (MoU) with Tamilnadu Electricity Board (TNEB) in February 1995 for setting up the power project at Tuticorin, Tamilnadu. As per the Power Purchase Agreement (PPA), TNEB had committed to provide Escrow. However, as there was a delay in allocation of Escrow by TNEB, SEPC filed a Writ Petition in the Hon'ble High Court seeking a direction for allocation of Escrow. The Company is awaiting the outcome of the case.

    The Company, SEPC and an investor company executed on 28th May 2009, a Shareholders & Share Subscription Agreement (SSA) broadly underlining the obligations of the Shareholders with regard to the power project. The investor company has agreed to bring in 74% of the equity for the power project. They have been meeting all the expenses of SEPC since August 2007 and have so far contributed a sum of Rs. 1191.45 lacs upto 31st March 2011. Against this amount, 1,19,14,550 equity shares of Rs. 10/- each for cash at par have been allotted to them.

    Due to non-payment of lease rentals, Tuticorin Port Trust (TPT) sought to repossess the land allotted to SEPC for the power project. SEPC approached the Hon'ble High Court of Madras for appointment of an Arbitrator and by orders dated 18th July 2008 a sole arbitrator was appointed to settle the dispute between SEPC and TPT. SEPC also filed an appeal before the Division Bench of the High Court seeking an interim injunction restraining TPT from transferring the land by way of lease or otherwise to any other party. The Division Bench by its order dated 4th September 2008 stated that SEPC is at liberty to approach the arbitrator for seeking appropriate interim measure.

The arbitrator in his proceedings dated 13th February 2009 observed that the rights of TPT and SEPC will be subject to the outcome of the arbitration proceedings in so far as the disputed site is concerned. Subsequently it was agreed between TPT and SEPC to defer the arbitration proceedings on the understanding that the issue would be amicably settled.

Arising out of this, a joint committee consisting of representative from Central Electricity Authority (CEA)/TNEB/TPT was constituted. The committee recommended an alternative site for locating the power project. SEPC after making preliminary investigations found the alternative site suitable. Ministry of Shipping, Government of India during February 2010 has approved the proposal for allocation of alternate site to SEPC and TPT communicated their willingness to enter into a long term lease . The Ministry of Environment and Forests (MoEF) had accorded clearance for the project on November 03, 2010. SEPC has paid lease rentals to TPT by calculating penal interest @ 15% amounting to Rs.830 lacs as against 18% proposed by TPT. A representation from SEPC for charging 15% interest is under consideration by TPT and on receipt of confirmation from TPT on the final demand, action would be initiated to take physical possession of the alternate land.

The Company filed a writ petition dated 14th April 2010 with Hon'ble TNERC seeking its direction to pass orders directing the respondent TNEB Board to act in accordance with the terms contained in the concluded PPA between SEPC and TNEB. During the course of hearing of the petition, the Board filed an affidavit conveying its acceptance of the terms conveyed in the PPA and also stated that the PPA was valid and that it would stand by the said PPA. At the hearing on 7th March 2011, the Honourable Commission reserved the matter for final orders.

The detailed project report with revised project cost for the power plant has been finalized. SEPC's application for financial assistance is being processed by the Financial Institutions. The Company is hopeful that the project will be set up soon.

13. During the year 2004, due to change in global market conditions for Normal Paraffin, the company decided not to proceed with the expansion of Normal paraffin capacity. The equipments and drawings pertaining to this project amounting to Rs.2,123.63 lacs is expected to be transferred at not less than cost to its proposed overseas project at Singapore during 2011.

14. The Company promoted Henkel India Ltd., (HIL) as a joint venture with Henkel KG &Co., KGaA, Germany (Henkel) in Sept. 1989 to manufacture and market detergents to provide forward integration for the Company's LAB business. The Company, as part of its business re-structuring, decided to disinvest its equity shareholdings in HIL. In this regard discussions were held with Henkel and subsequently a buyer viz., M/s. Jyothy Laboratories Ltd., Mumbai (JLL) was identified. On 16th March 2011, a major portion of the Company's equity holding in HIL were sold to JLL. Thereafter, on 6th April 2011, both Henkel and TPL mutually agreed to terminate the Shareholders' Agreement (including the amendments and supplements thereto) entered into between them on 11th September 1989, with no further liability or claim against each other and an understanding to this effect was signed.

15. **Taxes on income**

MAT credit is recognized as an asset when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset will be reviewed at each balance sheet date.

16. **Details of Deferred tax asset / (liability) is as under**

(Rs. in lacs)

	As at March 31, 2010	Tax effect for the year	**As at March 31, 2011**
Deferred tax asset :			
Accrued expenses deductible on payment	75.64	(8.90)	**66.74**
Provision for doubtful debts/Advances	14.91	(0.34)	**14.57**
Total	90.55	(9.24)	**81.31**
Deferred tax (liability):			
Fixed assets	(7,432.60)	(521.29)	**(6,911.31)**
Net deferred tax (liability)	(7,342.05)	(512.05)	**(6,830.00)**

TPL

17. Employee Defined Benefit Plans

(Rs. in Lacs)

		Current year		Previous year	
		Gratuity (Funded)	Compensated Absences (Not funded)	Gratuity (Funded)	Compensated Absences (Not funded)
a.	**Net Asset/ (Liability) recognized in the Balance Sheet as at March 31, 2011**				
	Present value of obligation	**518.18**	**(233.35)**	449.50	(257.88)
	Fair value of plan assets	**501.29**	**-**	417.50	-
	Net liability	**(16.89)**	**(233.35)**	(32.00)	(257.88)
b.	**Expense recognized in the Profit & Loss account for the year ended March 31, 2011**				
	Current service cost	**21.99**	**11.19**	22.84	10.49
	Interest cost	**35.96**	**19.15**	32.08	18.12
	Expected return on plan assets	**(38.49)**	**-**	(33.75)	-
	Actuarial (gains) / Losses	**28.40**	**(17.84)**	15.45	(15.16)
	Total expense	**47.86**	**12.50**	36.62	13.45
c.	**Change in present value of Obligation during the year ended March 31, 2011**				
	Present value of defined benefit obligation as at the beginning of the year	**449.50**	**257.88**	400.99	252.07
	Current service cost	**21.99**	**11.19**	22.84	10.49
	Interest cost	**35.96**	**19.15**	32.08	18.12
	Actuarial (gains) /losses	**28.40**	**(17.84)**	15.45	(15.16)
	Benefits paid	**(17.67)**	**(37.03)**	(21.86)	(7.65)
	Present value of defined benefit obligation as at the end of the year	**518.18**	**233.35**	449.50	257.88
d.	**Change in fair value of plan assets during the year ended March 31, 2011**				
	Plan assets at the beginning of the year	**417.50**	**-**	373.64	-
	Expected return on plan assets	**38.49**	**-**	33.75	-
	Actuarial gains /(losses)	**-**	**-**	-	-
	Contributions by employer	**62.97**	**37.03**	31.97	7.65
	Benefits paid	**(17.67)**	**(37.03)**	(21.86)	(7.65)
	Plan assets at the end of the year	**501.29**	**-**	417.50	-
e.	**Principal actuarial assumptions as at March 31, 2011**				
	Discount rate	**8.00%**	**8.00%**	8.00%	8.00%
	Expected return on plan assets	**9.30%**	**-**	9.30%	-
	Mortality Table - LIC (94-96) Ultimate Mortality				

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 are not readily available. However, LIC has confirmed that the average rate of return on plan assets is 9.30%.

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

18. Information disclosed in accordance with the Government of India, Ministry of Corporate Affairs, vide Order No. 47/34/2011-CL-III dated 14th January 2011.

Particulars	Certus Investments and Trading Limited (M)		Certus Investments and Trading (S) Private Limited		Proteus Petrochemicals Private Limited (formerly TPL India Singapore Private Limited)		SPIC Electric Power Corporation (Private) Limited
	Rupees in lacs*	In USD	Rupees in lacs*	In USD	Rupees in lacs*	In USD	Rupees in lacs
Capital	9,102.79	20,419,000	836.03	1,875,340	133.74	300,000	4,005.96
Reserves	873.10	1,958,495	-29.33	-65,798	-831.42	-1,865,000	-
Total assets	10,013.18	22,461,139	3,493.55	7,836,575	7,608.47	17,067,000	5,043.11
Total liabilities	10,013.18	22,461,139	3,493.55	7,836,575	7,608.47	17,067,000	5,043.11
Investments	1,161.46	2,605,340	-	-	-	-	-
Turnover (inc other income)	-	-	1,515.11	3,398,640	21.84	49,000	-
Profit before tax	-6.27	-14,064	- 1.95	-4,368	-115.46	-259,000	-
Provision for taxation	-	-	-	-	-	-	-
Profit after tax	-6.27	-14,064	- 1.95	-4,368	-115.46	-259,000	-
Proposed dividend	-	-	-	-	-	-	-

* Translated at exchange rate prevailing as on 31.03.2011

1USD = Rs. 44.58

19. **Joint Venture Disclosure**

The Interest in the Assets, Liabilities, Income and Expenses with respect to the Joint Venture have been consolidated on a line by line basis as per details given below:

(Rs. in Lacs)

Particulars	**Current year**	Previous year
1. Cash and Bank Balances	**4.77**	5.97
2. Loans and Advances	**226.62**	1,620.26
3. Current Liabilities and provisions	**7.39**	1384.09
4. Expenses	**0.73**	0.86

20. Based on the principles for determination of segments given in Accounting Standard - 17 “Segment reporting”, notified by Central Government of India under The Companies (Accounting Standard) Rules, 2006, the Company's primary business segments are Industrial Intermediates Chemicals and Power. Industrial Intermediates Chemicals comprises of Linear Alkyl Benzene, Epichlorohydrin and Chlor Alkalies which mainly have similar risks and returns.

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CONSOLIDATED SEGMENT INFORMATION

(Rupees in lacs)

(A)	Information about primary business segments	2011			2010		
		Industrial Intermediate Chemicals	Power	Total	Industrial Intermediate Chemicals	Power	Total
a)	REVENUE						
	Sales to external customers	107,615.70	-	107,615.70	90,497.15	-	90,497.15
	Other income	462.14	-	462.14	506.29	-	506.29
	Total revenue	108,077.84	-	108,077.84	91,003.44	-	91,003.44
b)	RESULT						
	Segment result	1,539.13	-	1,539.13	2,110.86	-	2,110.86
	Interest expense	-	-	(2,351.60)	-	-	(2,173.56)
	Interest income	-	-	58.39	-	-	67.60
	Unallocated corporate income	-	-	472.13	-	-	395.83
	Income taxes including deferred tax	-	-	9.22	-	-	(255.83)
	Profit after tax	-	-	1,949.73	-	-	144.90
	Share of profit of Associate company	-	-	367.20	-	-	247.18
	Net Profit	-	-	2,316.93	-	-	392.08
c)	OTHER INFORMATION						
	Segment assets	71,721.64	5,086.69	76,951.30	71,609.76	5,417.27	77,027.03
	Unallocated corporate assets	-	-	2,567.00	-	-	7,875.05
	Total Assets	71,721.64	5,086.69	79,518.30	71,609.76	5,417.27	84,902.08
d)	Segment liabilities	29,454.31	43.58	29,497.89	35,925.21	1,414.15	37,339.36
	Unallocated corporate liabilities	-	-	9,038.14	-	-	7,868.36
	Total Liabilities	29,454.31	43.58	38,536.03	35,925.21	1,414.15	45,207.72
e)	Capital expenditure	836.33	2.76	839.09	5,609.00	44.39	5,653.39
	Depreciation	3,799.94	-	3,799.94	3,083.31	-	3,083.31
f)	Non-cash expenses other than depreciation	82.30	-	82.30	135.99	-	135.99

(B)	Information about secondary geographic segments	2011			2010		
		Domestic	Overseas	Total	Domestic	Overseas	Total
	Segment revenue	102,177.22	5,900.62	108,077.84	85,904.76	5,098.68	91,003.44
	Segment assets	65,225.88	11,725.42	76,951.30	64,008.97	13,018.06	77,027.03
	Additions to fixed assets	839.09	-	839.09	5,653.39	-	5,653.39

21. Previous year's figures have been regrouped / recast, wherever necessary, to conform to current year's classification.

For and on behalf of the Board

	RAJEEV RANJAN	Chairman	
	A.C. MUTHIAH	Vice Chairman	
	C. RAMACHANDRAN	Director	
Place : Chennai	V. RAMANI	Director & CFO	M.B. GANESH
Date : 27th April 2011	RM. MUTHUKARUPPAN	Managing Director	Secretary

NOTES

(for use of Shareholder)

Tamilnadu Petroproducts Limited

Regd. Office & Factory : Manali Express Highway, Manali, Chennai - 600 068.
Telephone: 2594 1350 Telefax: 2594 1139
Website : www.tnpetro.com

10th August 2011

Dear Shareholder,

Sub : Green initiative in Corporate Governance – Service of documents in electronic mode.

Ref : Circular No. 18/2011 dated 29th April 2011 from Ministry of Corporate Affairs.

The Company had sent an email on 1st August 2011 to those shareholders who had provided their email id to the Depository Participants (DP) as a first step to implement "Green initiative in Corporate Governance" announced by Ministry of Corporate Affairs (MCA), allowing paperless compliance by companies through electronic mode. This move would result in reduction of paper consumption and would contribute towards a sustainable greener environment.

The Company, in future, proposes to send the Notices / Annual Reports / other shareholder communications / documents in electronic mode to our shareholders, if they so desire, to their email id provided by them directly or made available to the DP.

Please note that these documents will also be available in Company's website. As a Member of the Company, you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required to be attached thereto, upon receipt of a requisition from you.

We are confident that you would whole-heartedly support this initiative and join the Company to achieve sustainable greener environment.

If you wish to receive the aforesaid documents in electronic form, we request you kindly to fill the details in the form attached overleaf and forward the same to our Registrar & Share Transfer Agents.

Thanking You,

Yours faithfully,
for TAMILNADU PETROPRODUCTS LIMITED

M.B. GANESH
SECRETARY

E- COMMUNICATION REGISTRATION FORM

To:

M/s. Cameo Corporate Services Ltd.
Unit: TPL
'Subramanian Building'
1, Club House Road,
Chennai – 600 002.

Dear Sirs,

Sub : Green initiative in Corporate Governance – Service of Documents in electronic mode – Registration of email id.

Ref : Your letter dated 10th August 2011

I agree to exercise my option to receive all communication viz. Annual Reports, Circulars and Notices etc. to be sent by the Company under the Companies Act, 1956 in the electronic mode. Please register my email id in your records for sending communication through email.

Folio No. / DP ID & Client ID :

Name of the 1st Regd. Holder :

Name of the Joint Holder(s) :

Registered Address :

E-mail ID :

Contact – Phone / Mobile No. :

Date: Signature of the First Holder

Notes :

- Please fill up the form and send for registration of your email id at the earliest to our Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd., 'Subramanian Building', 1 Club House Road, Chennai – 600 002.
- On registration, all communications will be sent to your registered email id.
- Shareholders are requested to keep the Registrar & Share Transfer Agents informed as and when there is any change in the email id.

In the absence of your response, the documents will be sent in physical form to the address recorded in the Register of Members of the Company.

Tamilnadu Petroproducts Limited

Regd. Office & Factory : Manali Express Highway, Manali, Chennai - 600 068.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING HALL

Folio No. : ....

DP ID No. : ....

Client ID No. : ....

Name of the Shareholder : ....

I hereby record my presence at the **Twenty Sixth Annual General Meeting held on 16th September, 2011.**

Venue : Tamil Isai Sangam, Rajah Annamalai Hall, Esplanade, Chennai - 600 108.

Time : 10.25 a.m.

__________________________ Signature of the Shareholder

__________________________ Signature of the Proxy

Tamilnadu Petroproducts Limited

Regd. Office & Factory : Manali Express Highway, Manali, Chennai - 600 068.

PROXY FORM

I/We ____

of_________________________in the district of _________________________being a Member/Members

of TAMILNADU PETROPRODUCTS LIMITED, hereby appoint___________________________________

of_________________________ in the district of _________________or failling him___________________

of___________________in the district of _____________________as my/our proxy in my/our absence to

attend and vote for me / us and on my / our behalf, at the Twenty Sixth Annual General Meeting of the Company, to be held at 10.25 a.m. on 16th September, 2011 and at any adjournment thereof.

Signed this____________________ day of ____________________________ 2011.

Signed by the said_____________

Affix 15 paise Revenue Stamp

Note : The Proxy must be deposited at the Registered Office of the Company at Manali Express Highway, Manali, Chennai-600 068, not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

PLEASE NOTE: NO GIFTS WILL BE GIVEN.

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