Tamilnadu Petroproducts Limited

Email: secy-legal@tnpetro.com
Phone No. 044-69185588

Secy/189/2022-23 | 1st September 2022

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Rotunda Building, P J Tower
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
Scrip ID/Symbol: TNPETRO

The Manager,
Listing Department,
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip ID: 500777

Dear Sir,

Sub: Submission of Annual Report for the year 2021-22 – reg.

Pursuant to Regulation 34(1) of the SEBI (LODR), Regulations, 2015, as amended, we submit the Annual Report for the year 2021-22 in PDF version, along with the Notice of the 37th Annual General Meeting of the Company scheduled to be held on Thursday, 29th September 2022 at 3.00 PM IST through Video Conferencing/ Other Audio-Visual Means. The Annual Report including Notice is also uploaded on the website of the Company viz., www.tnpetro.com

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For **Tamilnadu Petroproducts Limited**

BALAMURUGAN Digitally signed by BALAMURUGAN Date: 2022.09.01 10:30:25 +05'30'

Company Secretary

Regd. Office & Factory :
Post Box No. 9, Manali Express Highway, Manali,
Chennai - 600 068. India.
Tel. : (0091) - 44 - 25945500 to 09 Telefax : 044-2594 5588
Website : www.tnpetro.com CIN : L23200TN1984PLC010931
TPL GSTIN : 33AAACT1295M1Z6

TAMILNADU PETROPRODUCTS LIMITED

37TH ANNUAL REPORT
2021-22

Financial Highlights

(₹ in crore)

Details	Ind AS						Previous GAAP			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17[$]	2015-16	2014-15	2013-14	2012-13
Revenue from Operations	1,805.58	1,145.21	1,224.96	1,245.33	1,085.09	888.85	700.63	949.87	1,051.82	1,281.42
Other Income	12.79	10.16	8.25	6.96	7.30	2.89	2.71	11.56	12.12	5.54
Total Revenue	1,818.37	1,155.37	1,233.21	1,252.29	1,092.39	891.74	703.33	961.43	1,063.94	1,286.96
EBIDTA	260.95	175.06	101.47	98.53	96.62	66.82	12.76	(17.55)	7.09	(0.35)
PBT	231.52	169.84	70.53	71.68	76.91	41.71	38.15	(71.39)	(55.60)	(72.53)
Exceptional Items	-	24.73	-	-	9.22	25.00	57.71	(13.68)	-	(1.74)
PAT	170.64	121.65	55.08	54.27	51.70	9.30	38.15	(53.07)	(37.30)	(50.56)
Equity Capital	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97
Reserves & Surplus	617.09	468.61	360.68	318.63	269.38	218.56	189.16	151.01	218.19	255.70
Net Worth	709.37	561.23	433.21	388.98	340.13	288.67	259.27	221.12	288.30	325.61
Face value of share	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per share ₹	18.97	13.52	6.12	6.03	5.75	1.03	4.24	(5.90)	(4.15)	(5.62)
Dividend %	*30.00	25.00	15.00	10.00	5.00	-	-	-	-	-
Book value per share ₹	78.59	62.08	50.09	45.41	39.94	34.29	33.23	26.78	34.25	38.42
EBIDTA / Net Revenue %	14.45	17.16	8.28	7.91	8.90	7.52	1.82	(1.85)	0.67	(0.03)
PBT / Net Revenue %	12.82	14.83	5.76	5.76	7.09	4.69	5.45	(7.52)	(5.29)	(5.66)
Return on Networth %	24.06	21.68	12.71	13.95	15.20	3.22	14.71	(24.00)	(12.94)	(15.53)
Return on Capital Employed %	30.18	28.08	15.94	17.10	18.69	13.77	(1.68)	(14.88)	(6.60)	(8.91)

*Subject to declaration at the AGM

[$]Restated as per Ind AS

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Board of Directors*

Mr. S.Krishnan, I.A.S	DIN:03439632	Chairman
Mr. Ashwin C Muthiah	DIN:00255679	Vice Chairman
Mr. Dhananjay N Mungale	DIN:00007563	Independent Director
Dr. N.Sundaradevan, I.A.S (Retd.)	DIN:00223399	Independent Director
Mr. Debendranath Sarangi, I.A.S (Retd.)	DIN:01408349	Independent Director
Ms. Sashikala Srikanth	DIN:01678374	Independent Director
Lt. Col. (Retd.) C S Shankar	DIN:08397818	Independent Director
Mr. G D Sharma	DIN:08060285	Independent Director
Ms. Jayashree Muralidharan, I.A.S	DIN:03048710	Additional Director
Ms. R.Bhuvaneswari	DIN:03048710	Director
Mr. D Senthi Kumar	DIN:00202578	Whole-time Director (Operations)
Mr. KT Vijayagopal	DIN:02341353	Whole-time Director (Finance) & CFO

* As on 8th August 2022

Company Secretary
Mr. V. Balamurugan

Registered Office & Factory
Manali Express Highway
Manali, Chennai – 600 068
Tel: 044 25945588, Fax: 044 25945588/69185588
CIN:L23200TN1984PLC010931
E Mail: secy-legal@tnpetro.com,
Website: www.tnpetro.com

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

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

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

Secretarial Auditor
Ms. B Chandra
Practicing Company Secretary,
AG3, Navin's Ragamalika,
26, Kumaran Colony Main Road,
Vadapalani, Chennai – 600 026.

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

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

Vision & Mission

To sustain and improve upon our performance in the petrochemical sector meeting all stakeholders expectations following best practices.

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NOTICE FOR THE THIRTY SEVENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the Company will be held at 3.00 P.M. on Thursday, the 29th September 2022, through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2022 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2022 and the Reports of Directors, Auditors and Secretarial Auditor thereon are received, considered and adopted.

2. **To declare a dividend by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of ₹ 3.00 per equity share on 8,99,71,474 Equity Shares of ₹10/- each, absorbing ₹ 26,99,14,422 (Rupees Twenty Six Crore Ninety Nine lakh Fourteen Thousand Four Hundred and Twenty Two only), subject to rounding off, is declared out of the profits for the year ended 31st March 2022 and the same be paid:

   i. In respect of shares held in physical form, to those members whose names appear on the Register of Members on 29th September 2022 and

   ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 22nd September 2022.

3. **To appoint a Director in the place of Mr. Ashwin C Muthiah (DIN 00255679), who retires by rotation and being eligible offers himself for re-appointment, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Ashwin C Muthiah (DIN 00255679), a Director retiring by rotation being eligible and offering for re-election, is re-appointed as a Director of the Company, liable to retire by rotation.

4. **To appoint the Auditors of the Company and fix their remuneration, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT

   i. Pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof), and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. RGN Price & Co., Chartered Accountants, Chennai having ICAI Registration Number 002785S is appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company to be held during the year 2027.

   ii. The Auditors be paid a remuneration of ₹ 30,00,000/- (Rupees Thirty Lakh only), per year, plus reimbursement of out of pocket expenses and applicable taxes, for the next two years i.e., 2022-23 and 2023-24 for the audit of the accounts and related services as the Auditors of the Company.

SPECIAL BUSINESS

5. **To appoint Mr.S.Krishnan, IAS (DIN 03439632) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. S. Krishnan, IAS, (DIN 03439632) is appointed as a Director of the Company, not liable to retire by rotation.

6. **To appoint Ms.Jayashree Muralidharan, IAS (DIN 03048710) as a Director of the Company by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Ms. Jayashree Muralidharan, IAS, (DIN 03048710) is appointed as a Director of the Company, liable to retire by rotation.

7. **To ratify the remuneration to the Cost Auditors for the year 2021-22 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration of ₹ 2,75,000/- (Rupees Two Lakh Seventy Five Thousand only) to Mr.Krishnamoorthy & Associates, Cost Accountants, Chennai for the year 2021-22 is ratified.

8. **Prior approval for material related party transactions, during October 2022 to September 2023, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, prior approval is accorded for transactions with Manali Petrochemicals Limited for the period from Oct-2022 to Sep-2023 for purchase and sale of goods and services and other transactions for aggregate value upto ₹ 425.00 crore (Rupees Four Hundred and Twenty Five crore) plus applicable taxes.

9. **To approve the payment of remuneration to the Non-Executive Directors for the year 2021-22 by passing the following as a Special Resolution:**

   RESOLVED THAT

   a. Pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder, Regulation 17 (6) and other applicable Regulations, if any of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Article 126 (c) of the Articles of Association of the Company and subject to such other approvals as may be required, sanction is accorded for payment of remuneration to the Non-Executive Directors of the Company for the year 2021-22 as detailed below, subject to tax:

Sl. No.	Name of the Director	Amount In ₹
01	Mr. S Krishnan IAS (payable to TIDCO)	1,00,000
02	Mr. Ashwin Muthiah	5,00,000
03	Mr. Dhananjay Mungale	5,00,000
04	Ms. Sashikala Srikanth	5,00,000
05	Mr. G D Sharma	5,00,000
06	Dr. N Sundaradevan, IAS (Retd.)	5,00,000
07	Mr. Debendranath Sarangi IAS (Retd.)	5,00,000
08	Mr. CS Shankar	5,00,000
09	Mr. Pankaj Kumar Bansal IAS (payable to TIDCO)	3,00,000
10	Ms. R Bhuvaneswari (payable to TIDCO)	1,00,000
	Total remuneration	40,00,000

b. The Board of Directors of the Company (hereinafter called “the Board” which term shall be deemed to include any Committees, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons), is authorized to take such further actions as may be required for giving effect to the above proposal, which shall include the power to settle all or any matter, issue or question arising out of or in relation to or incidental to the aforesaid proposal and to do all other acts, deeds, matters and things as, the Board in its absolute discretion and as may be necessary, expedient or desirable in this regard.

10. To approve the renewal of appointment and increase in remuneration of Mr. D Senthi Kumar (DIN 00202578) as the Whole-time Director (Operations) by passing the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 of the Companies Act, 2013 (‘the Act’), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the renewal of appointment of Mr. D Senthi Kumar, (DIN 00202578) as the Whole-time Director (Operations) of the Company on the following terms and conditions:

A. PERIOD OF APPOINTMENT: 2 YEARS (18.02.2022 TO 17.02.2024)

B. NATURE OF APPOINTMENT: CONTRACTUAL

C. REMUNERATION: Mr. D Senthi Kumar (DIN 00202578) shall be paid remuneration as detailed below:

i. Total remuneration shall be ₹ 78.99 lakh per annum including annual performance pay of ₹ 12.00 lakh and all other allowances.

ii. In addition to the above he shall be eligible for contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. D Senthi Kumar.

iv. The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

vi. The aforesaid revised remuneration shall be applicable from 18th February, 2022.

D. The following shall not be deemed to be remuneration to Mr. D Senthi Kumar, (DIN 00202578)

i. Provision of car with driver for official use.

ii. Provision of telephone at residence and mobile phone.

iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company

E. All the other terms and conditions of appointment and remuneration shall remain the same.

F. The term of office of Mr. D Senthi Kumar, as a Director of the Company shall be coterminous with his term as Whole-time Director, unless otherwise decided by the Board.

11. To approve the renewal of appointment and increase in remuneration of Mr. KT Vijayagopal (DIN 02341353) as the Whole-time Director (Finance) by passing the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 of the Companies Act, 2013 ('the Act'), Schedule V thereto, the applicable Rules and Article 135 of the Articles of Association of the Company and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required, consent of the Members is accorded for the renewal of the appointment of Mr. KT Vijayagopal, (DIN 02341353) as the Whole-time Director (Finance) of the Company on the following terms and conditions:

A. PERIOD OF APPOINTMENT: 3 YEARS (12.02.2022 TO 11.02.2025)

B. NATURE OF APPOINTMENT: CONTRACTUAL

C. REMUNERATION: Mr. K T Vijayagopal (DIN 02341353) shall be paid remuneration as detailed below:

   i. Total remuneration shall be ₹ 78.99 lakh per annum including annual performance pay of ₹12.00 lakh and all other allowances.

   ii. In addition to the above he shall be eligible for contribution to Provident and other Funds, gratuity, leave with salary and encashment thereof, and other benefits shall be in accordance with the applicable law/service rules of the Company.

   iii. In the event of loss or inadequacy of profits, the aforesaid remuneration other than the annual performance pay shall be the minimum remuneration payable to Mr. K T Vijayagopal.

   iv. The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

   v. The quantum of the annual performance pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

   vi. The aforesaid revised remuneration shall be applicable from 12th February, 2022.

D. The following shall not be deemed to be remuneration to Mr. K T Vijayagopal, (DIN 02341353)

   i. Provision of car with driver for official use.

   ii. Provision of telephone at residence and mobile phone.

   iii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

   iv. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company

E. All the other terms and conditions of appointment and remuneration shall remain the same.

F. The term of office of Mr. K T Vijayagopal, as a Director of the Company shall be coterminous with his term as Whole-time Director, unless otherwise decided by the Board.

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

8th August 2022

By order of the Board
for **Tamilnadu Petroproducts Limited**

V. Balamurugan
Company Secretary

IMPORTANT NOTES:

Statutory information:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 23rd September 2022 to 29th September 2022 (both days inclusive) in connection with the Annual General Meeting (AGM) & payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), and disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 setting out details relating to Special Business of the meeting is annexed hereto.
3. Particulars of the Directors seeking appointment / re-appointment / renewal of appointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment / renewal of appointment.

Meeting through Video Conferencing/Other Audio Visual Means (OAVM):

4. Pursuant to the General Circular No. 20/2020 dated 5th May 2020 read with General Circulars No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, and 02/2021 dated 13th January 2021 and the General Circular No.02/2022 dated 05th May 2022, the Meeting will be held through Video Conferencing/ Other Audio Visual Means.
5. In terms of the above Circulars, there is no provision for appointment of proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of bodies corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. For participating in the meeting through the VC/OAVM please see instructions in page 15.
7. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent M/s Cameo Corporate Services Limited through the following web-link: https://Investors.cameoindia.com
8. The above facility for participant registration will be open from 9:00 AM on 21st September 2022 to 5:00 PM on 25th September 2022. It may please be noted that there will be no option for spot registration and only those shareholders who have registered through the above process will be able to speak at the meeting.
9. Members who do not wish to speak during the AGM but have queries may send their queries on or before 24th September 2022, mentioning their name, demat account number/folio number, E-mail id, mobile number at secy-legal@tnpetro.com. These queries will be replied to by the company suitably by email.

Despatch of Annual Report and Notice of the meeting:

10. Electronic copy of the Annual Report for the year 2021-22 and the Notice of the 37th AGM are being sent to the Members whose E-mail IDs are registered with the Company and for persons holding shares in demat form as per the information provided by the Depositories, unless any member who requests a hard copy of the same.
11. Annual Report and the Notice of the AGM are available in the Company's website viz., https://tnpetro.com/. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

Facility for Remote E-voting and Voting during the meeting:

12. Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has

entered into an arrangement with Central Depository Services of (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. The detailed process for participating in e-voting is furnished in the Annexure to the Notice in Page No 12.

13. *A person who has participated in e-voting is not debarred from participating in the meeting though he/she shall not be able to vote at the meeting again and his/her earlier vote cast electronically shall be treated as final. However, as per Rule 20 of the Companies (Management & Administration) Rules, 2014, facility for voting will also be made available at the meeting and Members who have not cast their vote by e-voting shall be able to exercise their right at the meeting, which would also be through electronic means.*

Payment of dividend and withholding tax thereon:

14. The dividend for the year 2021-22 upon declaration at the AGM, would be paid on 25th October 2022, as below:

    a. In respect of Shares held in physical form to those Members whose names appear on the Register of Members on 29th September 2022 and

    b. In respect of Shares held in electronic form, to those Members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 22nd September 2022.

15. Dividend is taxable in the hands of the recipient from 1st April 2020. The Company is required to deduct tax at source from dividend. Accordingly, dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 10% in other cases.

16. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, dividend amount would be aggregated for determining the TDS rate.

17. If the Member

    (a) Is a resident individual and the amount of dividend does not exceed ₹ 5,000 or furnishes a declaration in Form 15G/15H, no such deduction will be made.

    (b) Is a Non-Resident or Foreign Institutional Investor or a Foreign Portfolio Investor, the tax deduction would be @ 20%.

    (c) Is other than (a) or (b) above, TDS would be deducted irrespective of the amount @ 10% or as the case maybe 20%, in the absence of a valid PAN.

    (d) In addition to the above surcharge and cess as applicable will be deducted.

    (e) Resident shareholders may also submit certificate under Section 197 of the Income Tax Act, 1961, issued by the concerned authority for no or lower deduction of tax.

    (f) Non Resident Shareholders, including foreign companies and institutional investors like FIIs, FPIs, etc. if eligible can avail lower withholding taxes under the Double Taxation Avoidance Agreements by submitting the necessary documents such as Tax Residency Certificate, Form 10F and other declarations specified in the relevant Rules.

18. The aforesaid forms and declarations may be provided through the Web-portal of the RTA https://Investors.cameoindia.com. It may please be noted that physical copies of the Forms will not be acceptable and so Members may provide the declaration only electronically. The facility for providing the declaration for Dividend 2021-22 will not be available after 05th October 2022 5:00 PM.

19. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.

20. There may be delays in receipt of the warrants by the shareholders, depending on the situation prevailing at the time of processing and payment of dividend. Members may register their bank account through the RTA well in advance.

Unpaid/Unclaimed Dividend:

21. As per Section 125 of the Act the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company was not required to transfer any unpaid and unclaimed dividend amount during the year.

22. The details of unpaid dividend relating to the years 2017-18 to 2020-21 as on 15th September 2021 being the date of the last AGM is available in the website of the Company https://tnpetro.com/. The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2017-18 to 2020-21 will be uploaded on the Website of the Company in due course.

23. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.

24. As per the extant law, the shareholders are entitled to claim the unpaid dividends transferred to the IEPF for which they are required to submit the request online in Form IEPF-5. The procedure for making the claims is available in the websites of the Company and also the IEPF.

General:

25. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holdings should be verified.

26. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the RTA through the web-link: https://Investors.cameoindia.com

27. SEBI vide Circular dated 03-11-2021 and 14-12-2021 have mandated the Company to disseminate the requirement of the holders of physical shareholders to furnish valid PAN, KYC details and Nomination, on their respective websites and also directly intimate its shareholders about the folios which are incomplete under the said circulars. Accordingly, individual letters were sent to those shareholders where folios are incomplete. In spite of this many shareholders have not come forward to provide the information. Such folios in which the PAN registered is not linked with Aadhar as on the notified cutoff date of 31-03-2023 or any other date may be specified by CBDT shall be frozen. Further, if the folios, wherein any one of the cited documents in the said circular / details are not available to on or after 01-04-2023, the folios shall be frozen. Please link your PAN with Aadhar at the earliest and note that if the folio continues to remain frozen as on 31-12-2025, the details of securities in the frozen folios shall be informed to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2022.

28. Pursuant to proviso to Regulation 40 (1) of the Listing Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names are not to be processed by the Company in physical form and pursuant to amended Regulation 39 & 40 of the Regulations effective from 24th January, 2022, all service request relating to transmission or transposition replacement of duplicate certificates and the like were issued only in dematerialised form. So, shareholders desirous of transferring (including transmission, transposition, replacement of duplicate certificates) their shares are requested to dematerialize their holdings.

29. Members may avail nomination facility in respect of their holdings. Those holding shares in physical form may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.

30. The documents and information to be made available for inspection by the Members during the AGM will be provided electronically through the e-voting facility of CDSL.

GUIDANCE TO SHAREHOLDERS FOR REMOTE E-VOTING

1. The voting period begins at 9:00 AM on 26-09-2022 and ends on 28-09-2022 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-09-2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

3. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

4. Pursuant to abovesaid SEBI Circular, Login process for e-Voting and joining virtual meetings for individual shareholders holding securities in Demat mode are given below:

   A. Shareholders holding securities with CDSL

   i. If you have opted for CDSL Easi / Easiest facility, you can login using your existing user id and password. The URL to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login. Alternatively, you can visit www.cdslindia.com and click on Login icon and select New System Myeasi.

   ii. After successful login, you will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the respective company. On clicking the e-Voting option, you will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & vote during the meeting.

   iii. Links are also provided to access the system of all the e-Voting Service Providers viz., CDSL/NSDL/KARVY/LINKINTIME, so that you can visit the e-Voting service providers' website directly.

   iv. If you are not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

v. Alternatively, you may directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on the below link: https://evoting.cdslindia.com/Evoting/EvotingLogin

vi. The system will authenticate your credentials by sending OTP on the registered Mobile & Email as recorded in the Demat Account.

vii. After successful authentication, you will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

B. Shareholders holding securities with NSDL

i. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com by selecting “Register Online for IDeAS “Portal or clicking the below link: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

C. Login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

D. If you are unable to retrieve User ID/ Password please use Forget User ID and Forget Password option available at abovementioned websites and follow the instructions for resetting the information.

E. Help Desk in case of log-in issues of demat holders:

- Members holding demat account with CDSL and facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

- Members holding demat account with NSDL and facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

5. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form is as below:

   i. The shareholders should log on to the e-voting website www.evotingindia.com.

   ii. Click on “Shareholders” module.

   iii. Now enter your User ID

      a. For CDSL: 16 digits beneficiary ID,

      b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

      c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

   iv. Next enter the Image Verification as displayed and Click on Login.

   v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

   vi. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is available in the e-mail forwarding the Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number as mentioned in instruction (v).

   vii. After entering these details appropriately, click on “SUBMIT” tab.

   viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

   x. Click on the EVSN for Tamilnadu Petroproducts Limited

   xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

   xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

6. For the attention of Non – Individual Shareholders and Custodians – applicable only for remote e-voting and not for attending the AGM or voting thereat

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer bchandraassociates@gmail.com or to the Company at the email address viz; secy-legal@tnpetro.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE RTA OR DEPOSITORIES MAY USE THE WEBLINK OF THE RTA https://Investors.cameoindia.com AND FOLLOW THE INSTRUCTIONS THEREIN. In case of any difficulty please contact the RTA. Upon registration of the E-mail ID as above, the RTA will provide the login credentials for the e-voting when the notice of the AGM is sent based on the registration.

GUIDANCE TO SHAREHOLDERS TO ATTEND THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. As mentioned earlier, the AGM will be held through Video Conferencing/Other Audio Visual Means (OAVM).
2. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

4. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. In other words, **the window for joining the meeting would be available from 2:45 PM to 3:15 PM on the AGM day.**

5. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This shall not apply to Shareholders holding 2% or more shares and other categories of persons mentioned in the relevant Circular.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

7. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

9. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. There is no provision for spot registration to speak at the meeting.

10. Shareholders are requested not to permit any other person to use their log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.

GUIDANCE TO SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. E-voting facility during the meeting will be available from the beginning of the Meeting till 5 minutes after the close of the meeting. Shareholders may, at their option, vote at any time during this period. The voting facility will be closed thereafter.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

   FOR THE ATTENTION OF NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

   - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
   - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
   - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
   - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Non-Individual shareholders who have voted from the tab for individuals or not submitted the relevant documents in the CDSL E-voting system are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote by email, to the Scrutinizers bchandraassociates@gmail.com or to the Company at secy-legal@tnpetro.com.

Contact For Further Information

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 23.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 23.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following statements sets out all material facts relating to the special businesses mentioned in the accompanying notice:

Item No. 5

Mr. S. Krishnan, IAS (DIN 00540135) Additional Chief Industry Secretary, being nominiee of TIDCO was appointed as Additional Director of the Company through a Circular Resolution of the Board on 15th December 2021 and pursuant to Section 161 of the Companies Act, 2013 (the Act) he holds office till the ensuing AGM.

Proposal has been received from TIDCO for his appointment as Director of the Company under Section 160 of the Act. Since the proposal has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. Brief profile of the appointee is given in the enclosure.

In terms of the Joint Sector Agreement entered between the promoters, TIDCO is entitled to have their nominees on the Board of the Company. Accordingly, the Board recommends the resolution for the consideration of the Members as an Ordinary resolution.

Except the appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution

Item No. 6

Ms. Jayashree Muralidharan, IAS (DIN 03048710), Special Secretary, to Government, Industries Department, Government of Tamil Nadu, being nominee of TIDCO was appointed as Additional Director of the Company by the Board of Directors of the Company at their meeting held on 08th August, 2022 and pursuant to Section 161 of the Companies Act, 2013 (the Act) she holds office till the ensuing AGM.

Proposal has been received from TIDCO for her appointment as Director of the Company under Section 160 of the Act. Since the proposal has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. Brief profile of the appointee is given in the enclosure.

In terms of the Joint Sector Agreement entered between the promoters, TIDCO is entitled to have their nominees on the Board of the Company. Accordingly, the Board recommends the resolution for the consideration of the Members as an Ordinary resolution.

Except the appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 7

At the Board Meeting held on 9th August, 2021, M.Krishnaswamy & Co., Cost Accountants, Chennai has been appointed as the Cost Auditor of the Company for the year 2021-2022 on remuneration of ₹ 2,75,000/- (Rupees Two Lakh Seventy Five Thousand only) as recommended by the Audit Committee of the Company. As per Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, remuneration to the Cost Auditor as recommended by Audit Committee, and approved by the Board is to be ratified by the Members and hence the same is placed for consideration and approval at the AGM.

The Board recommends the resolution for approval of the Members as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above resolution.

Item No. 8

The Company has been having transactions with Manali Petrochemicals Limited (MPL) for more than 3 decades for the purchase/sale of various goods/services. MPL is a major customer of TPL for its products such as Propylene Oxide, Chlorine, etc and at times TPL also purchases materials from MPL. MPL is purchasing Propylene Oxide from TPL since 2017-18 for its derivative plants which is in addition to the other products/services.

TPL and MPL are not related parties under the provisions of the Act. MPL has been identified as a Related Party of the Company under the IndAs-24 and so the requirements relating to transactions with Related Parties are being complied with. The transactions with MPL have always been in the ordinary course of business at arms' length and would continue to be so, aligned to the extant market conditions and prevailing terms of sale/purchase. Hence, they are not covered under Section 188 of the Act. However, the stipulations in the Listing Regulations are attractive.

It is essential for the Company to continue the transactions with MPL, being a major customer of TPL for more than 3 decades, which takes place at arms' length.

In terms of the relevant Policy of the Company read with Regulation 23 of the Listing Regulations, the transactions with Related Parties would be deemed material if they are more than 10% of the consolidated turnover of the Company in the preceding year. In this connection, prior approval of the ₹ 350 crore, excluding taxes, the estimated value of transactions with MPL during the financial year 2022-23, which was about 20% of the estimated consolidated turnover of the Company in FY 2021-22, was obtained from the Members of the Company on 26.03.2022, vide postal ballot.

It is estimated that the transactions with MPL during the period from Oct-2022 to Sep-2023 would be 425 crore excluding taxes and duties, which would be about 24% of the estimated consolidated turnover of the Company in FY 2021-22.

Pursuant to the amended provisions of Regulation 23 (4) of SEBI (LODR) Regulations, 2015 effective from 1-4-2022 all material related party transactions shall require prior approval of the shareholders other than the Related Parties through resolution. Accordingly, the same is placed before the Members for approval.

As required under Regulation 23 of the Regulations, the Audit Committee at the meeting held on 09-08-2022 accorded its prior approval for transactions with MPL during the period from October 2022 to September 2023 up to ₹ 425 crore plus applicable taxes and duties. In terms of SEBI's Circular dated

22-11-2021 all the required information, viz., the name of the Party, nature of the relationship, details of the proposed transactions, tenure and justification as detailed above were submitted to the Audit Committee for consideration.

In the light of the above, Board recommends the resolution for consideration and approval of the Members as an Ordinary Resolution. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or in any way interested financially or otherwise in the aforementioned proposal.

Item No. 9

The Non-Executive Directors (NEDs) of the Company possess diverse knowledge and have rich experience in their respective areas of expertise. They provide critical and strategic advice on various matters and the Company is immensely benefitted from their guidance. At present they are only paid sitting fees for the Board meetings, which do not commensurate with their contributions to the Company. So, it has been proposed that they be paid remuneration over and above the sitting fees, as set out in the resolution. In terms of the Remuneration Policy of the Company the aforesaid remuneration has been recommended by the Nomination & Remuneration Committee and approved by the Board at their respective meetings held on 23rd May 2022.

As per Article 126 (c) of the Articles of Association of the Company, subject to the provisions of the Act, the Company in General Meeting may by special resolution sanction and pay to the Directors, other than executive directors, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, a remuneration not exceeding such percentage of the net profits of the company calculated in accordance with the provisions of the Act. The said amount of remuneration shall be paid to all or any such Director(s) of the Company who held office as Non-Executive Director at any time during the financial year in respect of which such remuneration is paid in such proportion or manner as prescribed under the Act or as determined by the Board.

Section 197 of the Companies Act, 2013 provides that the NEDs may be paid remuneration upto 1% of the net profits of the Company in the form of fee, remuneration or commission. In this connection, it may be noted that the proposed amount of ₹ 40 lakh is well within the limit fixed under the Act.

Under Regulation 17 of the SEBI (LODR) Regulations, 2015, any fee or other payments to NEDs are to be determined by the Board and requires approval of Members. Accordingly, approval of the Members is sought for the proposal by way of a Special Resolution.

The Board recommends the resolution for the consideration of the Members. Except the Non-Executive Directors and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested financially or otherwise in the above proposal.

Item No. 10 & 11

Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 09th February 2022 renewed the appointment of Mr. D Senthi Kumar (DIN: 00202578) as the Whole-time Director (Operations) for a period of two years with effect from 19th February 2022, subject to approval of the Members and renewed the appointment of Mr. KT Vijayagopal (DIN: 02341353) as Whole-time Director (Finance) for a period of three years with effect from 12th February, 2022, subject to approval of the Members.

The brief profiles of the said appointees are given in the Annexure from which it could be seen that they have adequate qualifications and requisite experience to be the Wholetime Directors of the Company and discharge their responsibilities.

Based on the recommendation of the NRC, the remuneration of the aforesaid Wholetime Directors have been revised as detailed in the Resolutions.

The revised remunerations are considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

Statement pursuant to Clause (iv) of second proviso to of Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolutions for the consideration of the Members. Except the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

Regd.Office:	By order of the Board
Manali Express Highway,	for **Tamilnadu Petroproducts Limited**
Manali, Chennai-600 068	
	V. Balamurugan
8th August 2022	**Company Secretary**

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED AT THE 37TH AGM.

Items 3,5,6,10 & 11 of the Notice

Brief Profiles of the proposed appointees

Mr. Ashwin C Muthiah

Mr. Ashwin C Muthiah, (DIN: 00255679), is the Founder Chairman of AM Group of Companies, Singapore which has interests across the globe in fertilizers, petrochemicals, distribution, infrastructure, healthcare and green energy. He is a commerce graduate from Loyola College, Chennai. After completing his post-graduation in management studies in the US, he joined the Group in India.

Mr. Ashwin, a third-generation business leader, has led the group since 2001; he initiated the strategic re-orientation of various business entities to transform them into future-ready and sustainable entities in the new global economic environment. Today, the US$ 2 billion Group's ventures span diverse, traditional and new-age businesses across India, South East Asia and the UK.

Besides steering the Group as Chairman of the parent company, Mr. Ashwin also heads the Boards of the various group companies such as Southern Petrochemical Industries Corporation (SPIC), Manali Petrochemicals Limited (MPL), Sicagen India Limited and Wilson International, Singapore. He is also the Vice Chairman of Tamilnadu Petroproducts Limited (TPL).

Mr. Ashwin is the Consul General Ad Honorem for the Republic of Philippines in India and has served as a member of the Singapore Economic Development Board (EDB).

His philanthropic interests are focused on the areas of provision of safe drinking water and solving the sanitation issues of the needy through CSR efforts of AM Foundation. He is also a trustee of the Saigon Chettiars' Temple Trust in Singapore that promotes ancient history, culture and traditions.

Mr. S Krishnan, IAS

Mr. S Krishnan, IAS, [DIN: 03439632], 54, is a B.A. (Hons), MA in Economics and 1989 Batch IAS Officer who has held many key positions in various departments in the Government of Tamil Nadu and Government of India. Presently, Mr Krishnan is the Additional Chief Secretary, Industries Department.

During his career spanning more than 32 years, he has held key positions of Sub collector, Cuddalore, Collector Viruthunagar, Managing Director Tamilnadu Textbook Corporation, Member Secretary, Sports Development Authority and Chairman, Fifth State Finance Commission and CEO, Tamilnadu Infrastructure Board. He worked in Government of India as Secretary to Finance Minister and Senior Advisor, Office of the Executive Director for India, Sri Lanka, Bangladesh and Bhutan, International Monetary Fund, Washington DC.

Presently, Mr. Krishnan is the Chairman and Director of State Industries Promotion Corporation of Tamilnadu Ltd., Tamilnadu Minerals Ltd., Tamilnadu Newsprint and Papers Ltd., Tamilnadu Magnasite Ltd., Titan Company Ltd., Tamilnadu Cements Corporation Ltd., and Director of Tamilnadu Industrial Development Corporation Ltd., (TIDCO) Tamilnadu Generation and Distribution Corporation Ltd., Tamilnadu Industrial Investment Corporation Ltd., IIT Madras Research Park, Tamilnadu Startup and Innovation Mission and Tamilnadu Trade Promotion Organisation.

He has been nominated as Director of Tamilnadu Industrial Investment Corporation Ltd., and as Chairman of TIDEL Park Ltd. He does not hold any shares in the Company nor is related to any of its Director.

Ms. Jayashree Muralidharan, IAS

Ms. Jayashree Muralidharan is a 2002 batch IAS Officer, who has held many key positions in various departments in the Government of Tamil Nadu. Ms. Jayashree Muralidharan has two decades of wide experience in Public Administration. She is currently the Special Secretary, to the Government of Industries Department, Tamil Nadu.

Presently, Ms. Jayashree Muralidharan is the Managing Director of Tamilnadu Industrial Development Corporation Limited (TIDCO) and Chairman of Tamilnadu Salt Corporation Limited and Director of TIDEL Park Limited, CBIC Ponneri Industrial Township Limited, State Industries Promotion Corporation of Tamilnadu Limited. Titan Company Limited, Electronics Corporation of Tamilnadu Limited, Tamil Nadu Water Investment Company Limited, Tamilnadu Trade Promotion Organisation and Golden Jubilee Biotech Park for Women Society.

She has been nominated as Director of TIDEL Park Coimbatore Limited, Marine Infrastructure Developers Private Limited, Tamil Nadu Centre of Excellence for Advanced Manufacturing and Tamilnadu Smart and Advanced Manufacturing.

She does not hold any shares in Tamilnadu Petroproducts Limited and not related to any of the Directors of the Company.

Mr. D Senthi Kumar

Mr. D Senthi Kumar, (DIN: 00202578), 58, holds B.TECH (Chemical Engineering Degree) from Anna University and also completed his EMBA in IIBM. He has more than 31 years of experience in the industry. He started his career as a trainee in TPL and became the AVP (Operations). He has handled many areas in TPL and has good knowledge about the operations and other functions of all the units of the Company. His qualification and knowledge about TPL will be very useful to the Company. Presently he is the WTD (Operations) of TPL and a Director of TPL Employees Welfare Foundation. He is a member of the Risk Management Committee, CSR Committee and Stakeholders Relationship Committee of TPL.

Mr. KT Vijayagopal

Mr. KT Vijayagopal, (DIN: 02341353), 57, is a graduate in Commerce and a Fellow member of the Institute of Chartered Accountants of India (ICAI). He has more than 31 years of experience mostly in Oil & Gas, Power, Engineering and Manufacturing sectors and has held various positions in multinational companies & premier Indian Companies including Board level assignments. He has widely travelled and has worked with various nationalities like British, Canadians, Americans etc., In addition to the general corporate experience, his commercial acumen combined with people skills is expected to be useful to the Company. He is the Chief Financial Officer of the Company and the WTD (Finance) from 1st February 2016. Presently he is a Director of TPL Employees Welfare Foundation.

None of the above directors hold any shares in the Company except Mr.KT Vijaygopal who holds 200 equity shares and none of the appointees are related to any of the directors of the Company.

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

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report together with the Audited Financial Statements for the year ended 31st March 2022. The Management Discussion & Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is also presented as part of the Directors' Report.

FINANCIAL RESULTS

The summary of the financial results is provided below. This has been prepared as per the Indian Accounting Standards (Ind AS) adopted since 2017-18:

(₹ In crore)

Description	2021-22	2020-21
Earnings Before Interest, Depreciation and Tax	**260.95**	175.06
Interest	**5.80**	7.22
Depreciation	**23.63**	22.73
PBT (before exceptional item)	**231.52**	**145.11**
Exceptional item	**-**	24.73
PBT (after exceptional item)	**231.52**	**169.84**
Tax expenses	**60.88**	48.19
Profit After Tax	**170.64**	**121.65**

HIGHLIGHTS OF OPERATIONS

Your Company achieved revenue from operations of ₹ 1,805.58 crore as against ₹ 1,145.21 crore in the previous year.

Linear Alkyl Benzene (LAB) the main product sustained it's contribution despite the Plant was shutdown for maintenance for 11 days during fourth quarter of 2021-22, as well as impact due to huge increase in oil prices witnessed during the year. The increase in income came from Chlor-alkali business and Propylene oxide helped by increase in product prices and optimal production.

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

The company in its efforts to augment capacity in its Linear Alkyl Benzene Plant from its existing 120 KTA to 145 KTA has incurred a sum of ₹ 23.57 crore during the year towards the cost of the design engineering. The estimated cost of revamping LAB facility is ₹ 240 crore and expected to be put on stream in 24 months from the date of all statutory clearances.

The company in order to modernise the existing CS lye facility from its 150 TPD to 250 TPD has estimated an outlay of ₹ 165 crore to be incurred over a period of 18 months from all statutory clearances. Towards this, the Company has incurred a sum of ₹ 0.47 crore during the year towards initial feasibility study.

FINANCIAL REVIEW

Your Company's net profits registered an increase at ₹ 170.64 crore as compared to ₹ 121.65 crore in the previous fiscal. Revenue from Operations and Profit After Tax on year on year basis increased by 58% and 40% respectively. Revenue and Profit After Tax figures achieved for the year 2021-22 is the highest in the history of TPL.

LAB topline growth the main contributor for the increase in revenue was mainly due to selling price increase achieved during the year in line with import pricing. Raw material prices increased in line with crude prices. Chlor-alkali business contribution almost doubled compared to previous year mainly due to better prices.

Finance Cost substantially reduced due to a combination of both optimum utilization of funds as well as reduction in working capital interest rates.

Based on the improved performance, CARE Ratings Ltd. assigned CARE A; Stable (Single A; Outlook: Stable) rating for Long Term Bank facilities; and CARE A1 ratings for Short-Term working capital facilities.

DIVIDEND

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the Regulations), Board has approved a Dividend Distribution Policy which is available on the website of the Company in the following link: https://tnpetro.com/corporate-governance-policies/

Based on the parameters in the policy, your Directors have recommended a dividend of 30% i.e. ₹ 3.00 per equity share of ₹ 10/- each fully paid up, for the year 2021-2022, aggregating to ₹ 27.00 crore.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Linear Alkyl Benzene (LAB), commonly known as detergent alkylate, is a chemical molecule that belongs to the family of organic compounds. Linear Alkyl Benzene Sulfonate (LAS), a surfactant used in detergents and cleaning goods, is made from LAB as a chemical intermediary. LAB is a commercially important substance made from a variety of petroleum derivatives, with a strong demand from the detergent sector for heavy-duty laundry liquids, light-duty dishwashing liquids, and laundry powders, as well as industrial and home cleansers. LAB is also found in a few additional applications, such as emulsion polymerisation, wetting agents, ink solvents, cable oil, and so on.

Due to population growth and lifestyle changes, the detergent sector is likely to develop at a faster pace. The Asian region is both the world's largest producer as well as consumer of LAB. India, China, and the Middle East are now the leading producers. New capacities are also being added in Middle East and India.

The LAB sector in India began in 1978 with the inauguration of IPCL's first LAB facility in Vadodara. Reliance Industries Limited later bought IPCL (RIL). Years later, as the import substitution business grew in India, TPL, RIL, Nirma, and IOC established facilities around the country. However, due to globalisation and legislative developments such as the Free Trade Agreement (FTA) the sector has been suffering tough competition from imports mostly from the Middle East, Thailand, and China until last year. The expiry of antidumping duties against Iran, Qatar, and China made the industry to face stiff competition from low-cost imports affecting the market prices from early 2022. The Indian government made BIS certification mandatory for LAB supplies entering the Indian market, but the extension of the deadline for BIS certification is not supportive for the market prices.

More than 95 percent of all LAB manufacturers, including TPL, have implemented the UOP Technology, which is widely regarded as the best and most cost-effective technology available. Despite this, the cost of producing LAB in India is greater than international norms due to high cost of critical components and feedstock quality.

The domestic players with standalone unit, always find it difficult to compete with the overseas suppliers and plants integrated with refinery which helps them in achieving lower cost of production.

Caustic Soda, a most commonly used industrial chemical, finds wide applications in textile, pulp and paper, Aluminum, soap and detergents industries. The annual increase in demand for the product is expected to be around 5%. Despite power intensive process, the national level capacity utilisation is high with an aggregate capacity of around 4.4 million tons. Due to Power/Coal cost increase across the world, the international price of Caustic soda spiked significantly and exports were started from west paving its way for domestic market price sustenance at higher level and continuing.

Chlorine, a co-product of Caustic Soda is widely used in sectors like Vinyl Chloride, Chlorinated Paraffin Wax (CPW), pulp and paper, water purification, chlorinated solvents, etc. Lack of integrated plants and downstream Chlorine utilisation projects are major impediments for disposal of Chlorine.

Chlorine demand will be a major driver for Chlor-alkali capacity utilisation. Lack of integrated plants and downstream, Chlorine utilisation projects are major impediments for disposal of Chlorine which in turn restricts the caustic production.

Propylene oxide is a colourless, organic, volatile, flammable liquid that is soluble in ether and alcohol. It's mostly used to make propylene glycol, polyols, and other industrial intermediates. Although it is frequently employed as a combination, it is a chiral epoxide. The automotive, domestic home appliances, and industrial insulation industries are the biggest users of PO derivatives. After the epidemic, the import channels into India are clear, but market prices are under pressure due to flooding of imported products available to Indian buyers.

OPPORTUNITIES AND THREATS

Growing demand for bio-based surfactants, as well as increased hygiene awareness, are expected to raise demand for detergents and cleaners, boosting the Linear Alkyl Benzene market for surfactant application. Rapid industrialization and urbanisation as a result of population increase are also predicted to contribute to market expansion. The global market for Linear Alkyl Benzene is profitable, and it is predicted to rise steadily as a result of key players' expansion, collaboration, and partnership initiatives. The increased need for sanitizers as a result of the current pandemic crisis has expanded the potential for LAB usage.

Detergent makers have found it simpler to reach out to rural locations with the use of video marketing. Furthermore, customers have the option of selecting from a large choice of items, thus businesses are continually upgrading their products and attempting to increase their market share through inventive advertising strategies. The LAB business has a lot of room to develop because these companies cater to the bottom of the pyramid consumer.

However, because India is a desirable market, it is being pursued by global LAB companies, resulting in higher imports to India. The addition of new factories in the Middle East pose a significant threat to India's LAB industry, as a large portion of output is projected to migrate into the country. Pricing and margins may continue to be influenced by this. All of this is on top of the fact that LAB's anti-dumping tariff has expired.

Caustic soda is a significant industrial intermediate with applications in a variety of sectors. The market for Caustic Soda is predicted to expand further as demand for textiles and apparels rises as a result of urbanisation and increased spending on personal affects. During the year under review, the import volume of Caustic went down as the prices in all international sectors are high for the suppliers. If the market price falls, freeflowing imports and the oversupply available in India than demand continues to pose threat for the caustic business.

Conversion of the erstwhile ECH facility into Propylene oxide (PO) manufacturing facility. has proved to be gainful in many ways – besides beneficial use of a defunct facility, a new avenue has been opened up for advantageous use of Chlorine which in turn has paved way for higher capacity utilisation of the Chlor Alkaline Division.

OUTLOOK

LAB

Demand for soaps and detergents has increased in recent years due to higher hygiene awareness and growing emphasis on cleanliness. Shift in lifestyle is moving a good block of population from semi-urban to urban category and consumption of detergents is also keeping pace making demand steadily on the rise.

COVID - 19 propelled the use of hand sanitizers, disinfectants, soaps, and detergents, and all major manufacturers are increasing their LAB purchases. We've already seen three versions of the virus sweeping the globe and consequent enhanced reliance on sanitation and disinfection materials, highlighting the increasing demand for LAB which is the main raw material petrochemical surfactant in soaps & detergents.

TPL maintains its position as the leading player in the LAB industry despite intense competition from offshore suppliers. TPL has built a reputation as a dependable LAB supplier to MNCs and others over the last three decades. With a significant position in the southern region of India, TPL has been able to maintain its market dominance in South of the Vindhyas.

The rise in Saudi Arabian imports is a source of concern, but it is unlikely to have a big impact in South India, where TPL is the market leader. IOC plans to debottleneck its Baroda facility by relocating loading bays, allowing for an extra 20 kt/year of production and storage, the only near-term domestic increase in availability starting Sep' 22.

CAUSTIC SODA /CHLOR ALKALI

The Caustic Soda industry's survival and expansion are dependent on the avenues of Chlorine utilisation potential. There is currently no anti-dumping tariff on caustic soda entering India. Due to coal shortage and connected power crisis in China, caustic exports from China dwindled since mid-2021 and our domestic prices of the alkali has been witnessing highest ever prices. Though there has been a slump in demand in Textile sector, industries like Alumina, paper, vinyl and dye intermediates are running robust making caustic sale easier than earlier.

There have been new additions in domestic caustic soda production, like the Grasim plant in Balabhadrapuram, AP in South, increasing availability of this inorganic chemical.

Your Company is also expanding the caustic plant capacity adopting the cost effective bi-polar technology within a couple of years.

PROPYLENE OXIDE

The much awaited conversion of our erstwhile ECH facility to produce Propylene Oxide was completed in the year 2018 -19 with arrangements for sale of the entire production. The new PO Plant has provided an additional opportunity to your Company to dispose of Chlorine more beneficially providing scope for higher caustic production. While there would be no problem in sale of the product, as mentioned earlier achieving higher production is dependent on turnaround of the end users of the PO derivatives, such as automobile sector from the slump witnessed in the recent past further aggravated by the pandemic situation.

RISK MANAGEMENT PROCESS

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

As part of the risk mitigation process, the Board has constituted a Risk Management Committee of Directors, which comprises of Ms. Sashikala Srikanth as the Chairperson, Dr. K.P.Karthikeyan, IAS (upto 18/06/2021) Mr. CS Shankar (from 28/06/2021), Ms.Bhuvaneswari (from 08/11/2021) and Mr. D Senthi Kumar, as Members. During the year, the Committee met two times viz. 5th November 2021 and 7th February 2022. As required under Section 177 of the Act, the Audit Committee also reviews the risk management process periodically.

RISKS AND CONCERNS

As explained earlier, import of LAB, Caustic Soda and Chlorine (in indirect form) into the country continues to be the major risk faced by TPL. Apart from new annual capacity of 1.20 lakh tons has come up in Yanbu,Saudi Arabia, the expansion is also on for new similar quantity production train which could increase the available quantity in the market. This is expected to further intensify the competition in the domestic market. Your Company is looking at mitigating this risk through additional contract volumes with large buyers of LAB. TPL has finalised contracts with HUL, P&G, Jyothy Labs to secure volume sales this year. Since import in large volumes would affect product pricing, tackling the risk of lower margins would be an important issue to be resolved.

To address the aforementioned issues, your company is concentrating on increasing production and productivity in order to keep per-unit costs under control while yet allowing for product price flexibility. Furthermore, the reliance on spot markets is steadily addressed in order to increase and secure direct-customer committed volumes.

Using the assistance of technical experts, your company continues to conduct risk assessments and related mitigations for the hazardous chemicals utilised in the Plants. As advised, adequate actions are taken to address this risk.

SAFETY, HEALTH & ENVIRONMENT

TPL plants are accredited with International Organization for Standardization (ISO) certificates for Occupational Health & Safety Management System (ISO 45001) and Environmental Management System (ISO 14001) and Quality Management System (ISO 9001).

We are utilizing treated city sewage water after Tertiary Treatment Reverse Osmosis (TTRO water) for industrial purpose. Regasified Liquefied Natural Fuel (RLNG) is being used as fuel in our process heaters and boilers. These two major changes have come up as a natural resource conservation measure and efforts towards cleaner environment.

National Safety Day was celebrated for a month in a simple way as the Country was in the verge of Covid19 onslaught. As part of this various competitions were conducted for employees and other contractors to reiterate our commitment towards safety. Participation by employees and contractors were encouraging.

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

Adequate safety standards have been prescribed and being followed without any compromise. Utmost importance is given to protection of the employees, assets and environment at all times.

SUBSIDIARIES

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

Certus Investment and Trading Ltd

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

Certus Investment and Trading Singapore Private Limited

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

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

HUMAN RESOURCES

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

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

The manpower strength as on 31st March 2022 was 419.

BOARD OF DIRECTORS AND RELATED DISCLOSURES

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

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

The policy on remuneration is available in the website of the Company viz., http://tnpetro.com/corporate-governance-policies/.

The changes in the Key Managerial Personnel since the last Annual General Meeting are as follows.

The Company Secretary Ms. Meenakshi Jayaraman has resigned effective from 15th December, 2021 and Mr. V.Balamurugan was appointed as the Company Secretary and Compliance officer effective 9th February 2022.

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

Mr. Muruganandam, IAS, (DIN: 00540135), a nominee of TIDCO resigned effective from 13th December 2021 and Board places on record its appreciation for his services during his tenure.

Mr.S.Krishnan, IAS, (DIN:03439632), has been appointed as an Additional Director effective from 15th December 2021 and he holds office till the ensuing AGM. Proposals for his appointment as Director would be considered at the ensuing AGM.

Mr.KT Vijayagopal, (DIN: 02341353) Wholetime Director (Finance) & CFO and Mr.D.Senthikumar (DIN:00202578) Wholetime Director (Operations) were renewed for a period of 3 years and 2 years from 12th February 2022 and 18th February 2022 respectively at the Board meeting held on 09.02.2022.

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

Mr. Pankaj Kumar Bansal, IAS, (DIN: 05197128), a nominee of TIDCO resigned effective from 03rd August 2022 and Board places on record its appreciation for his services during his tenure.

Ms.Jayashree Muralidharan, IAS, (DIN:03048710), has been appointed as an Additional Director effective from 08th August 2022 and she holds office till the ensuing AGM. Proposals for her appointment as Director would be considered at the ensuing AGM.

The appointment of Mr.S.Krishnan, IAS, and Ms.Jayashree Muralidharan, as Additional Directors have been duly recommended by the Nomination and Remuneration Committee. Therefore pursuant to the proviso to Section 160(1) there is no requirement of any deposit for the proposals relating to their appointment.

Mr. Ashwin C muthiah, Vice Chairman and Director (DIN:00255679) retires by rotation and being eligible offers himself for reappointment.

ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

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

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

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

In compliance with the requirements of Schedule IV to the Act and also the Regulations, a separate meeting of the Independent Directors was held on 28th March 2022 at which the Directors evaluated the performance of the Non Independent Directors, the Chairperson and also the adequacy of flow of information to the Board and Committees.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

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

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

d) the Directors had prepared the accounts for the financial year ended 31st March, 2022 on a "going concern" basis;

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

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

CORPORATE GOVERNANCE

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

AUDITORS

M/s. RGN Price & Co., Chartered Accountants, Chennai having Firm Registration No. 002785S was appointed as the auditors of the Company. As per the extant provisions of the Act, they will hold office for a period of five years till the conclusion of 37th AGM to be held in the year 2022. At the thirty fourth AGM, the Members approved the Audit Committee's recommendation of remuneration to the Statutory Auditors as ₹ 30 lakh plus reimbursement of out of pocket expenses and applicable taxes for the audit of the accounts and related services for each year until end of their present term.

Appointment of M/s.RGN Price & Co., Chartered Accountants, Chennai, present Auditors, for the second term of five years from the closure of the 37th AGM until the conclusion of the 42nd AGM to be held in the year 2027, will be considered by the Members at the ensuing AGM of the Company.

SECRETARIAL AUDIT REPORT

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

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

MAINTENANCE OF COST RECORDS & COST AUDIT

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

M/s. Krishnaswamy & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company for conducting the audit of cost records for the financial year 2021-2022 on a remuneration of ₹ 2.75 lakh plus applicable taxes and reimbursement of out of pocket expenses and they will hold office till submission of their Report or 30th September 2022, whichever is earlier.

As required under Section 148 of the Act, read with the relevant Rules, ratification of the remuneration to the Cost Auditor for the year 2021-22 will be considered by the Members at the ensuing AGM of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

CONSERVATION OF ENERGY AND OTHER DISCLOSURES

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

OTHER INFORMATION

Details of Significant Changes in Key Financial Ratios:

During the year under review, Interest coverage ratio improved by 93.94% and the current ratio also improved by 35.11% due to increase in inventory value and receivables. Net profit has increased from ₹ 121.65 lakh to ₹ 170.64 Lakh on a standalone basis which has resulted in an increase in the Return on Net Worth to 24%, as against 22% for 2020-21.

Details of Loans, Guarantees or Investments

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

Fixed deposits

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

Related party transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Companies Act, 2013 ("the Act") or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., https://tnpetro.com/corporate-governance-policies/#1473750738060-4f0bb266-6248.

As required under Regulation 23(2) of the Listing Regulations, prior approval of the Members was obtained on 26.03.2022, for transactions with Manali Petrochemicals Limited (MPL) upto ₹ 350 crore plus taxes during the year 2022-23, through postal ballot.

Audit Committee

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

Vigil Mechanism

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

Annual Return

The Annual Return in Form MGT-9 as per Section 92(3) of the Act is available in the website of the Company viz., https://tnpetro.com/annual-return/.

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

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

Particulars of Employees and other disclosures

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

CSR Policy and related Disclosures

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

Acknowledgement

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

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

Disclaimer

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

For and on behalf of the Board of Directors

	D Senthi Kumar	KT Vijayagopal
8th August 2022	DIN 00202578	DIN 02341353
Chennai – 600 068	**Wholetime Director (Operations)**	**Wholetime Director (Finance) & CFO**

ANNEXURE – I TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy :

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

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2022.

2. Board of Directors :

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

As on 31st March 2022, the Board comprised of twelve directors as detailed below:

Category/Name	Other Listed Companies of which he / she is a Director and category	Other Memberships	
		Boards	Committees
Non Executive, Non Independent (NENI)			
Mr.S. Krishnan, IAS (Nominee of TIDCO) (from 15.12.2021)	Titan Company Limited – (NENI) Tamilnadu Newsprint & Papers Limited	10	-
Mr. Ashwin C Muthiah Vice Chairman (Nominee of SPIC)	Southern Petrochemical Industries Corporation Limited Manali Petrochemicals Limited SICAGEN India Limited – (NENI)	3(3)	1(1)

Category/Name	Other Listed Companies of which he / she is a Director and category	Other Memberships	
		Boards	Committees
Mr. Pankaj Kumar Bansal IAS (Nominee of TIDCO) (from 09.08.2021)	Southern Petrochemical Industries Corporation Limited Titan Company Limited	7(2)	3(1)
Ms. R. Bhuvaneswari (Nominee of TIDCO) (from 09.08.2021)	Saptarishi Agro Industries Limited Manali Petrochemicals Limited	3	-
Non Executive, Independent (NEID)			
Mr. Dhananjay N Mungale	Mahindra CIE Automotive Limited, Mahindra and Mahindra Financial Services Limited, NOCIL Limited, Mahindra Logistics Limited - (NEID)	7	8(4)
Ms. Sashikala Srikanth	Southern Petrochemical Industries Corporation Limited Manali Petrochemicals Limited, Mercantile Ventures Limited, SICAGEN India Limited – (NEID)	6	8(4)
Dr. N. Sundaradevan IAS (Retd)	Manali Petrochemicals Limited – (NEID)	5	4 (2)
Lt. Col. (Retd) C S Shankar	Manali Petrochemicals Limited – (NEID)	1	-
Mr. G D Sharma	Manali Petrochemicals Limited – (NEID) Mercantile Ventures Limited- (NEID)	2	4
Mr. Debendranath Sarangi, Retd., IAS	Voltas Limited, Shriram City Union Finance Limited, Southern Petrochemical Industries Corporation Limited - (NEID)	4	2(1)
Mr. D Senthi Kumar, Wholetime Director (Nominee of SPIC)	-	-	-
Mr. KT Vijayagopal, Wholetime Director (Nominee of SPIC)	-	-	-

Notes:

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

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

(c) Mr K T Vijayagopal holds 200 equity shares in the Company. None of the other directors hold any shares in the Company.

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

(e) The details of familiarisation programmes imparted to the Independent Directors are disclosed in the website of the Company at (https://tnpetro.com/familiarization-programmes-imparted-independent-directors-2/).

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

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

The Board of Directors met five times during the year 2021-22 viz., on 28th June 2021, 9th August 2021, 8th November, 2021, 9th February 2022 and 28th March 2022.

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

Name	Period of Office held during the year	No of Meetings held during the period of office	No of Meetings attended	Attendance at the last AGM
Ms. Karkarla Usha IAS	Upto 14.06.2021	0	0	NA
Mr. Muruganandam IAS	From 09.08.2021 to 13.12.2021	1	0	No
Mr. S.Krishnan, IAS,	From 15.12.2021	2	1	NA
Mr. Ashwin C Muthiah	Full Year	5	5	Yes
Dr. K.P. Karthikeyan, IAS	Upto 18.06.2021	0	0	NA
Mr. Dhananjay N Mungale	Full Year	5	5	No
Ms. Sashikala Srikanth	Full Year	5	5	Yes
Dr. N Sundaradevan IAS (Retd)	Full Year	5	5	Yes
Lt. Col. (Retd.) C S Shankar	Full Year	5	5	No
Mr. G D Sharma	Full Year	5	5	Yes
Mr. Debendranath Sarangi, Retd. IAS	Full Year	5	5	Yes
Mr. Pankaj Kumar Bansal IAS	From 09.08.2021	3	3	Yes
Ms. R.Bhuvaneswari	From 09.08.2021	3	1	Yes
Mr. KT Vijayagopal	Full Year	5	5	Yes
Mr. D Senthi Kumar	Full Year	5	5	Yes

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

Major Classification	Sub Classification	Remarks	Directors having the skills
Industry	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.	Mr.Ashwin C.Muthiah Lt.Col. C S Shankar Mr.D Senthi Kumar Mr. KT Vijayagopal Mr.S.Krishnan, IAS Ms.R.Bhuvaneswari
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	Mr.D Senthi Kumar Mr. KT Vijayagopal
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Mr.Ashwin C.Muthiah Mr.D Senthi Kumar Mr. KT Vijayagopal Mr.S.Krishnan IAS Mr.Pankaj Kumar Bansal, IAS
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Mr.Dhananjay N Mungale Ms.Sashikala Srikanth Dr.N.Sundaradevan Mr.Debendranath Sarangi Lt.Col. C S Shankar Mr.S.Krishnan IAS Mr.Pankaj Kumar Bansal, IAS

Major Classification	Sub Classification	Remarks	Directors having the skills
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr.Ashwin C.Muthiah Mr.D Senthi Kumar Mr. KT Vijayagopal Mr.Pankaj Kumar Bansal, IAS
Risk & Compliance	Operational	Identification of risks related to each area of operation	Mr.D Senthi Kumar Lt.Col. C S Shankar Ms.R.Bhuvaneswari
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements	Ms.Sashikala Srikanth Mr.S.Krishnan, IAS Mr.G D Sharma Dr.N.Sundaradevan Mr.Debendranath Sarangi Mr.Dhananjay N Mungale
	Financial	Experience in accounting and finance, ability to analyse the financial statements presented, assess the viability of various financial proposals, oversea funding arrangements and budgets	Mr.Dhananjay N Mungale Ms.Sashikala Srikanth Mr.KT Vijayagopal Mr.Pankaj Kumar Bansal, IAS
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organisational change management programmes.	Mr.S.Krishnan Mr.Ashwin C.Muthiah Mr.G D Sharma Mr.D Senthi Kumar Mr. KT Vijayagopal Mr.Pankaj Kumar Bansal, IAS
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organisation. Analyse issues and contribute at board level to solutions	All the Directors
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.	
	Experience	Previous experience in Board or senior management positions in reputed companies/ organisations/ government.	
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.	
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.	
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company	
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.	
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritise the Company	

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

In the opinion of the Board all the above skills/competencies are actually available.

(iv) Confirmation on Independent Directors

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

3. Audit Committee:

(i) Terms of reference

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

(ii) Composition, Meetings and Attendance

The Committee met four times during the year 2021-2022 viz., on 28th June 2021, 9th August 2021, 08th November, 2021 and 9th February 2022. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name	No. of Meetings during the period of his / her office	
	Held	Attended
Ms. Sashikala Srikanth	4	4
Mr. Dhananjay N Mugale	4	4
Mr. G D Sharma	4	4
Ms. Kakarla Usha IAS (Upto 14.06.2021)	0	0
Ms. R.Bhuvaneswari (from 08.11.2021)	1	0

4. Nomination and Remuneration Committee:

(i) Terms of reference

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

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

(ii) Composition, Meeting and Attendance

The Committee met three times during the year 2021-22 viz., on 9th August 2021, 07th February 2022 and 28th March 2022. The Company Secretary is the Secretary to the Committee. Details of the composition of the Committee and attendance of Members during the year are as follows:

(iii) Performance evaluation criteria for Independent Directors

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

Name	No. of Meetings during the period of his office	
	Held	**Attended**
Mr. G D Sharma	3	3
Mr. Ashwin C Muthiah (Upto 27.12.2021)	1	0
Lt. Col. (Retd) C S Shankar	3	2
Dr. K. P. Karthikeyan IAS* (Upto 18.06.2021)	0	0
Dr. N Sundaradevan IAS (Retd) (From 27.12.2021)	2	2
Ms. R.Bhuvaneswari (From 08.11.2021)	2	0

5. Remuneration to Directors

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

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

a. **For Executive Directors**

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

b. **For Non-Executive Directors**

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

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

(iii) Details of Remuneration paid to Executive Directors

a) Remuneration paid to Executive Directors for the year 2021-2022 are as shown below:

₹ in lakh

Sl No	Description	Mr D Senthi Kumar WholeTime Director (Operations)	Mr KT Vijayagopal WholeTime Director (Finance) & CFO
1	Salary & Allowances	51.22	51.22
2	Performance Linked Pay	18.75	18.75
3	Perquisites	0.61	0.61
	Total	**70.58**	**70.58**

Note:

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

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

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

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

b) Remuneration paid to Non-Executive Directors:

During the year each of the Non-Executive Director was paid sitting fees as shown below:

Name	**Amount (₹ in lakh)**	**Name**	**Amount (₹ in lakh)**
Mr. Ashwin C Muthiah	5.00	Dr. N Sundaradevan, IAS (Retd)	5.00
Mr. S.Krishnan IAS *	1.00	Mr. Debendranath Sarangi, IAS (Retd)	5.00
Mr. Dhananjay N Mungale	5.00	Lt. Col. (Retd) C S Shankar	5.00
Ms. Sashikala Srikanth	5.00	Mr. Pankaj Kumar Bansal IAS *	3.00
Mr. G D Sharma	5.00	Ms. R.Bhuvaneswari *	1.00
		Total	**40.00**

*****Paid to TIDCO

It is relevant to inform that the Non-Executive Directors (NEDs) of the Company possessed diverse knowledge and have rich experience in their respective areas of expertise. They provided critical and strategic advice on various matters and the Company was immensely benefitted from their guidance. At present they were only paid sitting fees for the Board meetings @ ₹1.00 lakh per meeting, which did not commensurate with their contributions to the Company. The said sitting fee was fixed at the 198th Board Meeting held on 24th October 2018.

Further Board of Directors at their meeting held on 23.05.2022, resolved to increase of remuneration ₹1.00 lakh per Board Meeting attended by the Non-Executive Directors (NEDs) of the Company, (which will be over and above the sitting fees) subject to the approval of Shareholders at the AGM, under Section 197 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder, Regulation 17 (6) and other applicable Regulations, if any of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Article 126 (c) of the Articles of Association of the Company and subject to such other approvals as may be required. A resolution in this regard would be one of the resolutions to be passed at the 37th Annual General Meeting of the Company.

6. Stakeholder's Relationship Committee

i. Chairman and Compliance Officer

As on 31st March 2022, the Committee comprised of Dr N Sundaradevan, IAS (Retd) (From 28.03.2022) as the Chairman, Mr.Ashwin C Muthiah (Upto 28.03.2022), Mr. G.D.Sharma, Dr. K.P.Karthikeyan (upto 18th June 2021), Ms.R.Bhuvaneswari (from 08.11.2021) and Mr D Senthi Kumar as Members. Mr. V.Balamurugan, Company Secretary is the Compliance Officer. The Committee met one time during the year 2021-22 viz., 9th February 2022 and the details of the attendance of Members are as follows:

Name	**No. of Meetings during the period of his / her office**	
	Held	**Attended**
Mr. Ashwin C Muthiah (Upto 28.03.2022)	1	-
Dr. N Sundaradevan, IAS (Retd) (From 28.03.2022)	-	-
Mr. G D Sharma	1	1
Dr. K.P.Karthikeyan IAS (Upto 18.06.2021)	-	-
Mr. D Senthi Kumar	1	1
Ms. R Bhuvaneswari (From 08.11.2021)	1	-

ii. Details of Complaints received and pending

There were 2 pending complaints as at the beginning of the year which was resolved subsequently with in the stipulated time and 11 Complaints were received during the year and resolved, within the stipulated time. At the end of the year there was no pending complaints. All the complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

7. General Body Meetings.

The Annual General Meetings were held at Tamil Isai Sangam, Raja Annamalai Hall, Esplanade, Chennai – 600 108 during the year 2019 and through Video Conferencing during the years 2020 and 2021. The particulars of Special Resolutions passed in the previous three meetings are as under:

Year	Date	Time	Special Resolutions considered thereat
2019	05.08.2019	3.00 PM	1) Appointment of Mr Dhananjay Mungale, as an Independent Director for second term for a further period of 5 years from 27.05.2019 to 26.05.2024. 2) Appointment of Ms Sashikala Srikanth, as an Independent Director for second term for a further period of 5 years from 12.08.2019 to 11.08.2024 3) Appointment of Mr D Senthi Kumar, as Wholetime Director (Operations) of the Company for a period of three years from 19.02.2019 to 18.02.2022 and payment of Remuneration. 4) Appointment of Mr KT Vijayagopal, as Wholetime Director (Finance) of the Company for a period of three years from 12.02.2019 to 11.02.2022 and payment of Remuneration.
2020	09.09.2020	2.00 PM	NIL
2021	15.09.2021	2.00 PM	NIL

There was a resolution required prior approval of members of the Company through postal ballot during the last year in respect of prior approval for material related party transactions with Manali Petrochemicals Limited and the same was passed on 26th March 2022 and at present, no such resolution is being proposed to be passed.

8. Means of Communication

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

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

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

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

9. General Shareholder Information

(i) Annual General Meeting

The thirty Seventh AGM of the Company is scheduled to be held on Thursday, 29th September 2022 at 3.00 PM through Video Conference.

(ii) Financial Year

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

(iii) Dividend payment date

The Dividend for the year 2021-22 will be paid on 25th October 2022 net of withholding taxes, if any and subject to declaration at the ensuing AGM.

(iv) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2022 to 29th September 2022 (both the days inclusive).

(v) Registrar and Share Transfer Agent:

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

(vi) Share Transfer System:

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

Pursuant to proviso to Regulation 40 (1) of the Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names was not processed by the Company in physical form and pursuant to amended Regulation 39 & 40 of the Regulations, effective from 24th January 2022, all service requests relating to transmission, transposition, replacement of/ duplicate certificates and the like were issued only in dematerialized form.

Pursuant to the operating guidelines prescribed by SEBI vide circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company had not issued any new share certificates, after verifying, processing and approving the request for issue of duplicate share certificates and the Company through RTA, in lieu of physical certificate, issued a Letter of Confirmation ("Letter") in the prescribed format.

(vii) Listing of Securities (Equity Shares) :

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

Listing fees have been paid to the aforesaid exchanges up to 2022-23.

(viii) Market Price Data and Share Price Performance vis a vis indices –

Month & Year	BSE				NSE			
	Share price (₹)		Sensex		Share price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr – 21	78.30	47.70	50375.77	47204.50	78.40	47.55	15,044.35	14,151.40
May – 21	110.40	71.00	52013.22	48028.07	110.20	71.15	15,606.35	14,416.25
Jun – 21	127.30	95.15	53126.73	51450.58	127.50	95.10	15,915.65	15,450.90
July – 21	143.00	116.05	53290.81	51802.73	142.85	116.00	15,962.25	15,513.45
Aug – 21	150.45	105.30	57625.26	52804.08	150.75	105.05	17,153.50	15,834.65
Sep – 21	136.90	112.50	60412.32	57263.90	136.80	112.55	17,947.65	17,055.05

Month & Year	BSE				NSE			
	Share price (₹)		Sensex		Share price (₹)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Oct – 21	142.75	118.85	62245.43	58551.14	143.00	118.60	18,604.45	17,452.90
Nov – 21	127.90	98.05	61036.56	56382.93	128.00	98.00	18,210.15	16,782.40
Dec – 21	113.25	96.00	59203.37	55132.68	113.80	96.00	17,639.50	16,410.20
Jan – 22	117.50	99.20	61475.15	56409.63	117.55	99.10	18,350.95	16,836.80
Feb – 22	111.50	85.35	59618.51	54383.20	111.50	85.05	17,794.60	16,203.25
Mar – 22	115.40	91.50	58890.92	52260.82	115.50	91.25	17,559.80	15,671.45

(ix) Distribution of Shareholding as on 31st March 2022

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	101620	90.65	13082655	14.54
501 - 1000	5919	5.28	4773158	5.31
1001 - 2000	2375	2.12	3623392	4.03
2001 - 3000	768	0.69	1980496	2.20
3001 - 4000	329	0.29	1191837	1.32
4001 - 5000	310	0.28	1465787	1.63
5001 - 10000	430	0.38	3212349	3.57
10001 - And Above	346	0.31	60641800	67.40
Total :	**112097**	**100.00**	**89971474**	**100.00**

(x) Dematerialisation of Shares and liquidity :

The Company's Equity shares are traded on BSE & NSE in compulsory demat form and the ISIN of the shares is INE148A01019. The shares are traded regularly on BSE & NSE. About 94.95% of the 8,99,71,474 outstanding shares have been dematerialised up to 31st March 2022. Balance shares are held in physical mode.

(xi) The Company has not issued any convertible instruments.

(xii) Plant Locations: Manali Express Highway, Manali, Chennai-600068.

Address for Correspondence:

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

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

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

The Company Secretary & Compliance Officer
Manali Express Highway, Manali, Chennai – 600 068 Telefax No.044-69185588,
E-mail: secy-legal@tnpetro.com, investorgrievance@tnpetro.com, website: www.tnpetro.com.

10. Other Disclosures

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

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

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

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

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

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

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

viii. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations. Under Regulation 18(2)(a), "The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings". There was a delay of 20 days between two audit Committee meetings. A query was received from Stock Exchanges and the same was replied by the Company. However no fine was levied. The Board took note of the same during taking record of the Annual Secretarial Compaliance Report for the year 2021-22.

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tamilnadu Petroproducts Limited having CIN L23200TN1984PLC010931 and having registered office at Manali Express Highway, Manali Chennai 600068 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Directors and officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority during the Financial Year ended on 31st March, 2022.

Our responsibility is limited to examination of the Secretarial records made available to us by the Company in more particular the declarations made by the Directors to the Company under Sections 184, 149 and 164 of the Companies Act 2013 and the data available in the public domain in the G2B portal www.mca.gov.in

Pursuant to the above, this is to certify:

1. The following were the Directors of the Company as on 31.3.2022.
2. No information or record has come to our notice that any of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Name of Director	DIN	Date of appointment in Company
DHANANJAY NARENDRA MUNGALE	00007563	22/01/2004
SENTHI KUMAR	00202578	18/02/2016
SUNDARADEVAN NANJIAH	00223399	01/09/2018
ASHWIN MUTHIAH CHIDAMBARAM	00255679	23/07/2001
DEBENDRANATH SARANGI	01408349	21/05/2019
SASHIKALA SRIKANTH	01678374	12/08/2014
KANNIVELU THIRUVENGADAM VIJAYAGOPAL	02341353	01/02/2016
GOVINDARAJAN DATTATREYAN SHARMA	08060285	01/04/2019
SHANKAR CHATTAPURAM SWAMINATHAN	08397818	01/04/2019
SARANYAN KRISHNAN	03439632	15/12/2021
PANKAJ KUMAR BANSAL	06360681	09/08/2021
RAMADOSS BHUVANESWARI	08060285	09/08/2021

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

This certificate is being issued based on specific request made by M/s Tamilnadu Petroproducts Limited (hereinafter referred to as “the Company”) and pursuant to the requirement under Clause (i) of sub regulation 10 (c) of Sch V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR).

This certificate is issued for the limited purpose of making necessary disclosures in the Corporate Governance Report which forms part of the Directors’ report pursuant to Sch V to the LODR and should not be used for any other purpose without prior approval of the undersigned.

B CHANDRA
Practising Company Secretary
CP No. 7859
UDIN: A020879D000758473
Peer review no 602/2019

Place: Chennai
Date: 08.08.2022

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

xi. The Statutory Auditor was paid ₹ 1,21,700 for providing certifications to the Company, other than the audit fee as disclosed in the Financial Statements.

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

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

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

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

xiv. Credit Rating

CARE Ratings Ltd. vide letter dated 17th May 2021 assigned CARE A -; Stable (Single A Minus; Outlook: Stable) rating for Long Term Bank facilities of ₹ 120 crore for term funding. In addition to the above, CARE also reaffirmed the previous ratings of CARE A -; Stable / CARE A2+ (Single A Minus; Outlook: Stable/ A Two Plus) for Long Term/Short Term working capital limits of ₹ 119 crore.

CARE Ratings Ltd. vide letter dated 13th December 2021 upgraded CARE A; Stable (Single A; Outlook: Stable) rating for Long Term Bank facilities of ₹ 176 crore for term funding from CARE A -; Stable (Single A Minus; Outlook: Stable) and also upgraded CARE A;Stable / CARE A1 (Single A;Outlook:Stable / A One) for Long Term/Short Term Bank Facilities of ₹ 63 crore from CARE A -; Stable / CARE A2+ (Single A Minus; Outlook: Stable/ A Two Plus).

xv. Compliance with Discretionary requirements

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

a) There are no qualifications by the Auditors on the Stand Alone and Consolidated Financial Statements for the year 2021-2022.

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

Declaration by WTD (OPERATIONS)

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

D Senthi Kumar
DIN: 00202578
Wholetime Director (Operations)

8th August 2022
Chennai – 600 068

PRACTISING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Tamilnadu Petroproducts Limited

I have examined the compliance of conditions of Corporate Governance by M/s. Tamilnadu Petroproducts Limited, for the year ended on 31st March, 2022, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2021 to 31st March 2022, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.

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

2. Based on the aforesaid examination and according to the information and explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations but for an inadvertent non-conducting of an audit committee meeting within 120 days. I further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

B CHANDRA
Practising Company Secretary
CP No. 7859
UDIN: A020879D000758440
Peer review no 602/2019

Place: Chennai
Date: 08.08.2022

Annexure - II to Directors' report

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

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

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

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

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

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

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

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

B CHANDRA
Company Secretary in Practising
ACS No.: 20879
CP No.: 7859
UDIN: A020879D000758431

Place: Chennai
Date: 08.08.2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022, according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Based on the minutes made available to us, I report that the Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

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

I further report that the Company had not transferred the shares during 18-19 pertaining to unpaid / unclaimed dividend for a consecutive period of 7 years based on a legal opinion that for the transfer of shares to the IEPF Authority consequent to non-payment/non-claiming of dividend in terms of Section 124(6), there necessarily has to be declaration of dividend, in the first instance and that there have to be 7 such consecutive instances. The legal opinion had however pointed out that the Circulars issued by the Ministry of Corporate Affairs have created certain ambiguity in the matter and to approach the MCA. Accordingly, the letter and the reminder written to MCA by the Company has not been replied to. The Company is still awaiting clarification in this regard and is yet to take action regarding transfer of shares to IEPF.

B CHANDRA
Company Secretary in Practising
ACS No.: 20879
CP No.: 7859
UDIN: A020879D000758431
Peer review no 602/2019

Place: Chennai
Date: 08.08.2022

ANNEXURE - III TO DIRECTORS' REPORT

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2022, are furnished below to the extent applicable:

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

a) Anode recoating and membrane replacements carried out and energy saving of around 5.68 lakhs Kwh/year.

b) Existing Light fittings replaced with high efficiency LED fittings, energy savings of about 0.86 lakhs KWh/year achieved.

ii) Investment in conservation of energy

About ₹167 lakhs investment made during the year 2021-22.

B) Technology Absorption

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

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

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

ii) Expenditure on Research & Development

No expenditure on research & development incurred during the year under review.

C) Foreign Exchange Earnings and outgo:

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

ii) Foreign exchange in terms of actual outflows: ₹ **11,813.06 lakh.**

For and on behalf of the Board of Directors

	D Senthi Kumar	**KT Vijayagopal**
8th August, 2022	DIN 00202578	DIN 02341353
Chennai – 600 068	Wholetime Director (Operations)	Wholetime Director (Finance) & CFO

ANNEXURE – IV TO DIRECTORS' REPORT

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

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. D. Senthi Kumar, WTD (O) : 12 times Mr. KT Vijayagopal, WTD (F) : 12 Times
b.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	No increase from the previous year.
c.	The percentage increase in the median remuneration of employees in the financial year;	4.4% for employees other than workman who are covered under wage settlement
d.	The number of permanent employees on the rolls of Company;	As at the year end there were 412 permanent employees, including WTD's but other than trainees and probationers.
e.	Average percentile increase already made in the salaries of employees other than the Key Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase already made in the salaries of employees other than the Key Managerial Personnel in the last financial year is 9.29% against no increase in the remuneration of the KMP.

Disclosures under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

S. No.	Name	Designation	Remuneration (₹ In Lakh)	Qualification	Experience	DOJ in TPL	Age	Last Employment
1	Vijayagopal KT	WTD (F)	75.00	B.com, FCA	32	21-Aug-15	56	Managing Director – EDAC Engineering Limited
2	D Senthi Kumar	WTD (O)	75.00	B.Tech	36	18-Feb-16	57	VP (Projects) - Cetex Petrochemicals Limited
3	N.Murugan	AVP (O)	36.22	B.Tech Chemical	35	04-Aug-2021	55	Process Engineering Head, ADNOC, Abudhabi
4	Venkatakrishnan M	DGM (Finance)	35.63	B.Com , ACA	24	15-Feb-2016	54	RM (Finance) - Crompton Greaves Limited
5	R.M. Raghunathan	AVP (Maintenance)	30.14	B.E (Mechanical Eng.), MBA	34	05-Mar-2018	54	PM Head - EDAC Ltd
6	T. Muruganandam	AGM (Marketing)	27.60	B.E. (Chemical)., Dip. Chem. Tech.	19	01-Nov-2019	43	Business Development Manager - Ultramarine & Pigments Ltd.
7	K Vasantha Kumar	DGM (HR)	25.79	B.Sc (Stat)., M.A.(PM&IR)., MLM	23	09-Dec-2016	47	Senior Manager(IR) - India Yamaha Motors Pvt Ltd
8	Venkatesh N.J.	Senior Manager (TS)	23.91	DME., AMIE,, MBA	35	16-Dec-1987	55	ESS Trainee - Tamilnadu Petroproducts Limited
9	Kumaragurubaran. S	Senior Manager (IT)	20.42	M.Sc.(IT)	21	02-Jun-2015	51	Sr. Manager (IT) - Thirumalai Chemicals Limited
10	Vijay Krishna Nigam	Senior Manager (Maintenance)	19.75	B.E. (EEE)	27	02-Jan-1995	53	Officer Trainee - Tamilnadu Petroproducts Limited

Notes:

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

For and on behalf of the Board of Directors

	D Senthi Kumar	**KT Vijayagopal**
8th August, 2022	DIN 00202578	DIN 02341353
Chennai – 600 068	Wholetime Director (Operations)	Wholetime Director (Finance) & CFO

ANNEXURE V TO DIRECTOR'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2021-22

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

The Policy

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

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

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

2. Composition of the CSR Committee

As on 31st March 2022, the CSR Committee comprises of the following persons as the Members. The Committee met two times during the year 2021-22 viz., on 08th November 2021 and 28th March 2022. The Company Secretary is the Secretary to the Committee.

Name	No. of Meetings during the period of his / her office	
	Held	Attended
Mr. Ashwin C. Muthiah – Chairman – (Upto 28.03.2022)	2	0
Ms. Sashikala Srikanth – Chairperson – (From 28.03.2022)*	2	2
Ms. Kakarla Usha, IAS (upto 14.06.2021)	-	-
Mr. G D Sharma (From 28.06.2021)	2	2
Ms. R.Bhuvaneswari (From 08.11.2021)	1	1
Mr. D. Senthi Kumar (From 28.03.2022)	-	-

* Ms.Sashikala Srikanth was the existing member of the committee and she was re-dsignated as Chairperson of the Committee w.e.f. 28.03.2022.

3. Web-link of the CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

-The CSR committee details is available in the website of the Company at https://tnpetro.com/board-of-directors-committees/

-The detailed CSR Policy and the details of CSR Projects approved by the Board is available in the website of the Company at https://tnpetro.com/csr/

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable.

6. Average net profit of the Company for the last three financial years: ₹ 9,584 lakh

7. a) Two percent of the average net profit of the Company: ₹ 191.68 lakh

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

c) Amount required to be set off for the financial year, if any: Nil

d) Total CSR obligation for the financial year: ₹ 191.68 lakh.

8. Details of CSR spent during the financial year:

a) Details of CSR amount spent against ongoing projects for the financial year:

	Unspent Amount (In ₹)				
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
45,92,970.00	1,45,75,541.00	29/04/2022	Not applicable		

b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration in months	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Primary Health Care	promoting health care including preventinve health care	Yes	Tamilnadu, Chennai		36	1,41,48,000.00	43,64,970.00	97,83,030.00	No	AM Foundation	CSR00001066
2	Sanitation Facility	Sanitation	Yes	Tamilnadu, Chennai		24	40,20,511.00	-	40,20,511.00	No	AM Foundation	CSR00001066
3	Disaster Mgmt and relief	disaster management, including relief, rehabilitation and reconstruction activities	Yes	Tamilnadu, Chennai		36	10,00,000.00	2,28,000.00	7,72,000.00	No	AM Foundation	CSR00001066
	Total						**1,91,68,511.00**	**45,92,970.00**	**1,45,75,541.00**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment: Not Applicable

(f) Total amount spent for the Financial Year: ₹ 45,92,970.00

(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	1,01,83,996.00	79,51,013.00	NA	NA	NA	22,32,983.00
	Total	1,01,83,996.00	79,51,013.00	-	-	-	22,32,983.00

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration in months**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed / Ongoing.**
1	FY31.03.2021_1	Preventive Health Care Centre	Preventive Health Care Centre	36	47,47,463.00	21,02,935.00	26,01,822.00	Ongoing
2	FY31.03.2021_2	making available safe drinking water	Drinking Water & Sanitation in schools	36	74,94,184.00	58,48,078.00	74,07,194.00	Ongoing
	Total				**1,22,41,647.19**	**79,51,013.00**	**1,00,09,016.00**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

11. Reasons for amount not spent :

Against the total CSR obligation of ₹ 191.68 lakh, a sum of ₹ 45,92 lakh was spent during the year and the balance of ₹ 145.75 lakh relating to ongoing projects identified by the Board as prescribed under the relevant provisions of the Act and the Rules made thereunder has been deposited in the special account with a scheduled bank and being spent during the FY 2022-23 towards the said projects.

For and on behalf of the Board of Directors

	D Senthi Kumar	**Ms. Sashikala Srikanth**
8th August, 2022	DIN 00202578	DIN 01678374
Chennai – 600 068	**Wholetime Director (Operations)**	**Chairperson of CSR Committee**

BUSINESS RESPONSIBILITY REPORT

The Directors are pleased to present the Business Responsibility Report ('BRR') of the Company for the Financial Year ended March 31, 2022. In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Reports of the top thousand listed entities based on market capitalization at the BSE and NSE shall contain a BRR describing the initiatives taken by the Company from an environmental, social and governance perspective which includes TPL. SEBI on 5th May 2021 had revised the format for the BRR to Business Responsibility and Sustainability Report (BRSR) from the financial year 2021-22. However, later SEBI vide circular dated 10th May 2021 has made applicability of the BRSR from the financial year 2022-23 and voluntary from 2021-22. In light of the same, the Company submits the BRR for the current financial year. The reporting framework is based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs') released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L23200TN1984PLC010931
2.	Name of the Company	Tamilnadu Petroproducts Limited
3.	Registered Address	Manali Express Highway, Manali, Chennai – 600 068
4.	Website	www.tnpetro.com
5.	E-mail Address	secy-legal@tnpetro.com
6.	Financial Year Reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer of Chemicals
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Linear Alkyl Benzene (ii) Caustic Soda Lye (iii) Propylene Oxide
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NIL
	(b) Number of National Locations	One – Manali Express Highway, Manali, Chennai – 600 068
10	Markets served by the Company – Local / State / National / International	Local, State and National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (in ₹)	8,997.15 Lakh
2.	Total Turnover (in ₹)	180,558 Lakh
3.	Total profit after taxes (in ₹)	17,064 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	191.68 Lakh
5.	List of activities in which expenditure in 4 above has been incurred:	a. Providing sanitation and drinking water facilities in four Government Primary and High Schools located at Padiyanallur, Redhills, and in Vichoor, Chennai. b. Primary Healthcare Care Clinics in Sadyankuppam village

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has 2 overseas Subsidiaries, Certus Investment & Trading Ltd, Mauritius and Certus Investment & Trading (S) Pte Ltd., Singapore as on March 31, 2022.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, indicate the number of such subsidiary company(s).

The subsidiary companies located overseas are not carrying on any major activities and hence they do not participate in the BR initiatives of TPL

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entities that the Company does business with, participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board of Directors has assigned implementation of the BR Policies to the Wholetime Directors of the Company.

(b) Details of the BR Head

No.	Particulars	Details of the Directors	
1	Name	Mr. D. Senthi Kumar	Mr. KT Vijayagopal
2	DIN Number	00202578	02341353
3	Designation	Wholetime Director (Operations)	Wholetime Director (Finance)&CFO
4	Telephone number	+91-044-25945500	+91-044-25945500
5	e-mail id	senthi@tnpetro.com	kt_vijayagopal@tnpetro.com

2. (a) Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2: (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3: (P3)	Businesses should promote the well-being of all employees
Principle 4: (P4)	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5: (P5)	Businesses should respect and promote human rights
Principle 6: (P6)	Businesses should respect, protect and make efforts to restore the environment
Principle 7: (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8: (P8)	Businesses should support inclusive growth and equitable development
Principle 9: (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) Details of compliance (Reply in Y/N)

Principle-wise Policies		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	N*	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	The policies have been framed keeping in mind the interests of the stakeholders at large.								
3	Does the policy conform to any national / international standards? If yes, specify?	Various practices / processes emanating out of these policies conform to national / international standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	-								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

*Reason for Not having Policy for P7

TPL does not advocate influencing the public & regulatory policies for its gain, hence no policy is proposed.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The related policies are reviewed in the normal course and assessments carried out periodically, based on needs.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR, being part of the Annual Report for the year would be available in the website of the Company www.tnpetro.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   Yes, the policy covers the Company and its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year there were no complaints received on any unethical, bribery, corruption, etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   a) Linear Alkyl Benzene

   b) Caustic Soda Lye,

   c) Propylene Oxide

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      Anode recoating and membrane replacements were carried out and energy saving of around 5.68 lakh Kwh/year.

   b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      Anode recoating and membrane replacements were carried out and energy saving of around 5.68 lakh Kwh/year.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

      Key raw materials like Kerosene for LAB is sourced in bulk through pipeline from CPCL. LNG, and fuel oil requirements are also sourced through pipeline from IOCL and benzene is sourced from indigenous sources viz., IOCL, BPCL & HPL. Industrial Grade Salt and Propylene are procured from domestic suppliers and moved by lorry tankers. The major feedstock (Kerosene) supplier is located near the Plant of TPL.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, except for the major raw materials specified above, the Company procures other goods and services from small vendors and MSME’s (Micro, Small and Medium Enterprises). Workmen in and around Manali are engaged in the factories and Industrial Grade Salts are procured mainly from small vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

   TTRO (Tertiary Treatment Reverse Osmosis) water supplied from CMWSSB is utilized for process purposes in all units thus by achieving freshwater conservation. Industrial water waste from the unit is treated in ETP and recycled back to the manufacturing process and domestic wastewater is treated in STP and reused for gardening and toilet use. Due to the nature of the products of the Company and the waste generated, a mechanism to recycle is not available. However, the wastes are disposed of through agencies dealing in such disposal or recycling and approved by the environmental authorities.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 419
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:21
3. Please indicate the Number of permanent women employees: 0
4. Please indicate the Number of permanent employees with disabilities: 2
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association?: 56 %
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

S. No.	**Category**	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

   (a) Permanent Employees: 50%

   (b) Permanent Women Employees: NA

   (c) Casual / Temporary / Contractual Employees: 94%

   (d) Employees with Disabilities: 100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders? Yes / No**

   The stakeholders have been mapped as under:

   i) Government and regulatory authorities, ii) Customers, iii) Employees, iv) Shareholders, v) Vendors, vii) Workers engaged by Contractors.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes, the Company's CSR policy drives initiatives towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. It undertakes a host of initiatives to address the concerns of stakeholders. Specifically, it spends most of the CSR amount towards sanitary and health care initiatives

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The Company has a Code of Conduct for business and ethics and a framework for prevention of sexual harassment of employees, and vigil mechanism policy which covers aspects ensuring human rights of its employees and other stakeholders. Adherence to these is expected from any person dealing with the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Nil

Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   The Environment policy of the Company covers the Company and its subsidiaries and as the environment care has to be followed up universally, the policy is being followed by the Group /Joint Ventures / Suppliers / Contractors / NGOs / others too

   As an example, LNG has been used in all plants as an initiative to reduce and control the pollution level, the usage of furnace oil became nil.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   The Company has undertaken several initiatives to address global environmental issues, for instance, awareness creation to the employees and contract labours through various programs conducted on safety days, environmental days by conducting competitions.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   The Apex Risk Management Committee of the Company identifies and assess various risks including the potential environmental risks and develops a mitigation plan to address it. This is reported to the Risk management committee of the Board and its reports are reviewed by the Audit Committee and the Board.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No. However, the Company is committed to using renewable resources to operate its facilities. Of the power consumed 21.55% was wind power and 6.4% was solar power during the FY 2021-22.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.**

   Yes, the Company is committed to manufacturing products and offer services in a way that ensures entitlement of all to a clean environment. (Please refer to Annexure III of the Directors' report).

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

   The Company is in compliance with the norms prescribed for marine discharge of the treated effluent and stack emission and other requirements.

7. **Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Private petition - Judgement given on 22.03.22. Interim environmental compensation Rs. 1 crore paid on 10.05.2022. Other judgement points are being complied.

   Suo-moto - CPCB had carried out an inspection of all the three units as per NGT direction. Certain recommendations were given by the joint committee for short and long term implementation and additionally certain recommendation for the Company to study and revert. About 80 % of the recommended activities are completed. No final / interim order given. Last hearing was on 1st July 2022.

   TNPCB direction - TNPCB has demanded ₹ 100 Lakh per unit as interim environment compensation. Supreme Court has stayed the order of the NGT till further proceedings.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   1. National safety Council (NSC)
   2. Manali Industries Association (MIA)
   3. Alkali Manufacturers Association of India (AMAI)
   4. Federation of Indian Export Organisation (FIEO)
   5. South Indian Chamber of Commerce and Industries (SICCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.** No

Principle 8: Business should support inclusive growth and equitable development

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof**

   The Company follows a CSR policy for Social welfare of the society. The Company has specific initiatives in pursuit of inclusive growth and equitable development. The Company is carrying out several CSR projects in and around Manali area where the plant is situated by providing sanitation and drinking water facilities in Government Schools and primary health centers.

2. **Are the programmes / projects undertaken through in-house team / own foundation/ external NGO/ government structures / any other organization?**

   The Company has undertaken CSR project through AM Foundation, a Section 8 Company jointly promoted by TPL with other likeminded companies.

3. **Have you done any impact assessment of your initiative?**

   Since the CSR obligations are not very large, no formal impact assessment is carried out, but post implementation of the proposals, feedback is obtained from the beneficiaries.

4. **What is your company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

   Contribution of ₹ 125.43 lakh in the last fiscal year. Please refer to Annexure V to Directors' Report on CSR activities for additional details.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? (Please explain in 50 words or so)**

   Prior to undertaking the projects, AMF/TPL Teams interact with the community to ascertain their needs and so it is ensured that the activities are actually useful to the targeted group.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of the financial year.** Nil

2. **Does the Company display product information on the product label over and above what is mandated as per local laws? Yes / No / N. A / Remarks (additional information)**

   The Company displays product information on the product label to the extent mandated as per local laws. In addition to this, wherever applicable test reports, product specs, etc. are shared

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti – competitive behavior during the last five years and pending as on end of financial year, if so, provide details thereof in about 50 words or so.** NIL

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   The Company supplies to industrial users and interacts with them directly. Grievances if any are resolved as soon as possible through mutual engagement.

TPL

STANDALONE FINANCIAL STATEMENTS
2021-22

INDEPENDENT AUDITORS' REPORT

To the Members of Tamilnadu Petroproducts Limited

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Tamilnadu Petroproducts Limited ("the Company")** which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and the notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022 and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Accounting for legal and other contractual claims:	**Our response**
The Company is involved in litigations comprising of tax matters, legal compliances, and other disputes the financial impact of which would largely depend on the decision by the appellate authorities. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its legal counsel and the level of probability of outflow of economic resources. This involves a high level of management judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: • We evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliance and assessment thereof for determining the likely outcome. • We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. • We obtained independent legal confirmations from the concerned professionals engaged by the Company , where applicable, to seek their opinion on the status of litigations and checked the management's judgements and assumptions. • We discussed with the management to understand the basis of management's judgements and estimates and independently assessed the level of probability of outflow of resources embodying the economic resources to arrive at our judgement of whether a provision was required or a disclosure sufficient. • We obtained risk assessment of tax litigations from tax specialists to assess management's judgements and assumptions on such matters. • We read the minutes of the board meetings to determine the completeness of claims, disputes, and litigations. • We tested the adequacy of disclosures in the standalone Ind AS financial statements. • We also obtained necessary representation from the management with regard to the provisioning and disclosures in respect of the claims and litigations.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the standalone and consolidated financial statements and our respective auditor's report thereon. The other information referred to above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i. planning the scope of our audit work and in evaluating the results of our work; and

ii. to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note. Nos.31A and 33 to the standalone financial statements.

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

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

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. The Company has not paid any interim dividend during the year.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. (See note.45 to the financial statements).

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

Mahesh Krishnan
Partner
(Membership No.206520)
UDIN:222065020AJKHGV7386

Date : 23rd May, 2022
Place: Chennai

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Tamilnadu Petroproducts Limited ("Company") on the standalone financial statements of the Company for the year ended 31st March 2022)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a adopted a policy of physically verifying its Property, Plant and Equipment once in two years which in our opinion is reasonable having regard to the size of the company and nature of its business. During the year Property, Plant and Equipment have not been physical verified by the management as it was done in the previous year.

(c) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company as at the balance sheet date. Also refer to note 3A(i) and note 3(C)(i) to the standalone financial statements.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) Physical verification of inventories has been conducted at reasonable intervals by the management and the coverage & procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of inventory were not 10% or more in aggregate of each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate during the year from banks on the basis of security of current assets. The quarterly returns and statements filed by the Company with such banks are in agreement with the books of accounts of the Company for the respective quarters.

iii. During the year the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Therefore, sub-clauses (c) to (f) of this clause are not applicable.

(a) (A) The Company has not provided any loans or advance in the nature of loans or stood guarantee or provided security to its subsidiaries.

(B) The Company has not provided any security or loans or advance in the nature of loans or stood guarantee to any entity other than its subsidiaries.

(b) The investments made during the year, the terms and conditions on the basis of which the security is extended to the banks for availing working capital facility are not prejudicial to the company's interest.

iv. The Company has not granted any loans nor any guarantee or security to the directors or to any Company, body corporate or to any other person covered by section 185 & section 186 of the Act. The investments made by the Company is in compliance with section 186 of the Act.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits under sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.

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

vii. (a) In our opinion, the Company is regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of the above statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) In respect of statutory dues referred to in clause (a) there are no dues which have not been deposited on account of any dispute as of 31st March 2022, except for:

(₹ in lakh)

Nature of Statute	Nature of Dues	Forum where dispute is pending	Financial Year	Amount involved	Amount unpaid
Various Sales Tax Acts	Sales Tax	High Court	2006-07	58.09	58.09
		Sales Tax Appellate Tribunal	1993-94, 1995-96 to 2002-03	1668.02	1656.82
		Deputy Commissioner Commercial Taxes	2005-06	5.15	5.15
Finance Act, 1994	Service Tax	CESTAT, Chennai	2011-12 to 2014-15	102.47	97.35
Excise Duty	Excise Duty	Principal Commissioner GST & CE	1994-95 to 1996-97	60.82	23.47
		CESTAT, Chennai	2005-06 to 2009-10	244.22	221.11
Customs Act	Customs Duty	Deputy Commissioner of Customs	1999-00	34.25	34.25
Income Tax Act	Income Tax	Supreme Court	2001-02	2645.60	123.56
		Income Tax Appellate Tribunal	2012-13	276.76	214.71
		CIT (Appeals)	2015-16 & 2016-17	1340.23	1274.71
		DCIT/ A.O	1999-00, 2005-06, 2008-09 & 2019-20	6246.38	656.48
Tamilnadu Electricity Regulatory Commission (RPO) Regulations, 2010	Renewable Purchase Obligation	Madras High Court	2010-11 to 2021-22	2905.12	2905.12
Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act, 2007	Electricity Tax	Supreme Court	2003-04 to 2008-09	1054.93	1054.93
Electricity Act, 2003	Cross Subsidy Charge under Group Captive Scheme	Madras High Court	2014-15 to 2016-17	6130.48	6130.48
Tamilnadu Town and Country Planning Act, 1971	Open Space Reservation Charges	Chennai Metropolitan Development Authority (CMDA)	1999-2000	205.46	205.46
TNERC (Grid connectivity and Intra-State Open Access) Regulations, 2014	Cross Subsidy Surcharge	Madras High Court	2012-13 to 2013-14	226.71	226.71
Electricity Tax Act, 2003	Electricity Cess	CEIG	2011-12, 2012-13	132.99	132.99
National Green Tribunal Act, 2010	Interim Environmental Compensation	National Green Tribunal	2019-20	200.00	200.00

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a The Company has not defaulted in repayment of loans or other borrowings or in the payment of any interest thereon to any lender.

b. The Company has not been declared as willful defaulter by any bank or financial institution Institution or any other lender.

c. The Company has not raised any term loans during the year.

d. The funds raised by the Company on short term basis during the year has not been utilized for long term purposes.

e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (Including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. The Company has not received any whistle blower complaints during the year and up to the date of this report, while determining the nature, timing and extent of our audit procedures.

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

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) The Company has not conducted any Non– Banking Financial or Housing financing activities.

(c) The Company or any other Company in the group is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India and hence reporting under this clause is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a) There are no unspent amount towards Corporate Social Responsibility (CSR) activities other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub – section (5) of Section 135 of the said Act.

(b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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

Mahesh Krishnan
Partner
(Membership No.206520)
UDIN:222065020AJKHGV7386

Date : 23rd May, 2022
Place: Chennai

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Clause (f) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of the Company, on the Internal Financial Controls with reference to financial statements for the year ended 31st March 2022.)

We have audited the internal financial controls with reference to financial statements of **Tamilnadu Petroproducts Limited ('the Company')** as of March 31, 2022 in conjunction with our audit the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial control with reference to financial statements and such internal financial control with reference to financial statements were operating effectively as at March 31, 2022 based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mahesh Krishnan
Partner
(Membership No.206520)
UDIN:222065020AJKHGV7386

Date : 23rd May, 2022
Place: Chennai

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Standalone Balance Sheet as at 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

ASSETS	Notes	As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets			
a) Property, Plant and Equipment	3A	**25,477.70**	27,388.75
b) Capital work-in-progress	3A	**2,673.64**	147.00
c) Investment Property	3B	**20.68**	20.68
d) Right of Use-Assets	3C	**1,248.70**	673.29
e) Financial assets			
i) Investments			
(a) Investment in subsidiaries	4A	**9,645.13**	9,645.13
(b) Other Investments	4B	**138.58**	146.66
ii) Other financial assets	5	**2,070.42**	2,080.40
f) Other non-current assets	6	**433.85**	-
Total Non-Current Assets (A)		**41,708.70**	40,101.91
Current assets			
a) Inventories	7	**14,258.14**	8,181.78
b) Financial assets			
i) Trade Receivables	8	**11,205.54**	8,113.69
ii) Cash and Cash equivalents	9A	**0.37**	1.24
iii) Bank balances other than (ii) above	9B	**22,939.08**	17,317.83
iv) Other financial assets	10	**720.52**	528.53
c) Other Current assets	11	**3,035.76**	1,799.31
Total Current Assets (B)		**52,159.41**	35,942.38
Assets held for sale (C)	12	**100.00**	100.00
TOTAL ASSETS [(A)+(B)+(C)]		**93,968.11**	76,144.29
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	**8,997.15**	8,997.15
b) Other Equity	14	**61,708.83**	46,860.77
Total - Equity (A)		**70,705.98**	55,857.92
Liabilities			
Non-Current liabilities			
a) Financial liabilities			
i) Lease Liabilities	15A	**1,399.40**	747.53
ii) Other financial liabilities	15B	**75.69**	28.84
b) Provisions	16	**4,930.73**	3,319.03
c) Deferred tax liabilities (net)	17	**1,522.02**	1,914.58
Total - Non-current liabilities (B)		**7,927.84**	6,009.98
Current liabilities			
a) Financial liabilities			
i) Borrowings	18	**4,221.67**	4,374.16
ii) Trade payables	19		
Total Outstanding dues of Micro & Small Enterprises		**384.29**	40.98
Total Outstanding dues of creditors other than Micro & Small Enterprises		**5,794.60**	4,226.11
iii) Other financial liabilities	20	**2,135.45**	919.68
b) Provisions	21	**1,259.37**	3,286.07
c) Other current liabilities	22	**1,538.91**	1,429.39
Total - Current liabilities (C)		**15,334.29**	14,276.39
Total liabilities [(B) + (C)]		**23,262.13**	20,286.37
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**93,968.11**	76,144.29
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

	Notes	**Year ended 31st March, 2022**	Year ended 31st March, 2021
INCOME			
Revenue from operations	**23**	**180,558.24**	114,521.59
Other income	**24**	**1,278.77**	1,015.85
TOTAL INCOME		**181,837.01**	115,537.44
EXPENSES			
Cost of Materials consumed	**25**	**84,510.09**	50,474.64
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	**26**	**166.21**	(1,017.11)
Employee benefits expense	**27**	**4,105.98**	4,001.83
Finance costs	**28**	**579.62**	721.73
Depreciation / Amortization Costs	**29**	**2,362.76**	2,273.26
Other expenses	**30**	**66,960.20**	44,571.84
TOTAL EXPENSE		**158,684.86**	101,026.19
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**23,152.15**	14,511.25
Exceptional items	**31**	**-**	2,473.25
PROFIT BEFORE TAX		**23,152.15**	16,984.50
Tax expenses			
(a) Current tax		**6,408.18**	4,001.11
(b) Deferred tax	**17**	**(392.56)**	(218.43)
(c) Provision for tax relating to prior years		**72.76**	1,036.56
TOTAL TAX EXPENSE		**6,088.38**	4,819.25
PROFIT FOR THE YEAR		**17,063.77**	12,165.25
OTHER COMPREHENSIVE INCOME (OCI)			
i) Items that will not be reclassified to Profit or (Loss)			
- Re-measurement of Defined Benefit Plan (Net)		**33.68**	(23.27)
OTHER COMPREHENSIVE INCOME / (LOSSES)		**33.68**	(23.27)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**17,097.45**	12,141.98
Earnings per equity share (in ₹)			
Basic and Diluted		**18.97**	13.52
Basis of preparation, measurement and significant accounting policies	**2**		
The accompanying notes form an integral part of Financial Statements			

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
A.	**Equity Share Capital**		
	Balance as at the beginning of the year	**8997.15**	8997.15
	Changes in equity share capital due to prior period errors	**-**	-
	Restated balance at the beginning of the year	**8997.15**	8997.15
	Changes in equity share capital during the year	**-**	-
	Balance as at the end of the year	**8997.15**	8997.15

B. Other Equity

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Securities Premium	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Plan	
Balance as at April 01,2020*	**16,918.79**	**4,611.57**	**14,779.61**	**(241.60)**	**36,068.37**
Profit for the year	-	-	12,165.25	-	12,165.25
Dividend on Equity Shares	-	-	(1,349.58)	-	(1,349.58)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	(23.27)	(23.27)
Balance as at March 31, 2021	**16,918.79**	**4,611.57**	**25,595.28**	**(264.87)**	**46,860.77**
Balance as at April 01, 2021	**16,918.79**	**4,611.57**	**25,595.28**	**(264.87)**	**46,860.77**
Profit for the year	-	-	17,063.77	-	17,063.77
Dividend on Equity Shares	-	-	(2,249.39)	-	(2,249.39)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	33.68	33.68
Balance as at March 31, 2022	**16,918.79**	**4,611.57**	**40,409.66**	**(231.19)**	**61,708.83**

* There are no changes in other equity due to prior period errors

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

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Standalone Cash Flow Statement for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

			Year ended 31st March, 2022		Year ended 31st March, 2021
A	CASH FLOWS FROM OPERATING ACTIVITIES:				
	Profit before tax		**23,152.16**		16,984.50
	Adjustments for:				
	Depreciation / Amortization Costs	**2,362.76**		2,273.27	
	Profit on sale of property	**-**		(10.94)	
	Loss on fixed assets sold/scrapped	**12.60**		516.23	
	Finance costs	**579.62**		721.73	
	Interest income	**(1,182.32)**		(872.00)	
	Provision no longer required written back	**-**		(2,473.25)	
	Employee benefit obligation	**45.01**		(31.09)	
			1,817.67		123.94
	Operating profit before working capital changes		**24,969.83**		17,108.44
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**(6,076.36)**		(355.56)	
	Trade receivables	**(3,091.85)**		(3,128.73)	
	Other financial assets	**(42.84)**		(1,983.86)	
	Other assets	**(173.47)**		1,538.38	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**1,911.80**		(953.77)	
	Provision and other current liabilities	**1,757.84**		1,494.78	
	Other financial liabilities	**1,169.66**		(666.26)	
			(4,545.23)		(4,055.01)
	Cash generated from operations		**20,424.54**		13,053.43
	Net income tax (paid)		**(9,618.57)**		(3,428.72)
	Net cash (used in) / generated from operating activities - (A)		**10,806.03**		9,624.71
B	CASH FLOWS FROM INVESTING ACTIVITIES:				
	Payments to acquire property, plant and equipment, including capital advances	**(4,001.14)**		(1,010.90)	
	Proceeds from sale of Property, Plant and Equipment	**0.93**		10.94	
	Investments in / (Sale of) Equity shares	**8.08**		0.07	
	Investments in Fixed deposits with Bank	**(5,419.27)**		(9,121.54)	
	Interest received - others	**1,043.15**		619.41	
	Bank balances not considered as cash and cash equivalents	**(201.98)**		254.90	
			(8,570.22)		(9,247.12)
	Net cash (used in) / generated from investing activities – (B)		**(8,570.22)**		(9,247.12)

Standalone Cash Flow Statement for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

			Year ended 31st March, 2022		Year ended 31st March, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**				
	Payment of lease liabilities	**651.87**		747.53	
	Net increase / (decrease) in working capital borrowings	**(152.49)**		704.99	
	Finance costs	**(579.62)**		(523.36)	
	Dividends paid	**(2,156.43)**		(1,306.19)	
			(2,236.67)		(377.03)
	Net cash (used in)/generated financing activities – C		**(2,236.67)**		(377.03)
	Net increase/(decrease) in cash and cash equivalents – (A+B+C)		**(0.87)**		0.58
	Add: Cash and cash equivalents at the beginning of the year		**1.24**		0.66
	Cash and cash equivalents at the end of the year (Refer Note 9A)		**0.37**		1.24
	Net increase / (decrease) in cash and cash equivalents		**(0.87)**		0.58

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

The accompanying notes form an integral part of the financial statements

Change in Liability arising from Financing Activities:

	1st April, 2021	Cash flow	**31st March, 2022**
Borrowing – Current (Refer Note 18)	4,374.16	(152.49)	**4,221.67**
	4,374.16	(152.49)	**4,221.67**

	1st April, 2020	Cash flow	31st March, 2021
Borrowing – Current (Refer Note 18)	3,669.17	704.99	4,374.16
	3,669.17	704.99	4,374.16

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

1. GENERAL INFORMATION:

Corporate Information

The **Tamilnadu Petroproducts Limited (the 'Company')** is a public limited company domiciled in India with its registered office located at Manali Express Highway, Manali, Chennai - 600068 jointly promoted by Southern Petrochemical Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO). The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

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

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The standalone financial statements are presented in Indian National Rupee (₹), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the standalone statement of profit and loss.

The expenses in standalone statement of profit and loss are net of reimbursements (individually not material) received from Group Companies.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The standalone financial statements of the Company for the year ended 31st March 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Key accounting estimates and judgments

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

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

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

The areas involving critical estimates or judgments are

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

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

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

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

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

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

The principal accounting policies are set out below:

2.3 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April 2021 and applied to the standalone financial statements:

a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Revenue recognition

The Company derives revenue primarily from sale of industrial intermediate chemicals viz Linear Alkyl Benzene, Caustic Soda Lye and its Derivatives, besides Propylene Oxide.

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Company's activities.

Ind AS 115- Revenue from contracts with customers

Revenue recognition underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged.

2.6 Sale of goods

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

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

2.7 Income from services

Revenue from Services is recognized when the stage of completion can be measured reliably and it is probable that economic benefits associated with the transaction will flow from the Company and the cost incurred for the transaction and cost necessary to complete the transaction can be measured reliably. Stage of completion is measured by the services performed till the balance sheet date as a percentage of total services contracted.

2.8 Export Incentive

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

2.9 Other Income

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

2.10 Functional and presentation currency

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

2.11 Foreign currencies

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

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks which are recognised in Other comprehensive income and later to statement of profit and loss.

2.12 Borrowing costs

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

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

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

2.13 Employee benefits

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

a) Defined contribution plans

The Company’s contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

With regard to PF contribution made by the Company to a Government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

b) Defined benefit plans

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

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

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

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

c) Short-term employee benefits

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

d) Other long-term employee benefits

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

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

2.14 Earnings per share

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

2.15 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

- **Current tax**

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

  Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

- **Deferred tax**

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

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

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

  Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

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

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

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

  Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.16 Property, plant and equipment and Capital Work-in-Progress

A. Owned Assets

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

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

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

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

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

i) Plant and Machinery - 5-25 years

ii) Office Equipment - 3 years

iii) Furniture & Fixtures - 5 years

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

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

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

B. Leased Assets

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

C. Capital work-in-progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

2.17 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. The best evidence of fair value is current prices in an active market for similar properties. The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location.

Pursuant to transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment Properties as per the previous GAAP as its deemed cost on the transition date.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

2.18 Intangible Assets

a) Measurement at recognition

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

b) Amortization

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

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

c) Derecognition

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

2.19 Impairment of assets

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

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

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

2.20 Inventories

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

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

- Raw material, Stores and spares – Weighted average cost.
- Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
- Stock-in-trade – Weighted average cost

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

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

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

2.21 Exceptional item

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

2.22 Provisions, contingent liabilities and contingent assets

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

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

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

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

2.23 Financial instruments

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

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

2.24 Financial assets

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

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

2.25 Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

2.26 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as ‘held for sale’ when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.27 Effective interest method

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

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

2.28 Investments in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.29 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

2.31 Impairment of financial assets

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

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

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

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

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

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

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

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

2.32 Derecognition of financial assets

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

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

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

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

2.33 Foreign exchange gains and losses

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

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

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

2.34 Financial liabilities and equity instruments

a. Classification as debt or equity

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

b. Equity instruments

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

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

c. Financial liabilities

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

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

d. Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

e. Financial liabilities subsequently measured at amortized cost

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

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

f. Foreign exchange gains and losses

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

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

g. De-recognition of financial liabilities

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

2.35 Cash Flow Statement

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

2.36 Events after Reporting date

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

2.37 Dividends

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
3A	**(a) Property, Plant and Equipment and Capital work-in-progress**		
	Land	**1,687.33**	1,687.33
	Buildings	**400.80**	497.00
	Plant and Machinery	**23,307.82**	25,164.07
	Furniture and Fixtures	**5.19**	0.36
	Office Equipments	**16.50**	34.48
	Vehicles	**60.05**	5.49
		25,477.70	27,388.75
	(b) Capital work-in-progress	**2,673.64**	147.00

Gross Block	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March, 2020	1,687.33	1,012.44	33,839.54	24.05	128.52	15.93	36,707.81
Additions	-	-	1,192.41	-	33.42	-	1,225.83
Disposals	-	-	(932.39)	-	(4.01)	-	(936.40)
Reclassified as held for sale	-	-	-	-	-		-
Balance at 31st March, 2021	**1,687.33**	**1,012.44**	**34,099.55**	**24.05**	**157.93**	**15.93**	**36,997.23**
Additions	-	-	354.58	6.03	11.67	64.35	436.63
Disposals	-	-	(21.00)	-	-	(5.17)	(26.17)
Reclassified as held for sale	-	-	-	-	-	-	-
Balance at 31st March, 2022	**1,687.33**	**1,012.44**	**34,433.13**	**30.08**	**169.60**	**75.11**	**37,407.69**

Accumulated Depreciation and Impairment	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March, 2020	-	417.79	7,116.23	22.37	104.28	8.32	7,668.98
Depreciation expense	-	97.65	2,131.73	1.32	23.18	2.12	2,256.00
Eliminated on disposals	-	-	(312.50)	-	(4.01)	-	(316.51)
Balance at 31st March, 2021	**-**	**515.44**	**8,935.47**	**23.69**	**123.45**	**10.44**	**9,608.48**
Depreciation expense	-	96.20	2,199.62	1.20	29.65	7.48	2,334.15
Eliminated on disposals / Impairment	-	-	(9.78)	-	-	(2.86)	(12.64)
Balance at 31st March, 2022	-	611.64	11,125.31	24.89	153.10	15.06	11,929.99
Carrying amount at 31st March, 2022	**1,687.33**	**400.80**	**23,307.82**	**5.19**	**16.50**	**60.05**	**25,477.70**

Notes:

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

ii) Impairment of redundant DG sets in FY 2020-21

iii) For Property, plant and equipment (PPE) given as securities against working capital facility refer Note no.18

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

Capital work in progress movement	Total
Balance at April 1, 2020	**304.66**
Additions during the year	38.79
Capitalised during the year	(196.45)
Balance at March 31, 2021	**147.00**
Additions during the year	2,565.43
Capitalised during the year	(38.79)
Balance at 31st March, 2022	**2,673.64**

Note:

The company in its efforts to augment capacity of Linear Alkyl Benzene plant from its existing 120 KTA to 145 KTA and modernised existing CS Lye facility has incurred a sum of ₹ 24.05 crore during the year.

3A (b) Capital work-in-progress ageing

(i) Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	2,673.64	-	-	-	2,673.64
Projects temporarily suspended	-	-	-	-	-
Total	**2,673.64**	**-**	**-**	**-**	**2,673.64**

(ii) Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	147.00	-	-	-	147.00
Projects temporarily suspended	-	-	-	-	-
Total	**147.00**	**-**	**-**	**-**	**147.00**

	As at 31st March, 2022	As at 31st March, 2021
3B Investment Property		
Freehold Land #	**20.68**	20.68
	20.68	20.68

Note:-

Guideline value of investment property as at 31st March 2022 - ₹ 80 lakh. The above property has not been subjected to valuation by an independent certified valuer

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

	As at 31st March, 2022	As at 31st March, 2021
Freehold Land		
Rental Income (A)	-	-
Direct operating expenses, that generated rental income. (B)	-	-
Direct operating expenses, that did not generate rental income. (C)	8.98	16.02
Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C)	**(8.98)**	(16.02)
Depreciation (D)	-	-
Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C)-(D)	**(8.98)**	(16.02)

3C Right of Use-Asset

Right-of-Use Asset*	**1,248.70**	673.29
	1,248.70	673.29

Gross Block	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1st April, 2020	**113.84**	**-**	**113.84**
- Additions	690.55	-	690.55
- Disposals	(113.84)	-	(113.84)
Opening balance as at 1st April, 2021	**690.55**	**-**	**690.55**
- Additions	-	604.02	604.02
- Disposals	-	-	0.00
Balance as at 31st March, 2022	**690.55**	**604.02**	**1,294.57**

Accumulated Depreciation	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1st April, 2020	**3.88**	**-**	**3.88**
- Depreciation expense	17.26	-	17.26
- Disposals	(3.88)	-	(3.88)
Opening balance as at 1st April, 2021	**17.26**	**-**	**17.26**
- Depreciation expense	23.02	5.59	28.61
- Disposals	-	-	0.00
Balance as at 31st March, 2022	**40.28**	**5.59**	**45.87**
Net book value as on March 31, 2021	**673.29**	**-**	**673.29**
Net book value as on March 31, 2022	**650.27**	**598.43**	**1,248.70**

Note:-

*The lease agreement entered with the Government of Tamilnadu expired on 12th June 2020. Application for renewal of the lease for further period has been filed with the Government of Tamilnadu. Pending renewal of the same, the Right of Use of the above asset has been recognised based on the indicative increase in lease rental from 13th June 2020 for a period of 30 years.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

				As at 31st March, 2022	As at 31st March, 2021
4	**Investments**				
	Non-current investments:				
	(A)	**Investment in subsidiaries - Equity Shares (fully paid) Unquoted: Instruments at cost**			
		2,04,190 (31st March 2021: 2,04,190) Equity shares of US$ 100 each fully paid up in Certus Investment & Trading Limited, Mauritius		**9,645.13**	9,645.13
		Total - Investment in subsidiaries (A)		**9,645.13**	9,645.13
	(B)	**Other Investments:**			
		(a)	1,00,000 Equity shares of ₹10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited)	**16.93**	16.93
		(b)	Ushdev Engitech Limited		
			22,463 Equity Shares of ₹10 each fully paid up	**2.24**	2.24
		(c)	Watsun Infrabuild Private Limited.		
			8,80,000 (31st March 2021: 880,000 Equity shares of ₹10 each fully paid up)	**88.00**	88.00
		(d)	OPG Power Generation Private Limited		
			1,55,300 (31st March 2021: 158,000) Equity shares of ₹10 each fully paid up)	**17.86**	18.17
		(e)	AM Foundation		
			1,600 Equity shares of ₹ 10 each fully paid up	**0.16**	0.16
		(f)	IL&FS Financial Services Limited		
			3,600 Units of ₹ 1/- each fully paid	**0.04**	0.04
		(g)	Nagai Power Private Limited		
			133,440 (31st March 2021: 2,11,000 Equity shares of ₹10 each fully paid up)	**13.35**	21.10
		Total - Other investments (B)		**138.58**	146.66
		Aggregate amount of unquoted investments (A+B)		**9,783.71**	9,791.79

		As at 31st March, 2022	As at 31st March, 2021
5	**Other financial assets**		
	Security deposits	**2,050.29**	2,065.42
	Others *	**20.13**	14.98
		2,070.42	2,080.40

* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant.

		As at 31st March, 2022	As at 31st March, 2021
6	**Other Non-Current assets**		
	Capital advances	**433.85**	-
		433.85	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
7	**Inventories**		
	- Raw materials	**5,358.24**	3,350.65
	- Work-in-progress	**1,050.57**	1,751.87
	- Finished goods	**1,500.59**	965.50
	- Goods in transit - Traded Goods	**4,428.60**	-
	- Stores and spares	**1,920.14**	2,113.76
		14,258.14	8,181.78

Note:-

i) Inventories are valued at lower of cost and net realisable value

ii) For Inventories given as securities refer Note no.18

8	**Trade receivables**		
	Considered good - Secured	**-**	-
	Considered good - Unsecured	**11,205.54**	8,113.69
	Trade Receivables which have significant increase in credit risk	**-**	-
	Trade Receivables - credit impaired	**77.78**	77.78
	Impairment Allowance (Allowance for doubtful debts)	**(77.78)**	(77.78)
		11,205.54	8,113.69

Note:-

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

b) Three customers lift more than 10% of the total value of the Turnover.

c) For Trade receivables given as security refer Note no.18

8(A) Ageing for trade receivables – Non-Current outstanding as at March 31, 2022 is as follows:

Trade receivables		Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	10,952.00	283.32	13.00	30.00	2.00	3.00	11,283.32
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total		**10,952.00**	**283.32**	**13.00**	**30.00**	**2.00**	**3.00**	**11,283.32**
Less: Allowance for expected credit loss								(77.78)
Total Trade Receivables								**11,205.54**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

8(B) Ageing for trade receivables – Non-Current outstanding as at March 31, 2021 is as follows:

Trade receivables	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	7,487.89	675.58	17.00	2.00	3.00	6.00	8,191.47
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total	**7,487.89**	**675.58**	**17.00**	**2.00**	**3.00**	**6.00**	**8,191.47**
Less: Allowance for expected credit loss							(77.78)
Total Trade Receivables							**8,113.69**

		As at 31st March, 2022	As at 31st March, 2021
9A	**Cash and Cash equivalents**		
	Balances with Banks		
	- In current accounts	**-**	-
	- Cash on hand	**0.37**	1.24
	Total (A)	**0.37**	1.24
9B	**Bank balances other than above**		
	Unspent CSR account	**22.33**	-
	Margin money deposits	**785.68**	698.99
	Unclaimed dividend account (Refer note 20)	**207.74**	114.78
	Other Fixed deposits #	**21,923.33**	16,504.06
	Total (B)	**22,939.08**	17,317.83
	Total Cash and Cash equivalents (A+B)	**22,939.45**	17,319.07

represents deposits with original maturity more than three months but less than twelve months.

10	**Other Financial Assets**		
	Security deposits	**71.38**	18.56
	Interest accrued on Deposits	**649.14**	509.97
		720.52	528.53

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
11	**Other Current assets**		
	Advances given to Suppliers	**263.04**	1,052.49
	Prepaid expenses	**653.60**	591.45
	Balances with Government Authorities		
	(i) GST Input Tax Credit	**1,016.71**	115.94
	(ii) Balances with Customs, Sales tax and Excise Authorities	**39.43**	39.43
	Income tax (net)	**1,062.98**	-
		3,035.76	1,799.31
12	**Asset held for Sale:**		
	Plant & Machinery	**100.00**	100.00
		100.00	100.00
13	**Equity Share Capital**		
	Authorised Share capital :		
	200,000,000 (as at 31st March 2021: 200,000,000) fully paid equity shares of ₹10 each.	**20,000.00**	20,000.00
	Issued		
	89,976,899 (as at 31st March 2021: 89,976,899) equity shares of ₹10 each.	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 (as at 31st March 2021: 89,971,474) equity shares of ₹10 each.	**8,997.15**	8,997.15
		8,997.15	8,997.15

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

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

	Number of shares	Amount
Balance as at 1st April, 2020	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2021	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2022	89,971,474	8,997.15

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

13.03 Details of shareholdings by the Promoter's of the Company

Promoter Name	**As at 31st March, 2022**		As at 31st March, 2021		% Change in the year
	No.of shares held	**% of holding**	No.of shares held	% of holding	
Fully paid equity shares					
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	**17.61**	15,843,751	17.61	-
Southern Petrochemical Industries Corporation Limited	**15,234,375**	**16.93**	15,234,375	16.93	-
Total Promoters shares outstanding	**31,078,126**	**34.54**	31,078,126	34.54	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

13.04 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Fully paid equity shares				
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	**17.61**	15,843,751	17.61
Southern Petrochemical Industries Corporation Limited	**15,234,375**	**16.93**	15,234,375	16.93
Total shares outstanding	**31,078,126**	**34.54**	31,078,126	34.54

	As at 31st March, 2022	As at 31st March, 2021
14 (A) Other Equity		
I. Reserves and Surplus		
A. General reserve	**16,918.79**	16,918.79
B. Securities premium	**4,611.57**	4,611.57
C. Surplus in Statement of Profit and Loss	**40,409.66**	25,595.28
II. Other Comprehensive income		
D. Remeasurement of Defined Benefit Liabilities	**(231.19)**	(264.87)
	61,708.83	46,860.77
A. General reserve		
Balance at beginning of year	**16,918.79**	16,918.79
Movements	**-**	-
Balance at end of year	**16,918.79**	16,918.79
B. Securities premium		
Balance at beginning of year	**4,611.57**	4,611.57
Movements	**-**	-
Balance at end of year	**4,611.57**	4,611.57
C. Surplus in Statement of Profit and Loss		
Opening balance	**25,595.28**	14,779.61
(Add): Profit for the year	**17,063.77**	12,165.25
Less: Dividend (₹2.50 per share - 2020-21) (₹1.50 per share - 2019-20)	**(2,249.39)**	(1,349.58)
Closing balance	**40,409.66**	25,595.28
D. Re-measurement of Defined Benefit Plan		
Opening balance	**(264.87)**	(241.60)
Movements	**33.68**	(23.27)
Closing balance	**(231.19)**	(264.87)

(B) Nature and purpose of reserves

a. **General Reserve:** This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

b. **Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

c. **Surplus in Statement of Profit and Loss:** Surplus in Statement of Profit and Loss are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholder

d. **Items of Other Comprehensive Income**

i) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2022	As at 31st March, 2021
15.(A) Financial liabilities (Non-Current)		
Lease Liabilities	**1,399.40**	747.53
	1,399.40	747.53

Note:-

a) The Company's lease contract for Land used for the purpose of plant operation (ECH-PO) expired on 12th June, 2020 and application for renewal submitted which is under process.

b) The borrowing rate of 11% to Lease Land and 10% to Lease Building has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

15.(B) Other financial liabilities (Non-Current)		
Security deposit	**58.76**	11.91
Other payables*	**16.93**	16.93
	75.69	28.84

Note:-

*Other payable represents advance received against disposal of equity interests (100000 equity shares) in SEPC Power (Private) Limited upon completion of power project.

16 Provisions (Non-Current)		
Provision for:		
- Compensated absences	**408.63**	406.03
- Provision for Litigated claims and statutory dues (Refer to note 31A)	**4,522.10**	2,912.99
	4,930.73	3,319.03
17 Deferred tax balances (Non-Current)		
(a) Deferred tax liabilities in relation to :		
- Property, plant and equipment	**2,820.83**	2,826.90
- Impact of Right of Use Asset and Lease Liabilities	**346.19**	188.14
	3,167.02	3,015.04
(b) Deferred tax assets in relation to :		
- Provision for Employee benefits allowed on payment basis	**142.55**	141.78
- Allowance for doubtful debts	**19.58**	19.58
- Expenses allowable on payment basis	**1,174.62**	769.64
- Impact of Right of Use Assets	**308.25**	169.45
	1,645.00	1,100.46
(c) Deferred Tax Liability (net) (A+B)	**1,522.02**	1,914.58
- Opening Balance	**1,914.58**	2,133.01
- For the year	**(392.56)**	(218.43)
- For the period based on effective tax rate method	**(392.56)**	(218.43)
- Closing Balance	**1,522.02**	1,914.58
(d) Deferred Tax Liability (net)	**1,522.02**	1,914.58

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

			Year ended 31st March, 2022	Year ended 31st March, 2021
17	(A)	**Reconciliation between book and taxable profits**		
		Profit before Income Taxes	**23,152.15**	14,511.25
		Enacted Tax Rates in India	**25.17%**	25.17%
		Computed Expected Tax Expense	**5,827.40**	3,652.48
		Tax effect of adjustments :		
		- Tax Effect of non deductible expenses	**580.78**	348.63
		- Income Tax Expense	**6,408.18**	4,001.11
		- Income Tax Expense for the year	**6,408.18**	4,001.11
		- Tax Provisions relating to earlier years	**72.76**	1,036.56
		Deferred tax	**(392.56)**	(218.43)
		Total income tax expense	**6,088.38**	4,819.25
17	(B)	**Tax expense recognised in Other Comprehensive Income**		
		Deferred tax charge		
		- (Gain)/Loss on remeasurement of net defined benefit plans	**11.33**	(7.83)
			11.33	(7.83)

		As at 31st March, 2022	As at 31st March, 2021
18	**Borrowings (Current)**		
	Secured		
	Loan repayable on Demand	**4,221.67**	4,374.16
		4,221.67	4,374.16

Note:-

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

b) The above loans carry varying rates of interests with the maximum rate of interest being 10.65% (As at 31st March 2021: 12.50%) per annum. The weighted average rate of interest of these loans is 9.66% (2020-21: 10.36%) per annum.

		As at 31st March, 2022	As at 31st March, 2021
19	**Trade payables**		
	Acceptances	**-**	-
	Trade payables		
	(i) dues to Micro and Small Enterprises (Refer note 31B)	**384.29**	40.98
	(ii) dues to other than Micro and Small Enterprises	**5,793.07**	4,224.58
	(iii) dues to related parties	**1.53**	1.53
		6,178.89	4,267.09

19(A) Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Trade payables	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME*	384.29	-	-	-	-	384.29
(ii) Others	2,629.97	3,154.63	1.00	7.00	2.00	5,794.60
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	**3,014.26**	**3,154.63**	**1.00**	**7.00**	**2.00**	**6,178.89**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

(B) Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Trade payables	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME*	40.98	-	-	-	-	40.98
(ii) Others	1,518.41	2,698.70	7.00	2.00	-	4,226.11
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	**1,559.39**	**2,698.70**	**7.00**	**2.00**	**-**	**4,267.09**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

		As at 31st March, 2022	As at 31st March, 2021
20	**Other Financial Liabilities**		
	Interest accrued	**5.85**	11.17
	Unclaimed dividends *	**207.74**	114.78
	Deposits	**14.25**	10.75
	Other Expenses payable	**1,907.61**	782.98
		2,135.45	919.68
	* Amount to be credited to Investor Education and Protection Fund	**Nil**	Nil
21	**Provisions - (Current)**		
	Provision for:		
	(a) Employee Benefits		
	(i) Gratuity payable	**53.77**	140.44
	(ii) Compensated absences	**157.78**	157.31
	(iii) Ex-gratia payable	**223.13**	150.77
	(b) Provision for taxation (net of advance)	**-**	2,062.57
	(c) Provision for Litigated claims	**824.69**	774.99
		1,259.37	3,286.07
22	**Other Current Liabilities**		
	Other Payables		
	- Statutory remittances due	**1,257.22**	1095.80
	- Others	**281.69**	333.59
		1,538.91	1429.39

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31st March, 2022	Year ended 31st March, 2021
23. Revenue from operations		
Sale of products	**180,214.53**	114,273.67
Sale of services	**1.97**	2.33
Other operating revenues	**341.74**	245.59
Total revenue from operation	**180,558.24**	114,521.59
Sale of services comprise		
Others	**1.97**	2.33
Total - Sale of Services	**1.97**	2.33
Other operating revenue comprises		
Scrap sales	**341.74**	245.59
Total - Other operating revenue	**341.74**	245.59
Basis on which the entity identifies the fulfilment of performance obligations		
Upon Shipment (Ex-works)	**36,255.55**	32,305.46
Upon Delivery (FOR Sales)	**143,958.98**	81,968.21

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

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

	Year ended 31st March, 2022	Year ended 31st March, 2021
Gross Revenue	**188,475.28**	120,836.51
Less : Discounts	**7,917.04**	6,314.92
	180,558.24	114,521.59
Disaggregation of Revenue		
Revenue by Product Lines		
LAB	**142,629.80**	90,336.09
Caustic Soda Lye	**14,713.69**	8,972.35
Chlorine	**640.60**	829.07
Propylene Oxide	**17,478.57**	10,363.60
Others	**4,751.87**	3,772.56
	180,214.53	114,273.67
Revenue by Geographical Region		
India	**180,214.53**	114,273.67
Others	**-**	-
	180,214.53	114,273.67
Revenue by timing of transfer of goods/services		
At a point in time		
(i) Product line	**180,214.53**	114,273.67
(ii) Others	**343.71**	247.92
Over a period of time	**-**	-
	180,558.24	114,521.59

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		Year ended 31st March, 2022	Year ended 31st March, 2021
24.	**Other income**		
	Interest		
	From bank deposits	**1,097.43**	653.10
	From others	**84.89**	218.90
	Profit on sale of assets	**-**	10.94
	Rental income from operating leases	**5.00**	10.00
	Insurance claim received	**16.21**	66.23
	Others	**75.24**	56.69
		1,278.77	1,015.85
25.	**Cost of materials consumed**		
	Opening stock	**3,350.65**	3,692.95
	Add: Purchases	**90,946.28**	50,132.34
		94,296.93	53,825.29
	Less: Closing Stock	**9,786.84**	3,350.65
	Cost of material consumed	**84,510.09**	50,474.64
	Material consumed comprises:		
	Kerosene	**44,104.16**	25,103.56
	Benzene	**26,156.67**	14,288.72
	Normal Paraffin	**480.67**	3,245.59
	Propylene	**8,545.60**	4,551.95
	Salt	**2,112.12**	1,467.70
	others	**3,110.87**	1,817.12
		84,510.09	50,474.64
26.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year		
	- Finished goods	**1,500.59**	965.50
	- Work-in-progress	**1,050.57**	1,751.87
		2,551.16	2,717.37
	Inventories at the beginning of the year		
	- Finished goods	**965.50**	1,464.09
	- Work-in-progress	**1,751.87**	236.17
		2,717.37	1,700.26
		166.21	(1,017.11)
27.	**Employee benefits expense**		
	Salaries and wages	**3,148.78**	3,203.34
	Contributions to provident and other funds	**296.42**	274.90
	Staff welfare expenses	**660.78**	523.59
		4,105.98	4,001.83

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		Year ended 31st March, 2022	Year ended 31st March, 2021
28.	**Finance costs**		
	Interest Expense on Borrowings	**264.63**	334.37
	Interest Expense on Lease liability	**82.42**	56.97
	Other Borrowing Costs*	**129.93**	154.17
	Other interest costs#	**102.64**	176.22
		579.62	721.73

Note:-

*Includes charges incurred towards commitment charges, transaction charges and other bank changes.

Includes charges incurred towards Interest on customs duty, Interest on Security Deposit and interest payable under the income tax.

29.	**Depreciation /Amortization**		
	Depreciation on property, plant and equipment (owned assets)	**2,334.15**	2,256.00
	Depreciation on Right of Use-Assets (ROU)	**28.61**	17.26
		2,362.76	2,273.26
30.	**Other expenses**		
	Consumption of stores and spare parts	**4,606.75**	4,174.40
	Utilities consumed	**1,092.96**	925.34
	Power and fuel	**35,285.67**	23,916.48
	Renewable Energy Purchase Obligation (RPO)	**554.18**	512.78
	Rent including lease rentals (Refer Note No.43)	**111.89**	188.90
	Repairs to buildings	**496.60**	307.91
	Repairs to machinery	**3,004.36**	3,138.10
	Payment to Auditors:		
	- Towards audit fee	**30.00**	30.00
	- For other services	**1.20**	0.61
	Insurance	**490.71**	420.49
	Rates and Taxes	**206.68**	378.58
	Freight and forwarding	**2,940.80**	3,135.76
	Net loss on foreign currency transactions (other than considered as finance cost)	**0.15**	9.22
	Loss on fixed assets sold/scrapped	**12.60**	516.23
	Bad debts written off	**5.00**	-
	Referral Charges	**16,252.70**	5,292.29
	Corporate Social Responsibility expense (Refer Note below)	**191.69**	122.42
	Miscellaneous expenses	**1,676.26**	1,502.33
		66,960.20	44,571.84
31.	**Exceptional item**		
	a) Provision no longer required wrote back (Vivad Se Vishwas-Interest waiver)	**-**	2,473.25
		-	2,473.25

Note:

The Company in the earlier years filed application under the Direct Tax Vivad Se Vishwas Act, 2020 for five assessment years with respect to income tax disputes. In respect of AY 2001-02, the Company had already provided the tax demand of ₹ 2,468 lakh and interest demand of ₹ 2,550 lakh in an earlier year. Since the Company is eligible for waiver of interest as per the scheme, the interest provided earlier is reversed during FY 2020-21 to an extent of ₹ 2,473.25 lakh and is disclosed as an exceptional items for FY 2020-21.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

Corporate Social Responsibility (CSR):

The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows

		Year ended 31st March, 2022	Year ended 31st March, 2021
a)	Amount required to be spent by the company during the year	**191.69**	122.42
b)	Amount of expenditure incurred		
	i) Construction/ acquisition of any asset	**-**	-
	ii) For purposes other than (i) above	**45.93**	20.58
c)	Shortfall at the end of the year*	**145.76**	101.84
d)	Total of previous years shortfall	**22.33**	-
e)	Reason for shortfall	**Pertains to ongoing projects**	Pertains to ongoing projects
f)	Nature of CSR activities	Primary Health Care Center and Drinking water & Sanitation in schools	
g)	Details of related party transactions, (e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard)	**80.16**	20.58
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	**NA**	NA

Note:

* Above ₹ 145.76 lakh of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: ₹ 101.84 lakh). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Company within 30 days from end of financial year.

	As at 31st March, 2022	As at 31st March, 2021
31.A Provison for litigated claims and statutory dues		
Opening Balance	**3,687.98**	2,911.24
Additions*	**1,658.81**	776.74
Reversals/Utilised	**-**	-
Closing Balance	**5,346.79**	3,687.98
Non-Current Provision for Litigated claims and statutory dues (Refer to note 16)	**4,522.10**	2,912.99
Current Provision for Litigated claims (Refer to note 21)	**824.69**	774.99
	5,346.79	3,687.98

*Provision made for litigations relating Electricity generation tax (principal amount), RPO and Interest on income tax demand.

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

a)	The principal amount remaining unpaid to any supplier at the end of the year	**384.29**	40.98
b)	Interest due remaining unpaid to any supplier at the end of the year	**-**	-
c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**-**	-
d)	The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act ,2006	-	-

32 Employee benefit plans

a) Defined contribution plans

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

	For the year	
	2021-22	2020-21
Contribution to provident fund recognised in profit and loss	139.16	113.26

b) Defined benefit plans

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

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

		As at 31st March, 2022	As at 31st March, 2021
A.	**Change in Defined Benefit Obligation (DBO) during the year:**	1,265.43	1,279.86
	Present value DBO at the beginning of the year		
	Service cost	68.30	66.77
	Interest cost	74.80	75.63
	Remeasurment(gain)/loss	(20.77)	11.09
	Actuarial (gain)/loss arising from experience adjustments	-	-
	Benefits paid	(137.42)	(167.92)
	Present value DBO at the end of the year	1,250.34	1,265.43
B.	**Change in fair value of plan assets during the year:**		
	Fair value of plan assets as at beginning of the year	1,125.00	1,077.48
	Expected return on planned assets	69.62	68.13
	Contributions	114.09	163.67
	Benefits paid	(136.37)	(164.28)
	Re-measurement gain/(loss)	24.23	(20.00)
	Fair value of plan asset at the end of the year	1,196.57	1,125.00
C.	**Amount recognised in the balance sheet**		
	Present value DBO at the end of the year	1,250.34	1,265.43
	Fair value of the plan assets at the end of the year	1,196.57	1,125.00
	(Liability) / Asset recognised in the Balance sheet - net	(53.77)	(140.43)
D.	**Components of employer expenses:**		
	Current service cost	68.30	66.77
	Interest cost/ (income) on net defined benefit obligation	5.18	7.50
	Expense recognised in Statement of Profit and Loss	73.48	74.27

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
E.	**Re-measurement on the net defined benefit obligation**		
	Return on plan assets (excluding interest income)	**(24.23)**	20.00
	Actuarial loss arising from changes in financial assumptions	**(22.09)**	4.14
	Actuarial loss arising from changes in experience adjustments	**1.31**	6.95
	Re-measurements Expense/(Income) recognised as other comprehensive income	**(45.01)**	31.09
	Total defined benefit cost recognised	**28.47**	105.36

		Year ended 31st March, 2022
F.	**Net defined benefit liability (asset) reconciliation**	
	1. Net Defined Benefit Liability/(Asset) as at 31-Mar-2021	**140.43**
	2. Net Defined Benefit Cost for the period	**28.47**
	- Amount recognised in P&L account	**73.48**
	- Amount recognised as OCI	**(45.01)**
	3. Benefit payments made directly by the company	**(1.05)**
	4. Actual contributions by the company	**(114.09)**
	Net Defined Benefit Liability/(Asset) as at 31-Mar-2022 - (1+2+3+4)	**53.77**

G. Major categories of plan assets

	As at 31st March 2022	As at 31st March, 2021
Insurer-managed funds	**1,196.57**	**1,125.00**
	1,196.57	**1,125.00**

H. Expected cash flows for following year

	As at 31st March 2022
Expected total benefit payments	
Year 1	**236.18**
Year 2 to Year 5	**774.82**
Year 6 to Year 10	**356.57**
Year 11 to Year 15	**202.58**
More than 15 Years	**210.76**
Liability Duration in years (Weighted by discounted cash flows)	**5.06**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March 2022	As at 31st March, 2021
I.	**ASSUMPTIONS**		
	The principal assumptions used for the purposes of the actuarial valuations are given below:		
	Discount rate	**6.66%**	6.25%
	Salary escalation rate	**6.00%**	6.00%
	Employee turnover rates	**10.00%**	10.00%
	Mortality rates *	**IALM 2012-14**	IALM 2012-14

* IALM : Indian Assured Lives Moratality modified Ult.

J.	**Sensitivity analysis - DBO at the end of the year**		
i.	Discount +1%	**1,199.43**	1,212.63
ii.	Discount -1%	**1,306.58**	1,323.71
iii.	Escalation +1%	**1,305.98**	1,323.26
iv.	Escalation -1%	**1,199.08**	1,212.03
v.	Attrition : 25% increase	**1,253.73**	1,265.90
vi.	Attrition : 25% decrease	**1,245.77**	1,264.56

K. Key risk

Actuarial Risk - The risks that benefits costs more than expected. All assumptions used to project the liability cash-flows area source of risk. If actual experience turns out to be worse than expected experience - there could be a risk of being unable to meet the liabilities as and when they fall due. E.g. If assumed salary growth rates turns out to be lesser than reality - this could cause a risk that the provisions are inadequate in comparison to the actual benefits required to be paid.

Investment Risk - The amounts invested by the company in the LIC policy is usually not subject to market fluctuation risk - the returns are not guaranteed but usually these are non-negative returns, declared by the insurer. Hence Investment risk - due to change in the market value of the investment(s) done by the company - is considered to be negligible. The only other point to consider is the MVA applied on bulk withdrawal, however the chances of an MVA being applied are also considered to be small for this scheme.

Liquidity Risk- The investments are made in an insurance policy which is also very liquid - withdrawals can happen at any time. There could be a Market Value adjustment (MVA) imposed for bulk withdrawals done by the company at an untoward time - however chances of this occurring can be considered to be small. Also surrender charges are also minimal at later durations. Hence the investments are considered to be fairly liquid.

Legislative Risk- There could be changes to Regulation/legislation governing this Plan that could affect the Company adversely (e.g. introduction of a minimum benefit). The changes in regulation could potentially increase the plan liabilities.

Notes:-

i) The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii) The expected / actual return on Plan Assets is as furnished by LIC.

iii) The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March 2022	As at 31st March, 2021
33.	**Contingent Liabilities and commitments**		
	Contingent liabilities:		
A.	**Disputed Demands under Appeals**		
i)	Sales Tax	**1,731.25**	1,731.25
ii)	Excise Duty	**70.86**	70.86
iii)	Service Tax	**102.47**	102.47
iv)	Income Tax	**2,065.06**	789.15

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

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

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

B.	**Commitments**		
	Capital commitments	**480.93**	-

34. Details on derivative instruments and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2022 : NIL

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

	Currency	Amount in Foreign Currency	Amount (₹ in lakh)
Amount receivable in foreign currency - Exports	USD	-	-
Amount payable in foreign currency - Imports	USD	41,535.57	31.48
	USD	(157,391.09)	(115.07)

*Figures in brackets are in respect of previous year

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

35. The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment as defined in Ind AS 108- Operating Segments.,

36. Financial instruments

(i) Capital management

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

The Company's objective when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted average cost of capital

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

(ii) Loan covenants

The Company has no term loans outstanding as on 31st March 2022.The covenants are restricted to working capital facilities offered by the bankers.

Categories of financial instruments

	As at 31st March, 2022	As at 31st March, 2021
A. Financial assets		
(i) Measured at Fair value through profit or loss (FVTPL):		
Investments in equity instruments under Group Captive Scheme	**138.58**	146.66
(ii) Measured at Amortised cost		
- Cash and bank balances	**22,939.45**	17,319.07
- Security Deposits	**2,070.42**	2,080.40
- Other financial assets	**11,926.06**	8,642.22
(iii) Measured at Cost		
- Investments in Equity instruments in subsidiaries	**9,645.13**	9,645.13
	48,790.06	37,833.48
B. Financial liabilities		
Measured at amortised cost		
- Trade payables	**6,178.89**	4,267.09
- Borrowings	**4,221.67**	4,374.16
- Lease Liabilities	**1,399.40**	747.53
- Other financial liabilities	**2,211.13**	948.51
	14,011.09	10,337.29

Fair value hierarchy

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

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

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

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

The fair value hierarchy of assets and liabilities as at 31st March, 2022 is as follows:

	Total	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in equity instruments	138.58	-	-	138.58
	(146.66)	-	-	(146.66)

*Figures in brackets are in respect of previous year

(iii) Financial risk management objectives

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

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

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

a. Credit Risk

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

(i) Trade receivables

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

(ii) Financial Instruments and cash deposits

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

The Company has no exposure to credit risk relating to these cash deposits as at: 31st March 2022.

All amounts are in ₹ Lakh unless otherwise stated

b. Market Risk

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

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

(i) Foreign currency risk management

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

(ii) Interest rate risk management

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

c. Liquidity risk management

Liquidity Risk refers to the risk that the company cannot meets its financial obligation, the objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligation including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Year Ended 31-Mar-2022					
Non-derivative financial liabilities					
- Trade payables	6,178.89	-	-	-	6,178.89
- Borrowings	4,221.67	-	-	-	4,221.67
- Lease liabilities	129.21	121.53	321.50	827.16	1,399.40
- Other financial liabilities	2,135.45	75.68	-	-	2,211.13
Total	**12,665.22**	**197.21**	**321.50**	**827.16**	**14,011.09**

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Year Ended 31-Mar-2021					
Non-derivative financial liabilities					
- Trade payables	4,267.09	-	-	-	4,267.09
- Borrowings	4,374.16	-	-	-	4,374.16
- Lease liabilities	40.67	48.85	128.42	529.59	747.53
- Other financial liabilities	919.68	28.83	-	-	948.51
Total	**9,601.60**	**77.68**	**128.42**	**529.59**	**10,337.29**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

37. (a) The Company has considered the impact that may arise from the pandemic situation on the carrying amount of its assets including inventory and receivables as at the end of the financial year and is of the opinion that, the net carrying amount of the said assets are recoverable in full. As at the date of approval of these results, it is not possible to reliably estimate the impact of the pandemic on the Company's future operations, as normalcy is yet to return. The impact assessment is a continuing process given the uncertainties associated with nature and duration of the current situation. The eventual impact may differ from what has been assessed by the Management as at the date of approval of these financial results. The Company will continue to closely monitor any material changes in future economic conditions and take appropriate actions as may be required.

(b) The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

38. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties:

A) Entities having Joint control of TPL
1. Southern Petrochemical Industries Corporation Limited (SPIC)
2. Tamilnadu Industrial Development Corporation Limited (TIDCO)

B) Subsidiaries
1. Certus Investment and Trading Limited (CITL), Mauritius
2. Certus Investment and Trading (S) Private Limited, Singapore

C) Associates of Joint Venturers
1. Manali Petrochemicals limited
2. Tuticorin Alkali Chemicals and Fertilizers Ltd.,
3. AMCHEM Speciality Chemical Pvt. Ltd., Singapore

D) Private company in which a Director or his relative is a Director or Member
1. AM Foundation

E) Key Management Personnel
1. Shri. KT Vijayagopal, Whole Time Director (Finance) & Chief Financial Officer
2. Shri. D Senthi Kumar, Whole Time Director (Operations)

b) During the year the following transactions were carried out with the related parties in the ordinary course of business:

Transactions with related parties during the year are as under. (₹ in lakh)

Sl. No.	Particulars	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
1	**Dividend paid**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	380.86	228.52
	b) Tamilnadu Industrial Development Corporation Limited (TIDCO)	396.09	237.66
2	**Sale of Goods**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	62.52	24.49
	b) Manali Petrochemicals limited	21,997.49	13,390.70
3	**Sale of services**		
	a) Manali Petrochemicals limited	39.95	17.88
4	**Purchase of goods**		
	a) Manali Petrochemicals limited	10,277.61	5,443.06
	b) Tuticorin Alkali Chemicals and Fertilizers Limited	27.26	-
5	**Services Availed**		
	a) Manali Petrochemicals limited - Effluent Line Usage	15.73	15.73
	b) AMCHEM Speciality Chemicals Pvt Ltd, Singapore	297.68	258.06
	c) AM Foundation	80.16	20.58
6	**Reimbursement of expenses**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	0.31
	b) Manali Petrochemicals limited	3.89	3.21
7	**Remuneration to Key Personnel is given below:**		
	Short term benefits	143.37	143.37
	Other benefits	6.30	6.04

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

c) **Outstanding Balances:**

(₹ in Lakh)

Sl. No.	Particulars	Year Ended 31-Mar-2022	Year Ended 31Mar 2021
1	**Trade Payables**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.74	0.74
	b) Manali Petrochemicals limited	42.91	15.53
	c) Certus Investment & Trading Limited,Mauritius	1.53	1.53
2	**Trade Receivables**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.01	4.50
	b) Manali Petrochemicals limited	2,094.76	1,836.56
3	**Deposits held with**		
	a) Manali Petrochemicals limited	128.79	142.12

Note:-

All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

39. Financial Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows :

Name of the Ratio	Numerator	Denominator	As at 31-Mar-2022	As at 31-Mar-2021	% Change
Current ratio (in times)	Total current assets	Total current liabilities	3.4	2.5	# 35%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.08	0.09	-13%
Debt service coverage ratio (in times)*	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	51.8	37.9	$ 37%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	27%	24%	12%
Inventory turnover ratio (in times)	Sale of product	Average Inventory	16.1	14.3	13%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	18.7	17.5	7%
Trade payables turnover ratio (in times)	Cost of purchase	Closing balance of trade creditors	14.7	11.7	@ 25%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	6.2	7.5	-18%
Net profit ratio (in %)	Profit for the year	Revenue from operations	9%	11%	-11%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt+ Deferred tax liabilities	30%	28%	9%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	-	-	-

* The Company does not have any borrowings. Debt Service coverage ratio has been computed basis lease liabilities repayment schedule as per Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

The increase in current ratios during year 2021-22 is due to increase in paid for inventory and receivables from march 2022 sales to new customers.

$ The increase in Debt service coverage ratio during the year is due to increase in profit and decrease in finance cost

@ The increase in trade payble ratio during the year is due to increase in settlement of trade dues in shorter period.

40. Disclosure of Transactions With Struck Off Companies

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

41. Additional Regulatory Information

(a) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
  - i. Wilful defaulter
  - ii. Current maturity of long-term borrowings

(b) The Company has borrowings from banks on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

(c) The Company has taken borrowings from banks and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

42. Disclosure in Relation to Undisclosed Income

During the year, the company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no such transaction which are not recorded in the books of accounts.

43. Short-term lease commitment.

The company incurred ₹ 74.86 lakh for the year ended 31st March, 2022 towards expenses relating to Short term leases and leases of low value assets.

Future Minimum Rentals Payable under non-cancellable short term leases and leases of low value assets are as follows:

Lease Rentals	**As at 31st March, 2022**	As at 31st March, 2021
Within one year	**-**	74.86
After one year, but not more than five years	**-**	-
Later than five years	**-**	-

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

44. Earnings per share

	As at 31st March, 2022	As at 31st March, 2021
Profit after taxation (₹ In lakh)	**17,063.77**	12,165.25
Weighted number of equity shares outstanding	**89,971,474**	89,971,474
Basic and diluted earnings per share- (Face value – ₹ 10/- per share) (in ₹)	**18.97**	13.52

45. Events after the reporting period

The Board of Directors have recommended a dividend of ₹ 3.00/- per share 30% on 8,99,71,474 equity shares of ₹ 10/- each for the Financial Year 2021-22 subject to approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

46. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 23rd May, 2022.

47. Previous Year's figures

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure.

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi kumar
Whole Time Director (Operations)
DIN: 00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

TPL

CONSOLIDATED FINANCIAL STATEMENTS
2021-22

TPL

INDEPENDENT AUDITORS' REPORT

To the Members of Tamilnadu Petroproducts Limited

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Tamilnadu Petroproducts Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprises the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended and the notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March 2022 and its consolidated profit and consolidated total comprehensive income, the consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Accounting for legal and other contractual claims:	Our response
The Group is involved in litigations comprising of tax matters, legal compliances and other disputes the financial impact of which would largely depend on the decision by the appellate authorities. The Group assess the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its legal counsel and the level of probability of outflow of economic resources. This involves a high level of management judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	Our audit procedures included the following: • We evaluated and tested the Group's processes and controls for monitoring of claims, litigations, disputes, compliance and assessment thereof for determining the likely outcome. • We read the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. • We obtained independent legal confirmations from the concerned professionals engaged by the Company, where applicable, to seek their opinion on the status of litigations and checked the management's judgements and assumptions. • We discussed with the management to understand the basis of management's judgements and estimates and independently assessed the level of probability of outflow of resources embodying the economic resources to arrive at our judgement of whether a provision was required or a disclosure sufficient. • We obtained risk assessment of tax litigations from tax specialists to assess management's judgements and assumptions on such matters. • We read the minutes of the board meetings to determine the completeness of claims, disputes, and litigations. • We tested the adequacy of disclosures in the Consolidated Ind AS financial statements. • We also obtained necessary representation from the management with regard to the provisioning and disclosures in respect of the claims and litigations.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Report on Corporate Governance but does not include the standalone and consolidated financial statements and our auditor's report thereon. The other information referred to above is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated financial statements, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act, read with relevant Rules framed thereunder.

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

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

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

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

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

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

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

the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i. planning the scope of our audit work and in evaluating the results of our work; and

ii. to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

The Group comprises of the Holding Company and the following foreign subsidiaries:

Certus Investment and Trading Limited, Mauritius and the step-down subsidiary, Certus Investment and Trading (S) Private Limited, Singapore.

We did not audit the financial statements of the above two subsidiaries whose consolidated financial statements reflect total assets of ₹ 13,771.24 lakh as at 31st March, 2022 (PY: ₹ 12,883.62 lakh), total revenue of ₹ 526.61 lakh for the year ended on that date (PY: ₹ 500.34 lakh), total net profit after tax of ₹ 472 lakh (PY ₹ 455.74 lakh), net cash flows amounting to ₹ 626 lakh (PY ₹ 132 lakh) and other comprehensive income of NIL (PY- NIL) for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these subsidiaries have been audited by other auditors whose report have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter, with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules made thereunder.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies, none of the directors of the companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

i. Note no.31A and Note No.33 to the consolidated financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group has certain long-term contracts for which there are no material foreseeable losses. The Group did not have any derivative contracts at the year end.

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

iv. (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared, and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable. The Holding Company has not paid any interim dividend during the year.

(b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the Holding Company's members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. (See note.45 to the consolidated financial statements).

2. In view of the fact that both the subsidiaries in the Group are entities outside India, there is no matter to be disclosed in terms of paragraph 3(xxi) of the Companies Auditor's Report Order, 2020 issued by the Central Government in terms of section 143(11) of the Act.

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

Mahesh Krishnan
Partner
(Membership No.206520)
UDIN:22206520AJKHMK1580

Date : 23rd May, 2022
Place: Chennai

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Clause (f) of Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on the Consolidated Financial Statements of the Holding Company, for the year ended 31st March 2022

In conjunction with our audit of the Consolidated Financial Statements of Tamilnadu Petroproducts Limited (hereinafter referred to as 'the Holding Company") as of and for the year ended March 31, 2022, we have audited the Internal Financial Controls with reference to the financial statements of the Holding Company, as of that date. All the subsidiaries of the Holding Company are companies incorporated outside India.

Management's Responsibility for Internal Financial Controls with Reference to Financial Statements

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statement and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial controls with reference financial statements stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

Mahesh Krishnan
Partner
(Membership No.206520)
UDIN:22206520AJKHMK1580

Date : 23rd May, 2022
Place: Chennai

TPL

Consolidated Balance Sheet as at 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

ASSETS	Notes	As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets			
a) Property, Plant and Equipment	3A	**25,477.70**	27,388.75
b) Capital work-in-progress	3A	**2,673.64**	147.00
c) Investment Property	3B	**20.68**	20.68
d) Right of Use-Assets	3C	**1,248.70**	673.29
e) Financial assets			
i) Investments			
(a) Other Investments	4A	**138.58**	146.66
ii) Other financial assets	5	**2,070.42**	2,080.40
f) Other non-current assets	6	**433.85**	-
Total - Non-current assets (A)		**32,063.57**	30,456.78
Current assets			
a) Inventories	7	**14,258.14**	8,181.78
b) Financial assets			
i) Trade Receivables	8	**11,205.54**	8,113.69
ii) Cash and Cash equivalents	9A	**12,251.40**	12,878.81
iii) Bank balances other than (ii) above	9B	**24,455.22**	17,317.83
iv) Other financial assets	10	**722.20**	530.19
c) Other Current assets	11	**3,038.15**	1,803.70
Total - Current assets (B)		**65,930.65**	48,826.00
Assets held for sale (C)	12	**100.00**	100.00
TOTAL ASSETS [(A) + (B)+(C)]		**98,094.22**	79,382.78
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	**8,997.15**	8,997.15
b) Other Equity	14	**65,820.24**	50,085.07
Total - Equity (A)		**74,817.39**	59,082.22
Liabilities			
Non-Current liabilities			
a) Financial liabilities			
i) Lease Liabilities	15A	**1,399.40**	747.53
ii) Other financial liabilities	15B	**75.69**	28.84
b) Provisions	16	**4,930.73**	3,319.03
c) Deferred tax liabilities (net)	17	**1,522.02**	1,914.58
Total - Non-current liabilities (B)		**7,927.84**	6,009.98
Current liabilities			
a) Financial liabilities			
i) Borrowings	18	**4,221.67**	4,374.16
ii) Trade payables			
Total Outstanding dues of Micro & Small Enterprises	19	**384.29**	40.98
Total Outstanding dues of creditors other than Micro & Small Enterprises	19	**5,794.60**	4,234.84
iii) Other financial liabilities	20	**2,144.84**	919.68
b) Provisions	21	**1,264.66**	3,291.53
c) Other current liabilities	22	**1,538.91**	1,429.39
Total - Current liabilities (C)		**15,348.89**	14,290.58
Total liabilities [(B) + (C)]		**23,276.73**	20,300.56
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**98,094.22**	79,382.78
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Revenue from operations	23	180,558.24	114,521.59
Other income	24	1,805.38	1,516.19
TOTAL INCOME		182,363.62	116,037.78
EXPENSES			
Cost of Materials consumed	25	84,510.09	50,474.64
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	26	166.21	(1,017.11)
Employee benefits expense	27	4,105.98	4,001.83
Finance costs	28	581.12	723.11
Depreciation / Amortization Costs	29	2,362.76	2,273.26
Other expenses	30	66,995.21	44,600.57
TOTAL EXPENSE		158,721.37	101,056.30
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		23,642.25	14,981.49
Exceptional items	31	-	2,473.25
PROFIT BEFORE TAX		23,642.25	17,454.73
Tax expense:			
(a) Current tax		6,425.07	4,015.62
(b) Deferred tax	17	(392.56)	(218.43)
(c) Provision for tax relating to prior years		72.76	1,036.56
TOTAL TAX EXPENSE		6,105.27	4,833.75
PROFIT FOR THE YEAR		17,536.98	12,620.99
OTHER COMPREHENSIVE INCOME (OCI)			
(i) Items that will not be reclassified to Profit or (Loss)			
- Re-measurement of Defined Benefit Plan (Net)		33.68	(23.27)
(ii) Items that will be reclassified to Profit or Loss			
- Changes in Fair Valuation of Derivative Instrument (Net)			
- Exchange differences in translating the financial statements of foreign operations		413.91	(324.70)
OTHER COMPREHENSIVE INCOME / (LOSSES)		447.59	(347.97)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		17,984.57	12,273.02
Earnings per equity share (in ₹)			
Basic and Diluted		19.49	14.03
Basis of preparation, measurement and significant accounting policies	2		
The accompanying notes form an integral part of Financial Statements			

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

A. Equity Share Capital

	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	8997.15	8997.15
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	8997.15	8997.15
Changes in equity share capital during the year	-	-
Balance as at the end of the year	8997.15	8997.15

B. Other Equity

	Reserves and Surplus			Other Comprehensive Income		Total
	General Reserve	Securities Premium	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Plan	Exchange Gain/ (Loss) arising on translation of foreign Operations	
Balance as at April 01, 2020*	**15,888.35**	**4,611.57**	**17,825.15**	**(241.60)**	**1,078.15**	**39,161.62**
Profit for the year	-	-	12,620.99	-	-	12,620.99
Dividend on Equity Shares	-	-	(1,349.57)	-	-	(1,349.57)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	(23.27)	-	(23.27)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	(324.70)	(324.70)
Balance as at March 31, 2021	**15,888.35**	**4,611.57**	**29,096.57**	**(264.87)**	**753.45**	**50,085.07**
Balance as at April 01, 2021	**15,888.35**	**4,611.57**	**29,096.57**	**(264.87)**	**753.45**	**50,085.07**
Profit for the year	-	-	17,536.98	-	-	17,536.98
Dividend on Equity Shares	-	-	(2,249.40)	-	-	(2,249.40)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	33.68	413.91	447.59
Balance as at March 31, 2022	**15,888.35**	**4,611.57**	**44,384.15**	**(231.19)**	**1,167.36**	**65,820.24**

* There are no changes in other equity due to prior period errors

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

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

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Consolidated Cash Flow Statement for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

			Year ended 31st March, 2022		Year ended 31st March, 2021
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**				
	Profit before tax		**23,642.25**		17,454.73
	Adjustments for:				
	Depreciation / Amortization Costs	**2,362.76**		2,273.26	
	Profit on sale of property	**-**		(10.94)	
	Loss on fixed assets sold/scrapped	**12.60**		516.23	
	Finance costs	**581.12**		723.11	
	Interest income	**(1,708.93)**		(1,372.34)	
	Provision no longer required written back	**-**		(2,473.25)	
	Employee benefit obligation	**45.01**		(31.09)	
	Exchange differences in translating the financial statements of foreign operations	**413.94**		(324.70)	
			1,706.50		(699.72)
	Operating profit before working capital changes		**25,348.75**		16,755.01
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**(6,076.36)**		(355.56)	
	Trade receivables	**(3,091.85)**		(3,128.73)	
	Other financial assets	**(42.90)**		(1,983.84)	
	Other assets	**(171.47)**		1,538.44	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	**1,903.07**		(956.14)	
	Provision and other current liabilities	**1,757.65**		1,497.20	
	Other financial liabilities	**1,179.05**		(666.25)	
			(4,542.80)		(4,054.89)
	Cash generated from operations		**20,805.94**		12,700.12
	Net income tax (paid)		**(9,635.45)**		(3,443.22)
	Net cash (used in) / generated from operating activities - (A)		**11,170.49**		9,256.93
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**				
	Payments to acquire property, plant and equipment, including capital advances	**(4,001.14)**		(1,010.90)	
	Proceeds from sale of Property, Plant and Equipment	**0.93**		10.94	
	Investments in / (Sale of) Equity shares	**8.08**		0.07	
	Investments in Fixed deposits with Bank	**(6,935.41)**		(9,121.54)	
	Interest received - others	**1,569.79**		1,121.26	
	Bank balances not considered as cash and cash equivalents	**(201.98)**		254.90	
			(9,559.73)		(8,745.28)
	Net cash (used in) / generated from investing activities – (B)		**(9,559.73)**		(8,745.28)

Consolidated Cash Flow Statement for the year ended 31st March, 2022

All amounts are in ₹ lakh unless otherwise stated

			Year ended 31st March, 2022		Year ended 31st March, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**				
	Payment of lease liabilities	**651.87**		747.53	
	Net increase / (decrease) in working capital borrowings	**(152.49)**		704.99	
	Finance costs	**(581.12)**		(524.74)	
	Dividends paid	**(2,156.44)**		(1306.19)	
			(2,238.18)		(378.41)
	Net cash (used in)/generated financing activities – C		**(2,238.18)**		(378.41)
	Net increase/(decrease) in cash and cash equivalents – (A+B+C)		**(627.41)**		133.25
	Add: Cash and cash equivalents at the beginning of the year		**12,878.81**		12,745.56
	Cash and cash equivalents at the end of the year (Refer Note 9A)		**12,251.40**		12,878.81
	Net increase / (decrease) in cash and cash equivalents		**(627.41)**		133.25

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

The accompanying notes form an integral part of the financial statements

Change in Liability arising from Financing Activities:

	1st April, 2021	Cash flow	**31st March, 2022**
Borrowing – Current (Refer Note 18)	4,374.16	(152.49)	**4,221.67**
	4,374.16	(152.49)	**4,221.67**

	1st April, 2020	Cash flow	31st March,2021
Borrowing – Current (Refer Note 18)	3,669.17	704.99	4,374.16
	3,669.17	704.99	4,374.16

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole - Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

1. GENERAL INFORMATION

Corporate Information

The **Tamilnadu Petroproducts Limited (the 'Group')** is a public limited company domiciled in India with its registered office located at Manali Express Highway, Manali, Chennai - 600068 jointly promoted by Southern Petrochemical Industries Corporation Limited (SPIC) and Tamilnadu Industrial Development Corporation Limited (TIDCO). The Group is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The consolidated financial statements ("CFS") relates to Tamilnadu Petroproducts Limited ("the Parent"), its subsidiaries (together, "the Group").

The details of subsidiaries, jointly controlled entity and associate of the Group are as given below

Name of the Group	Relationship	Country of incorporation	Proportion of ownership interest	Accounts drawn upto/ whether Audited
Certus Investment and Trading Ltd.	Subsidiary	Mauritius	100 %	31.03.2022 Audited
Certus Investment and Trading(S) Pvt. Ltd.*	Subsidiary	Singapore	100 %	31.03.2022 Audited

*Shareholding is through Certus Investment & Trading Limited

The Group is primarily engaged in the manufacturing and sale of petrochemical products viz., Linear Alkyl Benzene (LAB), Caustic Soda, Chlorine and Propylene Oxide.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation and consolidation

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained it's operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Subsidiaries are entities where the group exercise control or hold more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and the unrealized profits/losses, unless cost/revenue cannot be recovered.

The Consolidated Financial statements are presented in ₹, the functional currency of the Group. Items included in the financial statements of the Companies are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transactions and balances with values below the rounding off norm adopted by the group have been reflected as "0" in the relevant notes to these financial statements.

The Consolidated Financial statements of the Group for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2022.

(b) Basis of measurement:

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Key accounting estimates and judgments

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

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

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

The areas involving critical estimates or judgments are:

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

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

All amounts are in ₹ Lakh unless otherwise stated

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

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

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

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

The principal accounting policies are set out below:

2.3 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April 2021 and applied to the standalone financial statements:

a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)

b. Ind AS 103: Reference to Conceptual Framework

c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract

d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Basis of consolidation

a) Subsidiaries

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

b) Foreign currency translation

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

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates;
- All resulting exchange differences are recognized in other comprehensive income;

2.6 Revenue recognition

The Group derives revenue primarily from sale of industrial intermediate chemicals viz Linear Alkyl Benzene, Caustic Soda Lye and its Derivatives, besides Propylene Oxide.

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Group's activities.

Ind AS 115- Revenue from contracts with customers

Revenue recognition underlines the value of goods or services transferred to a customer that reflects the consideration commensurate with the value of goods and services so exchanged.

2.7 Sale of goods

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

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

2.8 Income from services

Revenue from Service is recognized when the stage of completion can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Group and the cost incurred for the transaction and cost necessary to complete the transaction can be measured reliably. Stage of completion is measured by the services performed till the balance sheet date as a percentage of total services contracted.

2.9 Export Incentive

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

2.10 Other Income

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

2.11 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks, which are recognised in Other comprehensive income and later to statement of profit and loss.

2.12 Borrowing costs

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

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

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

2.13 Employee benefits

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

a) Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

With regard to PF contribution made by the group to a Government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

b) Defined benefit plans

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

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

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

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

c) Short-term employee benefits

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

d) Other long-term employee benefits

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

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

All amounts are in ₹ Lakh unless otherwise stated

2.14 Earnings per share

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

2.15 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

- **Current tax**

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

  Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

- **Deferred tax**

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

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

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

  Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

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

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

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

  Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

All amounts are in ₹ Lakh unless otherwise stated

2.16 Property, plant and equipment and Capital Work-in-progress

A. Owned Assets

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

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

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

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

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

i) Plant & Machinery - 5-25 years

ii) Office Equipment - 3 years

iii) Furniture & Fixtures - 5 year

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

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

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

B. Leased Assets

The Group lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

C. Capital work-in-progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

2.17 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. The best evidence of fair value is current prices in an active market for similar properties. The market rate for sale/purchase of such premises are representative of fair values. Group investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location.

Pursuant to transition to Ind AS, the Group has elected to continue with the carrying value of all of its Investment Properties as per the previous GAAP as its deemed cost on the transition date.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition..

2.18 Intangible Assets:

a) Measurement at recognition

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

b) Amortization

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

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

c) Derecognition

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

2.19 Impairment of assets

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

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

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

2.20 Inventories

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

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

- Raw material, Stores and spares – Weighted average cost.
- Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
- Stock-in-trade – Weighted average cost

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

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

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

2.21 Exceptional items

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

2.22 Provisions, contingent liabilities and contingent assets

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

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

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

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

2.23 Financial instruments

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

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

2.24 Financial assets

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

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

2.25 Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

2.26 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as ‘held for sale’ when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as ‘held for sale’ are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.27 Effective interest method

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

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

2.28 Investments in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.29 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

2.31 Impairment of financial assets

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

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

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

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

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

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

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

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

2.32 Derecognition of financial assets

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

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

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

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

2.33 Foreign exchange gains and losses

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

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

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

2.34 Financial liabilities and equity instruments

a. Classification as debt or equity

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

b. Equity instruments

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

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

c. Financial liabilities

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

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

d. Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

e. Financial liabilities subsequently measured at amortized cost

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

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

f. Foreign exchange gains and losses

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

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

g. De-recognition of financial liabilities

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

2.35 Cash Flow Statement

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

2.36 Events after Reporting date

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

2.37 Dividends

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

			As at 31st March, 2022	As at 31st March, 2021
3A	**(a)**	**Property, Plant and Equipment and Capital work-in-progress**		
		Land	**1,687.33**	1,687.33
		Buildings	**400.80**	497.00
		Plant and Machinery	**23,307.82**	25,164.07
		Furniture and Fixtures	**5.19**	0.36
		Office Equipments	**16.50**	34.48
		Vehicles	**60.05**	5.49
			25,477.70	27,388.75
	(b)	**Capital work-in-progress**		
			2,673.64	147.00

Gross Block	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March, 2020	1,687.33	1,012.44	33,839.54	24.05	128.52	15.93	36,707.81
Additions	-	-	1,192.41	-	33.42	-	1,225.83
Disposals	-	-	(932.39)	-	(4.01)	-	(936.40)
Reclassified as held for sale	-	-	-	-	-	-	-
Balance at 31st March, 2021	**1,687.33**	**1,012.44**	**34,099.55**	**24.05**	**157.93**	**15.93**	**36,997.23**
Additions	-	-	354.58	6.03	11.67	64.35	436.63
Disposals	-	-	(21.00)	-	-	(5.17)	(26.17)
Reclassified as held for sale	-	-	-	-	-	-	-
Balance at 31st March, 2022	**1,687.33**	**1,012.44**	**34,433.13**	**30.08**	**169.60**	**75.11**	**37,407.69**

Accumulated Depreciation and Impairment	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
Balance at 31st March, 2020	-	417.79	7,116.23	22.37	104.28	8.32	7,668.98
Depreciation expense	-	97.65	2,131.73	1.32	23.18	2.12	2,256.00
Eliminated on disposals	-	-	(312.50)	-	(4.01)	-	(316.51)
Balance at 31st March, 2021	**-**	**515.44**	**8,935.47**	**23.69**	**123.45**	**10.44**	**9,608.48**
Depreciation expense	-	96.20	2,199.62	1.20	29.65	7.48	2,334.15
Eliminated on disposals / Impairment	-	-	(9.78)	-	-	(2.86)	(12.64)
Balance at 31st March, 2022	-	611.64	11,125.31	24.89	153.10	15.06	11,929.99
Carrying amount at 31st March, 2022	**1,687.33**	**400.80**	**23,307.82**	**5.19**	**16.50**	**60.05**	**25,477.70**

Notes:

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

ii) Impairment of redundant DG sets in FY 2020-21

iii) For Property, plant and equipment (PPE) given as securities against working capital facility refer Note no.18.

Capital work in progress movement	Total
Balance at April 1, 2020	**304.66**
Additions during the year	38.79
Capitalised during the year	(196.45)
Balance at March 31, 2021	**147.00**
Additions during the year	2,565.43
Capitalised during the year	(38.79)
Balance at 31st March, 2022	**2,673.64**

Note:

The Group in its efforts to augment capacity of Linear Alkyl Benzene plant from its existing 120 KTA to 145 KTA and modernised existing CS Lye facility has incurred a sum of ₹ 24.05 crore during the year.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

3A (b) Capital work-in-progress ageing

(i) Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	2,673.64	-	-	-	2,673.64
Projects temporarily suspended	-	-	-	-	-
Total	**2,673.64**	**-**	**-**	**-**	**2,673.64**

(ii) Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	147.00	-	-	-	147.00
Projects temporarily suspended	-	-	-	-	-
Total	**147.00**	**-**	**-**	**-**	**147.00**

	As at 31st March, 2022	As at 31st March, 2021
3B Investment Property		
Freehold Land #	**20.68**	20.68
	20.68	20.68

Note:-

Guideline value of investment property as at 31st March 2022 - ₹ 80 lakh. The above property has not been subjected to valuation by an independent certified valuer.

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

Freehold Land		
Rental Income (A)	**-**	-
Direct operating expenses, that generated rental income. (B)	**-**	-
Direct operating expenses, that did not generated rental income. (C)	**8.98**	16.02
Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C)	**(8.98)**	(16.02)
Depreciation (D)	**-**	-
Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C)-(D)	**(8.98)**	(16.02)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
3C	**Right of Use-Asset**		
	Right-of-Use Asset*	**1,248.70**	673.29
		1,248.70	673.29

Gross Block	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1st April, 2020	**113.84**	**-**	**113.84**
- Additions	**690.55**	**-**	**690.55**
- Disposals	**(113.84)**	**-**	(113.84)
Opening balance as at 1st April, 2021	**690.55**	**-**	**690.55**
- Additions	-	604.02	604.02
- Disposals	-	-	-
Balance at March 31, 2022	**690.55**	**604.02**	**1,294.57**

Accumulated Depreciation	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1st April, 2020	**3.88**	**-**	**3.88**
- Depreciation expense	17.26	-	17.26
- Disposals	(3.88)	-	(3.88)
Opening balance as at 1st April, 2021	**17.26**	**-**	**17.26**
- Depreciation expense	23.02	5.59	28.61
- Disposals	-	-	-
Balance at March 31, 2022	**40.28**	**5.59**	**45.87**
Net book value as on March 31, 2021	**673.29**	**-**	**673.29**
Net book value as on March 31, 2022	**650.27**	**598.43**	**1,248.70**

Note:-

*The lease agreement entered with the Government of Tamilnadu expired on 12th June 2020. Application for renewal of the lease for further period has been filed with the Government of Tamilnadu. Pending renewal of the same, the Right of Use of the above asset has been recognised based on the indicative increase in lease rental from 13th June 2020 for a period of 30 years.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

	As at 31st March, 2022	As at 31st March, 2021
4 Investments		
Non-current investments:		
(A) Other Investments:		
(a) 1,00,000 Equity shares of ₹ 10 each fully paid up in SEPC Power (Private) Limited (formerly known as SPIC Electric Power Corporation Private Limited)	**16.93**	16.93
(b) Ushdev Engitech Limited	**2.24**	2.24
22,463 Equity Shares of ₹10 each fully paid up		
(c) Watsun Infrabuild Private Limited	**88.00**	88.00
8,80,000 (31st March 2021: 880,000 Equity shares of ₹10 each fully paid up)		
(d) OPG Power Generation Private Limited	**17.86**	18.17
2,20,400 (31st March 2021: 158,000) Equity shares of ₹10 each fully paid up)		
(e) AM Foundation	**0.16**	0.16
1,600 Equity shares of ₹ 10 each fully paid up		
(f) IL&FS Financial Services Limited	**0.04**	0.04
3,600 Units of ₹ 1/- each fully paid		
(g) Nagai Power Private Limited	**13.35**	21.10
133,440 (31st March 2021: 2,11,000 Equity shares of ₹10 each fully paid up		
Total - Other investments (A)	**138.58**	146.66
Aggregate amount of unquoted investments (A)	**138.58**	146.66
5 Other financial assets		
Security deposits	**2,050.29**	2065.42
Others*	**20.13**	14.98
	2,070.42	2080.40

* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant.

6 Other Non-Current assets		
Capital advances	**433.85**	0.00
	433.85	0.00

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
7	**Inventories**		
	- Raw materials	**5,358.24**	3,350.65
	- Work-in-progress	**1,050.57**	1,751.87
	- Finished goods	**1,500.59**	965.50
	- Goods in transit - Traded Goods	**4,428.60**	-
	- Stores and spares	**1,920.14**	2,113.76
		14,258.14	8,181.78

Note:-

i) Inventories are valued at lower of cost and net realisable value

ii) For Inventories given as securities refer Note no.18

		As at 31st March, 2022	As at 31st March, 2021
8	**Trade receivables**		
	Considered good - Secured	**-**	-
	Considered good - Unsecured	**11,205.54**	8,113.69
	Trade Receivables which have significant increase in credit risk	**-**	-
	Trade Receivables - credit impaired	**77.78**	77.78
	Impairment Allowance (Allowance for doubtful debts)	**(77.78)**	(77.78)
		11,205.54	8,113.69

Note:-

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

b) Three customers lift more than 10% of the total value of the Turnover.

c) For Trade receivables given as security refer Note no.18

8(A) Ageing for trade receivables – Non-Current outstanding as at March 31, 2022 is as follows:

Trade receivables	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	10,952.00	283.32	13.00	30.00	2.00	3.00	11,283.32
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total	**10,952.00**	**283.32**	**13.00**	**30.00**	**2.00**	**3.00**	**11,283.32**
Less: Allowance for expected credit loss							(77.78)
Total Trade Receivables							**11,205.54**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

8(B) Ageing for trade receivables – Non-Current outstanding as at March 31, 2021 is as follows:

Trade receivables	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	7,487.89	675.58	17.00	2.00	3.00	6.00	8,191.47
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total	**7,487.89**	**675.58**	**17.00**	**2.00**	**3.00**	**6.00**	**8,191.47**
Less: Allowance for expected credit loss							(77.78)
Total Trade Receivables							**8,113.69**

		As at 31st March, 2022	As at 31st March, 2021
9A	**Cash and Cash equivalents**		
	Balances with Banks		
	- In current accounts	**12,251.03**	12,642.36
	- Cash on hand	**0.37**	1.24
	- Other Fixed deposits #	**-**	235.22
	Total (A)	**12,251.40**	12,878.81
9B	**Bank balances other than above**		
	Unspent CSR account	**22.33**	-
	Margin money deposits	**785.68**	698.99
	Unclaimed dividend account (Refer note 20)	**207.74**	114.78
	Other Fixed deposits #	**23,439.47**	16,504.06
	Total (B)	**24,455.22**	17,317.83
	Total Cash and Cash equivalents (A+B)	**36,706.62**	30,196.64

represents deposits with original maturity more than three months but less than twelve months.

10	**Other Financial Assets**		
	Security deposits	**71.38**	18.56
	Interest accrued on Deposits	**649.14**	510.00
	Other loans and advances	**1.68**	1.63
		722.20	530.19

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
11	**Other Current assets**		
	Advances given to Suppliers	**263.04**	1,052.49
	Prepaid expenses	**655.99**	595.84
	Balances with Government Authorities		
	(i) GST Input Tax Credit	**1,016.71**	115.94
	(ii) Balances with Customs, Sales tax and Excise Authorities	**39.43**	39.43
	Income tax (net)	**1,062.98**	-
		3,038.15	1,803.70
12	**Asset held for Sale:**		
	Plant & Machinery	**100.00**	100.00
		100.00	100.00
13	**Equity Share Capital**		
	Authorised Share capital :		
	200,000,000 (as at 31st March 2021: 200,000,000) fully paid equity shares of ₹10 each.)	**20,000.00**	20,000.00
	Issued		
	89,976,899 (as at 31st March 2021: 89,976,899) equity shares of ₹10 each.	**8,997.69**	8,997.69
	Subscribed and fully paid up		
	89,971,474 (as at 31st March 2021: 89,971,474) equity shares of ₹10 each.	**8,997.15**	8,997.15
		8,997.15	8,997.15

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

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

	Number of shares	Amount
Balance as at 1st April, 2020	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2021	89,971,474	8,997.15
Movements	-	-
Balance as at 31st March, 2022	89,971,474	8,997.15

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

13.03 Details of shareholdings by the Promoter's of the Company

Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
	No.of shares held	**% of holding**	No.of shares held	% of holding	
Fully paid equity shares					
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	**17.61**	15,843,751	17.61	-
Southern Petrochemical Industries Corporation Limited	**15,234,375**	**16.93**	15,234,375	16.93	-
Total Promoters shares outstanding	**31,078,126**	**34.54**	31,078,126	34.54	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

13.04 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Group

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No.of shares held	% of holding	No.of shares held	% of holding
Fully paid equity shares				
Tamilnadu Industrial Development Corporation Limited	**15,843,751**	**17.61**	15,843,751	17.61
Southern Petrochemical Industries Corporation Limited	**15,234,375**	**16.93**	15,234,375	16.93
Total shares outstanding	**31,078,126**	**34.54**	31,078,126	34.54

		As at 31st March, 2022	As at 31st March, 2021
14(A) Other Equity			
I.	**Reserves and Surplus**		
A.	General reserve	**15,888.35**	15,888.35
B.	Securities premium	**4,611.57**	4,611.57
C.	Surplus in Statement of Profit and Loss	**44,384.15**	29,096.57
II.	**Other Comprehensive income**		
D.	Remeasurement of Defined Benefit Liabilities	**(231.19)**	(264.87)
E.	Exchange Gain / (Loss) arising on translation of foreign operations	**1,167.36**	753.45
		65,820.24	50,085.07
A.	**General reserve**		
	Balance at beginning of year	**15,888.35**	15,888.35
	Movements	**-**	-
	Balance at end of year	**15,888.35**	15,888.35
B.	**Securities premium**		
	Balance at beginning of year	**4,611.57**	4,611.57
	Movements	**-**	-
	Balance at end of year	**4,611.57**	4,611.57
C.	**Surplus in Statement of Profit and Loss**		
	Opening balance	**29,096.57**	17,825.15
	(Add): Profit for the year	**17,536.98**	12,620.99
	Less: Dividend (₹2.50 per share - 2020-21) (₹1.50 per share - 2019-20)	**(2,249.40)**	(1,349.57)
	Closing balance	**44,384.15**	29,096.57
D.	**Re-measurement of Defined Benefit Plan**		
	Opening balance	**(264.87)**	(241.60)
	Movements	**33.68**	(23.27)
	Closing balance	**(231.19)**	(264.87)
E.	**Exchange Gain / (Loss) arising on translation of foreign operations**		
	Opening balance	**753.45**	1,078.15
	Movements	**413.91**	(324.70)
	Closing balance	**1,167.36**	753.45

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

(B) Nature and purpose of reserves

a. **General Reserve:** This Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

b. **Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

c. **Surplus in Statement of Profit and Loss:** Surplus in Statement of Profit and Loss are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholder.

d. **Items of Other Comprehensive Income**

i) **Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

ii) **Exchange differences on translating the financial statements of foreign operations:** This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

	As at 31st March, 2022	As at 31st March, 2021
15(A) Financial liabilities - (Non-Current)		
Lease Liabilities	**1,399.40**	747.53
	1,399.40	747.53

Note:-

a) The Group's lease contract for Land used for the purpose of plant operation (ECH-PO) expired on 12th June, 2020 and application for renewal submitted which is under process.

b) The borrowing rate of 11% to Lease Land and 10% to Lease Building has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

15(B) Other financial liabilities (Non-Current)		
Security deposit	**58.76**	11.91
Other payables*	**16.93**	16.93
	75.69	28.84

Note:-

*Other payable represents advance received against disposal of equity interests (100000 equity shares) in SEPC Power (Private) Limited upon completion of power project.

16 Provisions (Non-Current)		
Provision for:		
- Compensated absences	**408.63**	406.03
- Provision for Litigated claims and statutory dues (Refer to note 31A)	**4,522.10**	2,912.99
	4,930.73	3,319.03

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

			As at 31st March, 2022	As at 31st March, 2021
17	**Deferred tax balances (Non-Current)**			
	(a)	**Deferred tax liabilities in relation to :**		
		- Property, plant and equipment	**2,820.83**	2,826.90
		- Impact of Right of Use Asset and Lease Liabilities	**346.19**	188.14
			3,167.02	3,015.04
	(b)	**Deferred tax assets in relation to :**		
		- Provision for Employee benefits allowed on payment basis	**142.55**	141.78
		- Allowance for doubtful debts	**19.58**	19.58
		- Expenses allowable on payment basis	**1,174.62**	769.64
		- Impact of Right of Use Assets	**308.25**	169.45
			1,645.00	1,100.46
	(c)	**Deferred Tax Liability (net) (A+B)**	**1,522.02**	1,914.58
		- Opening Balance	**1,914.58**	2,133.01
		- For the year	**(392.56)**	(218.43)
		- For the period based on effective tax rate method	**(392.56)**	(218.43)
		- Closing Balance	**1,522.02**	1,914.58
	(d)	**Deferred Tax Liability (net)**	**1,522.02**	1,914.58

			Year ended 31st March, 2022	Year ended 31st March, 2021
17	**(A)**	**Reconciliation between book and taxable profits**		
		Profit before Income Taxes	**23,642.25**	14,981.49
		Indian statutory income tax rate	**25.17%**	25.17%
		Computed Expected Tax Expense	**5,950.75**	3,770.84
		Tax effect of adjustments :		
		- Tax Effect of non deductible expenses	**474.31**	244.77
		- Income Tax Expense	**6,425.07**	4,015.61
		- Income Tax Expense for the year	**6,425.07**	4,015.61
		- Tax Provisions relating to earlier years	**72.76**	1,036.56
		- Deferred tax	**(392.56)**	(218.43)
		Total income tax expense	**6,105.27**	4,833.74
17	**(B)**	**Tax expense recognised in Other Comprehensive Income**		
		Deferred tax charge		
		- (Gain)/Loss on remeasurement of net defined benefit plans	**11.33**	(7.83)
			11.33	(7.83)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

	As at 31st March, 2022	As at 31st March, 2021
18 Borrowings (Current)		
Secured		
Loan repayable on Demand	**4,221.67**	4,374.16
	4,221.67	4,374.16

Note:-

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

b) The above loans carry varying rates of interests with the maximum rate of interest being 10.65% (As at 31st March 2021: 12.50%) per annum. The weighted average rate of interest of these loans is 9.66% (2020-21: 10.36%) per annum.

19 Trade payables		
Acceptances	**-**	-
Trade payables		
(i) dues to Micro and Small Enterprises (Refer note 31B)	**384.29**	40.98
(ii) dues to other than Micro and Small Enterprises	**5,793.07**	4,233.31
(iii) dues to related parties	**1.53**	1.53
	6,178.89	4,275.82

19(A) Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Trade payables	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME*	384.29	-	-	-	-	384.29
(ii) Others	2,629.97	3,154.63	1.00	7.00	2.00	5,794.60
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	**3,014.26**	**3,154.63**	**1.00**	**7.00**	**2.00**	**6,178.89**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

19(B) Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Trade payables	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME*	40.98	-	-	-	-	40.98
(ii) Others	1,518.41	2,707.43	7.00	2.00	-	4,234.84
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	**1,559.39**	**2,707.43**	**7.00**	**2.00**	**-**	**4,275.82**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
20	**Other Financial Liabilities**		
	Interest accrued	**5.85**	11.17
	Unclaimed dividends *	**207.74**	114.78
	Deposits	**14.25**	10.75
	Other Expenses payable	**1,917.00**	782.98
		2,144.84	919.68
	* Amount to be credited to Investor Education and Protection Fund	**Nil**	Nil
21	**Provisions - (Current)**		
	Provision for:		
	(a) Employee Benefits		
	(i) Gratuity payable	**53.77**	140.44
	(ii) Compensated absences	**157.78**	157.31
	(iii) Ex-gratia payable	**223.13**	150.77
	(b) Provision for taxation (net of advance)	**5.28**	2,068.03
	(c) Provision for Litigated claims	**824.70**	774.99
		1,264.66	3,291.53
22	**Other Current Liabilities**		
	Other Payables		
	- Statutory remittances due	**1,257.22**	981.17
	- Others	**281.69**	448.22
		1,538.91	1,429.39

		Year ended 31st March, 2022	Year ended 31st March, 2021
23.	**Revenue from operations**		
	Sale of products	**180,214.53**	114,273.67
	Sale of services	**1.97**	2.33
	Other operating revenues	**341.74**	245.59
	Total revenue from operations	**180,558.24**	114,521.59
	Sale of services comprise		
	Others	**1.97**	2.33
	Total - Sale of Services	**1.97**	2.33
	Other operating revenue comprises		
	Scrap sales	**341.74**	245.59
	Total - Other operating revenue	**341.74**	245.59
	Basis on which the entity identifies the fulfilment of performance obligations		
	Upon Shipment (Ex-works)	**36,255.55**	32,305.46
	Upon Delivery (FOR Sales)	**143,958.98**	81,968.21

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31st March, 2022	Year ended 31st March, 2021
Reconciliation of the amount of revenue recognised in Statement of Profit & Loss with discount etc. given to customers		
Gross Revenue	**188,475.28**	120,836.51
Less : Discounts	**7,917.04**	6,314.92
	180,558.24	114,521.59
Disaggregation of Revenue		
Revenue by Product Lines		
LAB	**142,629.80**	90,336.09
Caustic Soda Lye	**14,713.69**	8,972.35
Chlorine	**640.61**	829.07
Propylene Oxide	**17,478.57**	10,363.60
Others	**4,751.85**	3,772.56
	180,214.53	114,273.67
Revenue by Geographical Region		
India	**180,214.53**	114,273.67
Others	**-**	-
	180,214.53	114,273.67
Revenue by timing of transfer of goods/services		
At a point in time		
(i) Product line	**180,214.53**	114,273.67
(ii) Others	**343.71**	247.92
Over a period of time	**-**	-
	180,558.24	114,521.59

24. Other income

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest		
From bank deposits	**1,097.46**	653.10
From others	**611.47**	719.24
Profit on sale of assets	**-**	10.94
Rental income from operating leases	**5.00**	10.00
Insurance claim received	**16.21**	66.23
Others	**75.24**	56.69
	1,805.38	1,516.19

25. Cost of materials consumed

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stock	**3,350.65**	3,692.95
Add: Purchases	**90,946.28**	50,132.34
	94,296.93	53,825.29
Less: Closing Stock	**9,786.84**	3,350.65
Cost of material consumed	**84,510.09**	50,474.64
Material consumed comprises:		
Kerosene	**44,104.16**	25,103.56
Benzene	**26,156.67**	14,288.72
Normal Paraffin	**480.67**	3,245.59
Propylene	**8,545.60**	4,551.95
Salt	**2,112.12**	1,467.70
others	**3,110.87**	1,817.12
	84,510.09	50,474.64

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		Year ended 31st March, 2022	Year ended 31st March, 2021
26.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade Inventories at the end of the year**		
	- Finished goods	**1,500.59**	965.50
	- Work-in-progress	**1,050.57**	1,751.87
		2,551.16	2,717.37
	Inventories at the beginning of the year		
	- Finished goods	**965.50**	1,464.09
	- Work-in-progress	**1,751.87**	236.17
		2,717.37	1,700.26
		166.21	(1,017.11)
27.	**Employee benefits expense**		
	Salaries and wages	**3,148.78**	3,203.34
	Contributions to provident and other funds	**296.42**	274.90
	Staff welfare expenses	**660.78**	523.59
		4,105.98	4,001.83
28.	**Finance costs**		
	Interest Expense on Borrowings	**264.62**	334.37
	Interest Expense on Lease liability	**82.42**	56.97
	Other Borrowing Costs*	**131.43**	155.55
	Other interest costs #	**102.64**	176.22
		581.12	723.11

Note:-

*Includes charges incurred towards commitment charges, transaction charges and other bank changes.

Includes charges incurred towards Interest on customs duty, Interest on Security Deposit and interest payable under the income tax.

		Year ended 31st March, 2022	Year ended 31st March, 2021
29.	**Depreciation /Amortization**		
	Depreciation on property, plant and equipment (owned assets)	**2,334.15**	2,256.00
	Depreciation on Right of Use-Assets	**28.61**	17.26
		2,362.76	2,273.26
30.	**Other expenses**		
	Consumption of stores and spare parts	**4,606.75**	4,174.40
	Utilities consumed	**1,092.96**	925.34
	Power and fuel	**35,285.67**	23,916.48
	Renewable Energy Purchase Obligation (RPO)	**554.18**	512.78
	Rent including lease rentals (Refer Note No.43)	**111.89**	188.90
	Repairs to buildings	**496.60**	307.91
	Repairs to machinery	**3,004.36**	3,138.10
	Payment to Auditors:		
	- Towards audit fee	**-**	30.00
	- For other services	**8.00**	6.16
	Insurance	**490.71**	420.49
	Rates and Taxes	**208.38**	380.30
	Freight and forwarding	**2,940.80**	3,135.76
	Net loss on foreign currency transactions (other than considered as finance cost)	**0.15**	7.87
	Loss on fixed assets sold/scrapped	**12.60**	516.23
	Referral Charges	**16,252.70**	5,292.29
	Corporate Social Responsibility expense (Refer Note below)	**191.69**	122.42
	Miscellaneous expenses	**1,732.77**	1,525.13
		66,995.21	44,600.57

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		Year ended 31st March, 2022	Year ended 31st March, 2021
31.	**Exceptional items**		
	a) Provision no longer required wrote back (Vivad Se Vishwas-Interest waiver)	-	2,473.25
		-	2,473.25

Note:-

The Group in the earlier years filed application under the Direct Tax Vivad Se Vishwas Act, 2020 for five assessment years with respect to income tax disputes. In respect of AY 2001-02, the Group had already provided the tax demand of ₹ 2,468 lakh and interest demand of ₹ 2,550 lakh in an earlier year. Since the Group is eligible for waiver of interest as per the scheme, the interest provided earlier is reversed during FY 2020-21 to an extent of ₹ 2,473.25 lakh and is disclosed as an exceptional items for FY 2020-21.

Corporate Social Responsibility (CSR):

The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows

		Year ended 31st March, 2022	Year ended 31st March, 2021
a)	Amount required to be spent by the Group during the year	**191.69**	122.42
b)	Amount of expenditure incurred		
	i) Construction/ acquisition of any asset	**-**	-
	ii) For purposes other than (i) above	**45.93**	20.58
c)	Shortfall at the end of the year*	**145.76**	101.84
d)	Total of previous years shortfall	**22.33**	-
e)	Reason for shortfall	**Pertains to ongoing projects**	Pertains to ongoing projects
f)	Nature of CSR activities	Primary Health Care Center and Drinking water & Sanitation in schools	
g)	Details of related party transactions, (e.g.,contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard)	**80.16**	20.58
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	**NA**	NA

Note: -

* Above ₹ 145.76 lakh of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2022 (31st March, 2021: ₹ 101.84 lakh). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 21-22" ("UCSRA – FY 2021-22") of the Group within 30 days from end of financial year.

		As at 31st March, 2022	As at 31st March, 2021
31.A	**Provison for litigated claims and statutory dues**		
	Opening Balance	**3,687.98**	2,289.39
	Additions*	**1,658.82**	621.85
	Reversals/Utilised	**-**	-
	Closing Balance	**5,346.80**	2,911.24
	Non-Current Provision for Litigated claims and statutory dues (Refer to note 16)	**4,522.10**	2,912.99
	Current Provision for Litigated claims (Refer to note 21)	**824.70**	774.99
	Total	**5,346.80**	3,687.98

*Provision made for litigations relating Electricity generation tax (principal amount), RPO and Interest on income tax demand.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
31.B.	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
a)	The principal amount remaining unpaid to any supplier at the end of the year	**384.29**	40.98
b)	Interest due remaining unpaid to any supplier at the end of the year	**-**	-
c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**-**	-
d)	The amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
f)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	**-**	-

32 Employee benefit plans

a) Defined contribution plans

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

	For the year	
	2021-22	2020-21
Contribution to provident fund recognised in profit and loss	**139.16**	113.26

b) Defined benefit plans

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

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

		As at 31st March, 2022	As at 31st March, 2021
A.	**Change in Defined Benefit Obligation (DBO) during the year:**	**1,265.43**	1,279.86
	Present value DBO at the beginning of the year		
	Service cost	**68.30**	66.77
	Interest cost	**74.80**	75.63
	Remeasurment(gain)/loss	**(20.77)**	11.09
	Actuarial (gain)/loss arising from experience adjustments	**-**	-
	Benefits paid	**(137.42)**	(167.92)
	Present value DBO at the end of the year	**1,250.34**	1,265.43

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

		As at 31st March, 2022	As at 31st March, 2021
B.	**Change in fair value of plan assets during the year:**		
	Fair value of plan assets as at beginning of the year	**1,125.00**	1,077.48
	Expected return on planned assets	**69.62**	68.13
	Contributions	**114.09**	163.67
	Benefits paid	**(136.37)**	(164.28)
	Re-measurement gain/(loss)	**24.23**	(20.00)
	Fair value of plan asset at the end of the year	**1,196.57**	1,125.00
C.	**Amount recognised in the balance sheet**		
	Present value DBO at the end of the year	**1,250.34**	1,265.43
	Fair value of the plan assets at the end of the year	**1,196.57**	1,125.00
	(Liability) / Asset recognised in the Balance sheet - net	**(53.77)**	(140.43)
D.	**Components of employer expenses:**		
	Current service cost	**68.30**	66.77
	Interest cost/ (income) on net defined benefit obligation	**5.18**	7.50
	Expense recognised in Statement of Profit and Loss	**73.48**	74.27
E.	**Re-measurement on the net defined benefit obligation**		
	Return on plan assets (excluding interest income)	**(24.23)**	20.00
	Actuarial loss arising from changes in financial assumptions	**(22.09)**	4.14
	Actuarial loss arising from changes in experience adjustments	**1.31**	6.95
	Re-measurements Expense/(Income) recognised as other comprehensive income	**(45.01)**	31.09
	Total defined benefit cost recognised	**28.47**	105.36

			Year ended 31st March, 2022
F.	**Net defined benefit liability (asset) reconciliation:**		
	1.	Net Defined Benefit Liability/(Asset) as at 31-Mar-2021	**140.43**
	2.	Net Defined Benefit Cost for the period	**28.47**
		- Amount recognised in P&L account	**73.48**
		- Amount recognised as OCI	**(45.01)**
	3.	Benefit payments made directly by the Group	**(1.05)**
	4.	Actual contributions by the Group	**(114.09)**
		Net Defined Benefit Liability/(Asset) as at 31-Mar-2022 - (1+2+3+4)	**53.77**

G. Major categories of plan assets:

	As at 31st March 2022	As at 31st March, 2021
Insurer-managed funds	**1,196.57**	**1,125.00**
	1,196.57	**1,125.00**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

H. Expected cash flows for following year:

	As at 31st March 2022
Expected total benefit payments	
Year 1	**236.18**
Year 2 to Year 5	**774.82**
Year 6 to Year 10	**356.57**
Year 11 to Year 15	**202.58**
More than 15 Years	**210.76**
Liability Duration in years (Weighted by discounted cash flows)	**5.06**

	As at 31st March 2022	As at 31st March, 2021
I. ASSUMPTIONS		
The principal assumptions used for the purposes of the actuarial valuations are given below:		
Discount rate	**6.66%**	6.25%
Salary escalation rate	**6.00%**	6.00%
Employee turnover rates	**10.00%**	10.00%
Mortality rates *	**IALM 2012-14**	IALM 2012-14

* IALM : Indian Assured Lives Moratality modified Ult.

J. Sensitivity analysis - DBO at the end of the year

i.	Discount +1%	**1,199.43**	1,212.63
ii.	Discount -1%	**1,306.58**	1,323.71
iii.	Escalation +1%	**1,305.98**	1,323.26
iv.	Escalation -1%	**1,199.08**	1,212.03
v.	Attrition : 25% increase	**1,253.73**	1,265.90
vi.	Attrition : 25% decrease	**1,245.77**	1,264.56

K. Key risk:

Actuarial Risk - The risks that benefits costs more than expected. All assumptions used to project the liability cash-flows area source of risk. If actual experience turns out to be worse than expected experience - there could be a risk of being unable to meet the liabilities as and when they fall due. E.g. If assumed salary growth rates turns out to be lesser than reality - this could cause a risk that the provisions are inadequate in comparison to the actual benefits required to be paid.

Investment Risk - The amounts invested by the Group in the LIC policy is usually not subject to market fluctuation risk - the returns are not guaranteed but usually these are non-negative returns, declared by the insurer. Hence Investment risk - due to change in the market value of the investment(s) done by the Group - is considered to be negligible. The only other point to consider is the MVA applied on bulk withdrawal, however the chances of an MVA being applied are also considered to be small for this scheme.

Liquidity Risk - The investments are made in an insurance policy which is also very liquid - withdrawals can happen at any time. There could be a Market Value adjustment (MVA) imposed for bulk withdrawals done by the Group at an untoward time - however chances of this occurring can be considered to be small. Also surrender charges are also minimal at later durations. Hence the investments are considered to be fairly liquid.

Legislative Risk - There could be changes to Regulation/legislation governing this Plan that could affect the Group adversely (e.g. introduction of a minimum benefit). The changes in regulation could potentially increase the plan liabilities.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

Notes:-

i) The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

ii) The expected / actual return on Plan Assets is as furnished by LIC.

iii) The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

		As at 31st March 2022	As at 31st March, 2021
33.	**Contingent Liabilities and commitments**		
	Contingent liabilities:		
A.	**Disputed Demands under Appeals**		
i)	Sales Tax	**1,731.25**	1,731.25
ii)	Excise Duty	**70.86**	70.86
iii)	Service Tax	**102.47**	102.47
iv)	Income Tax	**2,065.06**	789.15

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

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

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

B.	**Commitments**		
	Capital commitments	**480.93**	-

34. Details on derivative instruments and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Group as on 31st March, 2022 : NIL

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

	Currency	Amount in Foreign Currency	Amount (₹ in lakh)
Amount receivable in foreign currency - Exports	USD	-	-
Amount payable in foreign currency - Imports	USD	41,535.57	31.48
	USD	(157,391.09)	(115.07)

*Figures in brackets are in respect of previous year

35. The Chief Operating Decision Maker (CODM) has considered manufacturing of industrial intermediate chemicals as the single operating segment as defined in Ind AS 108- Operating Segments.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

36. Financial instruments

(i) Capital management

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

The Group's objective when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted average cost of capital

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

(ii) Loan covenants

The Group has no term loans outstanding as on 31st March 2022.The covenants are restricted to working capital facilities offered by the bankers.

Categories of financial instruments

	As at 31st March, 2022	As at 31st March, 2021
A. Financial assets		
(i) Measured at Fair value through profit or loss (FVTPL):		
Investments in equity instruments under Group Captive Scheme	**138.58**	146.66
(ii) Measured at Amortised cost		
- Cash and bank balances	**36,706.62**	30,196.64
- Security Deposits	**2,070.42**	2,080.40
- other financial assets	**11,927.74**	8,643.88
(iii) Measured at Cost		
- Investments in Equity instruments in subsidiaries	**-**	-
Total	**50,843.36**	41,067.58
B. Financial liabilities		
Measured at amortised cost		
- Trade payables	**6,178.89**	4,275.82
- Borrowings	**4,221.67**	4,374.16
- Lease Liabilities	**1,399.40**	747.53
- Other financial liabilities	**2,220.52**	948.51
	14,020.48	10,346.02

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities as at 31st March, 2022 is as follows:

	Total	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Investments in equity instruments	138.58	-	-	138.58
	(146.66)	-	-	(146.66)

*Figures in brackets are in respect of previous year

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

(iii) Financial risk management objectives

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

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

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

a. Credit Risk

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

(i) Trade receivables

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

(ii) Financial Instruments and cash deposits

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

The Group has no exposure to credit risk relating to these cash deposits as at: 31st March 2022.

b. Market Risk

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

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

(i) Foreign currency risk management

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

(ii) Interest rate risk management

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

c. Liquidity Risk Management

Liquidity Risk refers to the risk that the Group cannot meets its financial obligation, the objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligation including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Year Ended 31-Mar-2022					
Non-derivative financial liabilities					
- Trade payables	6,178.89	-	-	-	6,178.89
- Borrowings	4,221.67	-	-	-	4,221.67
- Lease liabilities	129.21	121.53	321.50	827.16	1,399.40
- Other financial liabilities	2,144.84	75.68	-	-	2,220.52
Total	**12,674.61**	**197.21**	**321.50**	**827.16**	**14,020.48**

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Year Ended 31-Mar-2021					
Non-derivative financial liabilities					
- Trade payables	4,275.82	-	-	-	4,275.82
- Borrowings	4,374.16	-	-	-	4,374.16
- Lease liabilities	40.67	48.85	128.42	529.59	747.53
- Other financial liabilities	919.68	28.83	-	-	948.51
Total	**9,610.33**	**77.68**	**128.42**	**529.59**	**10,346.02**

37 (a) The Group has considered the impact that may arise from the pandemic situation on the carrying amount of its assets including inventory and receivables as at the end of the financial year and is of the opinion that, the net carrying amount of the said assets are recoverable in full. As at the date of approval of these results, it is not possible to reliably estimate the impact of the pandemic on the Group's future operations, as normalcy is yet to return. The impact assessment is a continuing process given the uncertainties associated with nature and duration of the current situation. The eventual impact may differ from what has been assessed by the Management as at the date of approval of these financial results. The Group will continue to closely monitor any material changes in future economic conditions and take appropriate actions as may be required.

(b) The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

38. Disclosure in respect of Related Parties pursuant to Ind AS 24

a) List of Related Parties:

A)	**Entities having Joint control of TPL**	1. Southern Petrochemical Industries Corporation Limited (SPIC) 2. Tamilnadu Industrial Development Corporation Limited (TIDCO)
B)	**Associates of Joint Venturers**	1. Manali Petrochemicals limited 2. Tuticorin Alkali Chemicals and Fertilizers Ltd., 3. AMCHEM Speciality Chemical Pvt. Ltd., Singapore
C)	**Private company in which a Director or his relative is a Director or Member**	1. AM Foundation
D)	**Key Management Personnel**	1. Shri. KT Vijayagopal, Whole Time Director (Finance) & Chief Financial Officer 2. Shri. D Senthi Kumar, Whole Time Director (Operations)

b) During the year the following transactions were carried out with the related parties in the ordinary course of business:

Transactions with related parties during the year are as under.

(₹ in lakh)

Sl. No.	Particulars	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
1	**Dividend paid**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	380.86	228.52
	b) Tamilnadu Industrial Development Corporation Limited (TIDCO)	396.09	237.66
2	**Sale of Goods**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	62.52	24.49
	b) Manali Petrochemicals limited	21,997.49	13,390.70
3	**Sale of services**		
	a) Manali Petrochemicals limited	39.95	17.88
4	**Purchase of goods**		
	a) Manali Petrochemicals limited	10,277.61	5,443.06
	b) Tuticorin Alkali Chemicals and Fertilizers Limited	27.26	-
5	**Services Availed**		
	a) Manali Petrochemicals limited - Effluent Line Usage	15.73	15.73
	b) AMCHEM Speciality Chemicals Pvt Ltd, Singapore	297.68	258.06
	c) AM Foundation	80.16	20.58
6	**Reimbursement of expenses**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	0.31
	b) Manali Petrochemicals limited	3.89	3.21
7	**Remuneration to Key Personnel is given below:**		
	Short term benefits	143.37	143.37
	Other benefits	6.30	6.04

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

c) Outstanding Balances:

(₹ in Lakh)

Sl. No.	Particulars	Year Ended 31-Mar-2022	Year Ended 31Mar 2021
1	**Trade Payables**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.74	0.74
	b) Manali Petrochemicals limited	42.91	15.53
2	**Trade Receivables**		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.01	4.50
	b) Manali Petrochemicals limited	2,094.76	1,836.56
3	**Deposits held with**		
	a) Manali Petrochemicals limited	128.79	142.12

Note:-

All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

39. Additional information on Consolidated Net Assets, Share of Profit or Loss, Other Comprehensive Income and Total Comprehensive Income as required under Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets*		Share of profit or loss		Share in OCI#		Share in TCI@	
	As % of consolidated Net Assets	Amount in ₹ lakh	As % of consolidated Profit or Loss	Amount in ₹ lakh	As % of Comprehensive Income	Amount in ₹ lakh	As % of Total Comprehensive Income	Amount in ₹ lakh
Parent								
Tamilnadu Petroproducts Limited	83.71%	70,705	97.40%	17,064	100.00%	34	95.16%	17,097
Subsidiaries - Foreign								
1 Certus Investments and Trading Limited, Mauritius	14.79%	12,493	2.27%	397	100.00%	414	4.51%	811
2 Certus Investments and Trading Limited, Singapore	1.50%	1,264	0.33%	59	-	-	0.33%	59
Total	**100.00%**	**84,462**	**100.00%**	**17,520**	**100.00%**	**448**	**100.00%**	**17,967**

* Total Assets - Total Liabilities, # Other Comprehensive Income, @ Total Comprehensive Income.

40. Disclosure of Transactions With Struck Off Companies

The Group did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

41. Additional Regulatory Information

(a) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Relating to borrowed funds:

i. Wilful defaulter

ii. Current maturity of long-term borrowings

(b) The Group has borrowings from banks on the basis of security of current assets and the quarterly returns filed by the Group with the banks and financial institutions are in accordance with the books of accounts of the Group for the respective quarters.

(c) The Group has taken borrowings from banks and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

All amounts are in ₹ Lakh unless otherwise stated

42. Disclosure in Relation to Undisclosed Income

During the year, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

43. Short-term lease commitment

The Group incurred ₹ 74.86 lakh for the year ended 31st March, 2022 towards expenses relating to Short term leases and leases of low value assets.

Future Minimum Rentals Payable under non-cancellable short term leases and leases of low value assets are as follows:

Lease Rentals	**As at 31st March, 2022**	As at 31st March, 2021
Within one year	**-**	74.86
After one year, but not more than five years	**-**	-
Later than five years	**-**	-

44. Earnings per share

	As at 31st March, 2022	As at 31st March, 2021
Profit after taxation (₹ In lakh)	**17,536.98**	12,620.99
Weighted number of equity shares outstanding	**8,99,71,474**	8,99,71,474
Basic and diluted earnings per share- (Face value – ₹ 10/- per share) (in ₹)	**19.49**	14.03

45. Events after the reporting period

The Board of Directors have recommended a dividend of ₹ 3.00/- per share 30% on 8,99,71,474 equity shares of ₹ 10/- each for the Financial Year 2021-22 subject to approval of the shareholders of the Holding Group at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

46. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at the meeting held on 23rd May, 2022.

47. Previous Year's figures

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure.

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole-Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture

Part "A": Subsidiaries

	Name of the Subsidiaries			
	Certus Investments and Trading Limited, Mauritius		Certus Investments and Trading (S) Private Limited, Singapore	
	31st March 2022		31st March 2022	
	₹ in lakh*	In USD (In Million)	₹ in lakh*	In USD (In Million)
Capital	15,479.05	20.42	1,421.64	1.88
Reserves	(1,564.87)	(2.06)	(157.61)	(0.21)
Total assets	13,923.12	18.37	1,269.77	1.67
Total liabilities	8.93	0.01	5.73	0.01
Investments	1,421.64	1.88	-	-
Turnover (including other income)	461.91	0.61	76.74	0.10
Profit / (Loss) before tax	404.82	0.57	63.89	0.09
Provision for taxation	12.16	0.02	3.99	0.01
Profit / (Loss) after tax	392.66	0.55	59.91	0.08
% of Shareholding	100%		100% @	

* Translated at exchange rate prevailing as on 31st March, 2022

1 USD = ₹ 75.8071

@ Held by Certus Investments and Trading Limited, Mauritius

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

For and on behalf of the Board of Directors

Mahesh Krishnan
Partner
M.No. 206520

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

D Senthi Kumar
Whole - Time Director (Operations)
DIN:00202578

V. Balamurugan
Company Secretary
M.No. A48545

Place : Chennai
Date : 23rd May, 2022

Notes

Notes

FOR THE KIND ATTENTION OF SHAREHOLDERS

For participation in AGM

- You can attend the AGM using your remote e-voting credentials.
- Once you log in the link for joining the meeting will be available and you can click the EVSN of Company to proceed further.

  The facility to join the meeting will be available between from 2:45 PM on the AGM day (29^{th} September 2022).
- Please use Laptops/Desktops/IPads for better experience. You can also join through other devices such as mobile phones. To avoid disturbance, please ensure that the internet connectivity is good.
- It has been reported that participants connecting via Mobile Hotspot may experience AudioNideo loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- To register as a speaker at the meeting please visit https://investors.cameoindia.com, the web portal of the Registrar & Transfer Agent M/s Cameo Corporate Services Limited
- Registration will be open from 9:00AM on 21^{st} September 2022 to 5:00 PM on 25^{th} September 2022.

  There will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
- There is no provision for appointment of proxies to attend the meeting.
- Please do not permit any other person to use your log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.
- You can participate in the meeting even if you have voted through the remote e-voting.

Dividend payment and tax deduction

- Where the Bank account details are not available dividend warrants will be sent through the available mode.
- To ensure timely credit of the dividend please register your bank account details well in advance.
- If you are Resident Individual and wish to avail NIL tax deduction from dividend exceeding 5,000 you may submit Form 15G/Form 15H through the Web-portal of the RTA https://investors.cameoindia.com.
- The facility for providing the declaration for Dividend 2021-22 will not be available after 05^{th} October 2022 5:00 PM.

Detailed information on the above are available in Pages 10 to 11 which may kindly be referred to. For any further details please contact the RTA.

TAMILNADU PETROPRODUCTS LIMITED

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