



# Tamilnadu Petroproducts Limited

Email: [secy-legal@tnpetro.com](mailto:secy-legal@tnpetro.com)

Phone No. 044-69185588

Secy / 189 / 2023-24

3<sup>rd</sup> September 2023

The General Manager  
Listing Department  
BSE Limited  
Corporate Relations Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, PJ Towers  
**Dalal Street, Fort, Mumbai – 400 001**  
**Scrip Code: 500777**

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

Dear Sir / Madam,

**Sub: Notice of the 38<sup>th</sup> Annual General Meeting and Annual Report for the FY 2022-23**

We wish to inform you that the 38<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, 26<sup>th</sup> September 2023 at 4.30 PM (IST) through Video Conference (VC)/ Other Audio-Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of Annual Report of the Company along with the Notice of AGM which were sent today (3<sup>rd</sup> September 2023), to the shareholders whose email Id have been registered with the Company / Depository Participant/s (DP) for communication purposes. The documents are also available on the website of the Company ([www.tnpetro.com](http://www.tnpetro.com)) and on the CDSL platform (<https://www.evotingindia.com/>) who have been engaged by the Company for providing of the e-Voting/ VC services.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For **Tamilnadu Petroproducts Limited**

Sangeetha Sekar  
**Company Secretary**

Encl: As above



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](http://www.tnpetro.com) CIN : L23200TN1984PLC010931  
TPL GSTIN : 33AAACT1295M126



# TAMILNADU PETROPRODUCTS LIMITED

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**38<sup>TH</sup> ANNUAL REPORT  
2022-23**

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## Financial Highlights

(₹ in crore)

Details	Ind AS						Previous GAAP			
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 <sup>§</sup>	2015-16	2014-15	2013-14
Revenue from Operations	<b>2,150.25</b>	1,805.58	1,145.21	1,224.96	1,245.33	1,085.09	888.85	700.63	949.87	1,051.82
Other Income	<b>19.25</b>	12.79	10.16	8.25	6.96	7.30	2.89	2.71	11.56	12.12
<b>Total Revenue</b>	<b>2,169.51</b>	1,818.37	1,155.37	1,233.21	1,252.29	1,092.39	891.74	703.33	961.43	1,063.94
EBIDTA	<b>147.25</b>	260.95	175.06	101.47	98.53	96.62	66.82	12.76	(17.55)	7.09
PBT	<b>119.15</b>	231.52	169.84	70.53	71.68	76.91	41.71	38.15	(71.39)	(55.60)
Exceptional items	-	-	24.73	-	-	9.22	25.00	57.71	(13.68)	-
<b>PAT</b>	<b>89.32</b>	170.64	121.65	55.08	54.27	51.70	9.30	38.15	(53.07)	(37.30)
Equity Capital	<b>89.97</b>	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97	89.97
Reserves & Surplus	<b>677.75</b>	617.09	468.61	360.68	318.63	269.38	218.56	189.16	151.01	218.19
<b>Net Worth</b>	<b>771.70</b>	709.37	561.23	433.21	388.98	340.13	288.67	259.27	221.12	288.30
Face value of share	<b>10.00</b>	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per share ₹	<b>9.93</b>	18.97	13.52	6.12	6.03	5.75	1.03	4.24	(5.90)	(4.15)
Dividend %	<b>*15.00</b>	30.00	25.00	15.00	10.00	5.00	-	-	-	-
Book value per share ₹	<b>85.33</b>	78.59	62.08	50.09	45.41	39.94	34.29	33.23	26.78	34.25
EBIDTA / Net Revenue %	<b>6.85</b>	14.45	15.29	8.28	7.91	8.90	7.52	1.82	(1.85)	0.67
PBT / Net Revenue %	<b>5.54</b>	12.82	14.83	5.76	5.76	7.09	4.69	5.45	(7.52)	(5.29)
Return on Networth %	<b>11.57</b>	24.06	21.68	12.71	13.95	15.20	3.22	14.71	(24.00)	(12.94)
Return on Capital Employed %	<b>14.84</b>	30.22	19.12	15.94	17.10	18.69	13.77	(1.68)	(14.88)	(6.60)

\*Subject to declaration at the AGM

§Restated as per Ind AS

**Board of Directors\***

Mr. S Krishnan, IAS	DIN:03439632	Chairman
Mr. Ashwin C Muthiah	DIN:00255679	Vice-Chairman
Mr. Dhananjay N Mungale	DIN:00007563	Independent Director
Dr. N Sundaradevan, IAS (Retd.)	DIN:00223399	Independent Director
Mr. Debendranath Sarangi, IAS (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, IAS	DIN:03048710	Director
Ms. R Bhuvaneswari	DIN:06360681	Director
Mr. D Senthikumar	DIN:00202578	Whole-time Director (Operations)
Mr. KT Vijayagopal	DIN:02341353	Whole-time Director (Finance) & CFO

\* As on 8<sup>th</sup> August 2023

**Company Secretary**

Ms. Sangeetha Sekar

**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 Auditors**

M. Krishnaswamy and 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**

Profoids Consulting  
1, Nathamuni Street,  
T Nagar, Chennai – 600 017

**Bankers**

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

**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 EIGHTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Tuesday, 26<sup>th</sup> September 2023, at 4.30 PM (IST) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023 and the reports thereon, if deemed fit, by passing the following as an Ordinary Resolution:**

**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the report of Directors and Auditors thereon, be and are hereby approved and adopted.

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

**RESOLVED THAT** pursuant to the recommendation of the Board of Directors, a dividend of ₹ 1.50 per equity share on 8,99,71,474 Equity Shares of ₹ 10/- each, absorbing ₹ 13,49,57,211 (Rupees Thirteen Crore Forty-Nine lakh Fifty Seven Thousand Two Hundred and Eleven only), subject to rounding off, is declared out of the profits of the Company for the year ended 31<sup>st</sup> March 2023 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 26<sup>th</sup> September 2023; 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 18<sup>th</sup> September 2023;

3. **To appoint a Director in place of Ms. R Bhuvanewari (DIN: 06360681), who retires by rotation and being eligible, offers herself 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 and the Rules made thereunder and the Articles of Association of the Company, Ms. R Bhuvanewari (DIN:06360681), a Director retiring by rotation and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

### SPECIAL BUSINESS:

4. **To ratify the remuneration to the Cost Auditors for the year 2022-23, 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) excluding reimbursement of out-of-pocket expenses and applicable taxes to M/s. M Krishnaswamy and Associates, Cost Accountants, Chennai for the year 2022-23 be and is hereby approved and ratified.

5. **To ratify the remuneration to the Cost Auditors for the year 2023-24, 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) excluding reimbursement of out-of-pocket expenses and applicable taxes to M/s. M Krishnaswamy and Associates, Cost Accountants, Chennai for the year 2023-24 be and is hereby approved and ratified.

**6. Prior approval for material related party transactions to be entered during October 2023 to September 2024, by passing the following as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) the prior approval be and is hereby accorded for purchase / sale of goods and services and other transactions with Manali Petrochemicals Limited for the period from October 2023 to September 2024 for aggregate value upto ₹ 425 Crore (Rupees Four Hundred and Twenty-Five Crore) plus taxes and duties as may be applicable.

**7. To approve the payment of remuneration to the Non-Executive Directors of the Company for the year 2022-23, by passing the following as a Special Resolution:**

**RESOLVED THAT**

- a. Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, and Article 126(c) of Articles of Association of the Company, the approval of members be and is accorded for payment of remuneration to the Non-Executive Directors of the Company for the year 2022-23 as detailed below, subject to deduction of tax as applicable:

Sl. No.	Name of the Director	Amount In ₹
01	Mr. S Krishnan, IAS ( <i>Payable to TIDCO</i> )	4,00,000
02	Mr. Ashwin C Muthiah	5,00,000
03	Mr. Dhananjay N Mungale	3,00,000
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.)	4,00,000
08	Mr. C S Shankar	5,00,000
09	Ms. Jayashree Muralidharan, IAS ( <i>Payable to TIDCO</i> )**	3,00,000
10	Ms. R Bhuvaneswari ( <i>Payable to TIDCO</i> )	4,00,000
11	Mr. Pankaj Kumar Bansal IAS ( <i>Payable to TIDCO</i> )*	1,00,000
	<b>Total remuneration</b>	<b>44,00,000</b>

\*Resigned from Directorship effective 3<sup>rd</sup> August 2022

\*\* Appointed as Director effective 8<sup>th</sup> August 2022

- b. The Board of Directors of the Company be and is authorized to take necessary actions as may be required to give effect to the aforesaid approval, 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;

**8. To consider and approve the re-appointment of Dr. N Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company, by passing the following as a Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the re-appointment of Dr. N Sundaradevan, IAS (Retd.) (DIN: 00223399) as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years effective 1<sup>st</sup> September 2023 be and is hereby approved.

**Regd.Office:**

Manali Express Highway,  
Manali, Chennai-600068  
8<sup>th</sup> August 2023

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

Sangeetha Sekar  
**Company Secretary**

## **IMPORTANT NOTES:**

### **Statutory information:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 19<sup>th</sup> September 2023 to 26<sup>th</sup> September 2023 (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 and Disclosure Requirements) Regulations, 2015 setting out details relating to Special Business of the meeting is annexed hereto.
3. Information as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards in respect of re-appointment of Director is furnished and form an Integral Part of the Notice.

### **Meeting through Video Conference:**

4. Pursuant to the General Circular No.10/2022 dated 28<sup>th</sup> December 2022 read with General Circular No.02/2022 and 20/2020 dated 5<sup>th</sup> May 2022 and 5<sup>th</sup> May 2020 respectively, the Meeting will be held through Video Conferencing or Other Audio-Visual Means.
5. In terms of the above Circulars, as the meeting is convened through Video Conferencing or Other Audio-Visual Means, there is no provision for members to appoint a proxy to attend 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 and cast their votes through e-Voting facility.
6. For participating in the meeting through VC, please see the instructions given in page 18.
7. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Share Transfer Agent, M/s. Cameo Corporate Services Limited, which can be accessed through the link: <https://Investors.cameoindia.com>

The aforesaid facility for Speaker registration will be open from 9:00 AM on 18<sup>th</sup> September 2023 to 5:00 PM on 22<sup>nd</sup> September 2023. 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.

8. Members who do not wish to speak during the AGM but have queries may send their queries on or before 20<sup>th</sup> September 2023, mentioning their name, demat account number/folio number, email id, mobile number to [secy-legal@tnpetro.com](mailto:secy-legal@tnpetro.com). Such queries will be responded to, by the Company suitably by email.

### **Dispatch of Annual Report and Notice of the meeting:**

9. Electronic copy of the Annual Report for the year 2022-23 and the Notice of the 38<sup>th</sup> AGM are being sent to the Members whose email IDs are registered with the Company and for persons holding shares in demat form as per the information provided by the Depositories, unless a request for hard copy of the same is received from any of the members.
10. Annual Report and the Notice of the AGM are available in the Company's website viz., <https://www.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. <https://www.evotingindia.com/>

### **Facility for Remote e-Voting and Voting during the meeting:**

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



entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their voting rights electronically on the Resolutions set forth in the Notice of Annual General Meeting. The detailed process for participating in e-Voting is furnished in the Annexure to the Notice in page no. 15.

12. *Members who have cast their votes through remote e-Voting may also attend the meeting in electronic mode. However, those members are not entitled to cast their vote again during the meeting. 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 remote 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:**

13. The dividend for the year 2022-23 upon declaration at the AGM, would be paid on 20<sup>th</sup> October 2023, as below:
  - a. In respect of Shares held in physical form to those Members whose names appear on the Register of Members on 26<sup>th</sup> September 2023; 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 18<sup>th</sup> September 2023;
14. Dividend is taxable in the hands of the recipient from 1<sup>st</sup> April 2020. The Company is required to deduct tax at source at the time of payment of 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.
15. Tax Deduction would be based on PAN and so in the case of multiple holding by the same first named person, dividend amount would be aggregated for determining the TDS rate.
16. If the Member
  - a) Is a resident individual and the amount of dividend does not exceed INR 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 may be 20%, in the absence of a valid PAN;
  - d) In case, if the PAN is not linked with Aadhaar Number, then the PAN would be treated as Inoperative PAN and tax will be deducted at a higher rate of 20%;
  - e) In addition to the above, surcharge and cess as applicable will be deducted;
  - f) 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;
  - g) 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.
17. 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 through electronic mode. The facility for providing the declaration for Dividend 2022-23 will not be available after 27<sup>th</sup> September 2023 5:00 PM.

18. As per SEBI guidelines, dividend will be paid through the bank account of the member as per the details furnished by the depositories. For Members, who have not updated their bank account, the dividend warrant/other payment instrument will be sent to their Registered address. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
19. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (in case of demat holdings) and with the Company's RTA (in case of physical holdings), to receive the dividend directly into the bank account.
20. There may be delays in receipt of warrants by the shareholders, depending on the situation prevailing at the time of processing and payment of dividend.

#### **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 29<sup>th</sup> September 2022 being the date of the last AGM is available in the website of the Company <https://www.tnpetro.com/investors/unpaid-dividend/>. The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2017-18 to 2021-22 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 IEPF. For which, they are required to submit the request through Form IEPF-5. The procedure for submission of claim is available in the website of the Company and also in IEPF website <https://www.iepf.gov.in/IEPF/refund.html>.

#### **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 early as possible. Members are also advised not to leave their demat account(s) inactive. Periodic statement of holdings shall be obtained from the concerned Depository Participant and the same be verified.
26. Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN with their Depository Participant 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. Pursuant to proviso to Regulation 40(1) of the Listing Regulations, effective 1<sup>st</sup> April 2019 transfer of securities shall not be processed by the Company in physical form. Therefore, the shareholders desirous of transferring their shares are requested to dematerialize their holdings. Pursuant to Regulation 39 & 40, effective 24<sup>th</sup> January 2022, subsequent to processing of requests relating to transmission, transposition, issuance of duplicate certificates, the shares shall be issued only in dematerialised form.
28. 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 nomination.

29. The documents and information to be made available for inspection by the Members during the AGM will be provided electronically through the e-Voting platform of CDSL.
30. SEBI vide Circular dated 03-11-2021, 14-12-2021 and 16-03-2023 had mandated the Company to disseminate the requirement of the holders of physical shares, to furnish valid PAN, KYC details and Nomination, on their respective website and also directly intimate its shareholders about the folios which are incomplete. Accordingly, individual letters were sent to those shareholders whose folios are incomplete. Despite the same, many shareholders have not come forward to submit the information.

Folios in which the registered PAN is not linked with Aadhaar as on the notified cut-off date of 30-06-2023 or any other date as may be specified by CBDT and the folios, wherein any one of the cited documents in the said circular / details are not available on or after 01-10-2023, the same shall be frozen. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. 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.

***In this connection, notice along with the relevant forms have been sent to the members, whose folio has incomplete information. Members are requested to furnish the specified documents/information with the RTA, at the earliest to avoid the aforesaid consequences.***

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## ANNEXURE TO THE NOTICE

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

#### Item No. 4 & 5

At the Board Meeting held on 8<sup>th</sup> August 2022 and 8<sup>th</sup> August 2023, M/s. M. Krishnaswamy and Associates, Cost Accountants, Chennai was appointed as the Cost Auditor of the Company for the year 2022-23 and 2023-24 respectively, on a remuneration of ₹ 2,75,000/- (Rupees Two Lakh Seventy-Five Thousand only) excluding reimbursement of out-of-pocket expenses and applicable taxes (for each financial year) as recommended by the Audit Committee. As per Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration to the Cost Auditor as recommended by Audit Committee, and approved by the Board is to be ratified by the Members. The Board recommends the resolutions as set out in item no. 4 & 5 of the Notice for approval of the members.

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

#### Item No. 6

The Company has been transacting with Manali Petrochemicals Limited (MPL) for more than 3 decades for the purchase/sale of various goods/services. MPL is a major customer of the Company for its products such as Propylene Oxide, Chlorine, etc., and at times, the Company 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 Companies Act, 2013. However, MPL has been identified as a Related Party of the Company under the IndAS24 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. Accordingly, 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 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 the value is more than 10% of the consolidated turnover of the Company in the preceding year. In this connection, pursuant to Regulation 23(4) of Listing Regulations, prior approval of Members for the material transactions with MPL for the period from Oct-2022 to Sept-2023 was obtained at the 37<sup>th</sup> AGM held on 29<sup>th</sup> September 2022.

It is estimated that the value of transactions with MPL during the period Oct-2023 to Sept-2024 would amount to ₹ 425 Crore (Rupees Four Hundred and Twenty-Five Crore) plus applicable taxes and duties, which constitute about 19.54% of the consolidated turnover of the Company for the financial year 2022-23. Accordingly, the said material related party transaction requires approval of Members.

As required under Regulation 23 of Listing Regulations, the Audit Committee at the meeting held on 8<sup>th</sup> August 2023 accorded its prior approval for transactions with MPL during the period from Oct-2023 to Sept-2024 upto ₹ 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 light of the above, the Board recommends the resolution as set out in item no.6 of the Notice for approval of the members. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the aforesaid proposal.

#### **Item No. 7**

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. They are paid sitting fees for attending the Board meeting, 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 23<sup>rd</sup> May 2023.

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 a 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 ₹ 44 lakh is well within the limits fixed under the Act.

Under Regulation 17 of the Listing 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 as set out in item no.7 of the Notice for approval 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 concerned or interested, financially or otherwise in the aforesaid proposal.

**Item No. 8**

Dr. N Sundaradevan, IAS (Retd.) (DIN: 00223399) was appointed as an Independent Director of the Company for a period of five years effective 1<sup>st</sup> September 2018 and the same was approved by the Shareholders at the Annual General Meeting held on 5<sup>th</sup> August 2019. Accordingly, Dr. Sundaradevan holds office of Independent Director until 31<sup>st</sup> August 2023. Further, pursuant to section 149 of the Act, an Independent Director shall be eligible for re-appointment for a second term of 5 consecutive years on passing of special resolution by the shareholders. The Company has received a notice in writing from a member under Section 160 of the Companies Act 2013 (“the Act”) proposing candidature of Dr. Sundaradevan for the office of Director. Details in accordance with Regulation 36(3) of the Listing Regulations and Secretarial Standards on general meetings are disclosed herein as an annexure to this explanatory statement. Dr. Sundaradevan has submitted a declaration to the board that, he meets the criteria of independence as provided under section 149 of the Act as well as under applicable provisions of the Listing Regulations. The board believes that his continued association as independent director would be of immense benefit to the Company. In the opinion of the board, Dr. Sundaradevan fulfills the conditions stipulated in the Act and Rules made thereunder and recommends his re-appointment as an Independent Director for a second term of five consecutive years effective 1<sup>st</sup> September 2023, to the Members for approval by way of Special Resolution as set out in Item No. 8 of the notice.

Except Dr. Sundaradevan, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the aforesaid proposal.

**B. DISCLOSURE PURSUANT TO LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS**

<b>Name of the Director</b>	<b>Ms. R Bhuvanewari</b>	<b>Dr. N Sundaradevan, IAS (Retd.)</b>
<b>DIN</b>	06360681	00223399
<b>Date of Birth</b>	18 <sup>th</sup> May 1975	2 <sup>nd</sup> September 1952
<b>Qualifications</b>	She holds a bachelor’s degree in mechanical engineering	He holds a Master’s degree in Chemistry and also a Ph.D in Sociology (Applied Demography).
<b>Experience and Expertise in specific functional area and Date of first appointment on the Board</b>	<p>She has 20 years of experience in various fields covering Academic, Transport, Industrial Promotion, Project Management etc. At present, she is holding the office of General Manager in Tamilnadu Industrial Development Corporation Limited (TIDCO), which is a premier Industrial Development Agency of the Government of Tamilnadu.</p> <p>She is handling project implementation work which involves preparation of conceptual reports, preliminary feasibility reports, identification of locations &amp; sites for establishing projects and interacting with Consultants, JV partners, Financial Institutions,</p>	<p>He has more than three decades of experience in administrative services in various departments like District Administration, Civil Supplies, Revenue, Health and Family Welfare, Environment and Pollution Control, Industries. After distinguished services, he retired in September 2012.</p> <p>During his services to the Government, Dr. Sundaradevan has held various offices such as Sub-Collector, Regional Manager of Tamilnadu Civil Supplies Corporation, Chairman and Managing Director of State Industries Corporation (SIPCOT), District Collector of Kanniyakumari and Tiruchirapalli, Managing Director of Tamilnadu Textbook Society, Director of Handlooms &amp; Textiles, Secretary of State Election Commission, Officer on Special Duty in Chief Minister’s Office, Secretary to the Chief Minister, Secretary of Health and Family Welfare Department,</p>

	<p>Statutory Authorities, Government Departments to carry forward the project activities.</p> <p>Date of Initial Appointment: 9<sup>th</sup> August 2021</p>	<p>Director of Guidance Bureau, Secretary of Revenue Department, Chairman of Tamilnadu Pollution Control Board, Secretary of Forests and Environment Department, Commissioner of Revenue Administration, Principal / Additional Chief Secretary of Industries Department, CMD of TIDCO, Tamilnadu Mineral Ltd. (TAMIN), Tamilnadu Industrial Explosives Ltd., Chairman of Tamilnadu Cements Corporation Ltd., Director of Chennai Metro Rail and TANGEDCO.</p> <p>Date of Initial Appointment: 1<sup>st</sup> September 2018</p>
<p><b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid</b></p>	<p>Director nominated by TIDCO, Promoter of the Company, proposed for re-appointment as director liable to retire by rotation.</p> <p>Remuneration: Sitting fees as approved by the Board within the limits prescribed under the Companies Act, 2013.</p>	<p>Second term of appointment as an Independent Director of the Company.</p> <p>Remuneration: Sitting fees as approved by the Board within the limits prescribed under the Companies Act, 2013.</p>
<p><b>Membership / Chairmanship of Committees of the Board of Directors of the Company</b></p>	<p><b>Member of the following Committees:</b></p> <p>Audit Committee  Nomination and Remuneration Committee  Risk Management Committee  Corporate Social Responsibility Committee  Stakeholders Relationship Committee</p> <p>She does not hold the position of Chairperson in any of the Board Committees.</p>	<p>- Chairman of Stakeholders Relationship Committee</p> <p>- Member of Nomination and Remuneration Committee</p>
<p><b>Number of Meetings of the Board attended during the year</b></p>	<p>4 out of 5 meetings held during the financial year 2022-23</p>	<p>5 out of 5 meetings held during the financial year 2022-23</p>

<p><b>Other Directorships and Membership / Chairmanship of Committees of other Boards</b></p> <p><i>(Only Audit /Stakeholders Relationship Committee are considered)</i></p>	<p><b>(A) Other Directorship (Listed Entities)</b></p> <ul style="list-style-type: none"> <li>- Manali Petrochemicals Limited (MPL)</li> <li>- Saptarishi Agro Industries Limited</li> </ul> <p><b>(B) Member / Chairperson of Committee of other Boards:</b></p> <p>Member of Audit and Stakeholders Relationship Committee of MPL</p>	<p><b>(A) Other Directorship (Listed Entities)</b></p> <ul style="list-style-type: none"> <li>- Manali Petrochemicals Limited (MPL)</li> <li>- Tamil Nadu Newsprint &amp; Papers Limited (TNPL)</li> </ul> <p><b>(B) Member / Chairperson of Committee of other Boards:</b></p> <p>Member of Audit Committee and Stakeholders Relationship Committee of TNPL</p>
<p><b>Listed entities from which the director has resigned from directorship in the past three years</b></p>	<p>Nil</p>	<p>Nil</p>
<p><b>No of shares held in the Company (including Beneficial Ownership)</b></p>	<p>Nil</p>	<p>Nil</p>
<p><b>Relationship with other Directors Manager and other Key Managerial Personnel of the Company</b></p>	<p>Nil</p>	<p>Nil</p>

**Regd.Office:**

Manali Express Highway,  
Manali, Chennai-600068  
8<sup>th</sup> August 2023

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

Sangeetha Sekar  
**Company Secretary**

## **GUIDANCE TO SHAREHOLDERS FOR REMOTE E-VOTING**

1. The voting period begins on Friday, 22-09-2023 (9:00 AM IST) and ends on Monday, 25-09-2023 (5:00 PM IST). During this period, the shareholders of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) of 19-09-2023 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.
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. 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 abovementioned SEBI Circular, login process for e-Voting and joining the virtual meeting for individual shareholders holding securities in Demat mode NSDL/CDSL are given below:

### **i. Shareholders holding securities with CDSL**

- a) 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/myeasinew/home/login>. Alternatively, you can visit [www.cdslindia.com](http://www.cdslindia.com) and click on Login icon and select My Easi New (Token).
- b) 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 join the Virtual meeting & vote during the meeting.
- c) Links are also provided to access the system of all the e-Voting Service Providers, so that you can visit the e-Voting service providers' website directly.
- d) If you are not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>.
- e) Alternatively, you may directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page or click on the below link: <https://evoting.cdslindia.com/Evoting/EvotingLogin/>. The system will authenticate your credentials by sending OTP on the registered Mobile & email as recorded in the Demat Account. On 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.

### **ii. Shareholders holding securities with NSDL**

- a) If you are already registered for NSDL IDeAS facility, please visit the link: <https://eservices.nsdl.com/> and click on "Beneficial Owner" Tab under "Login" which is available under 'IDeAS' section. You will be re-directed to a page, where you have to enter User ID and Password. After successful authentication, you will be logged into the IDeAS portal. Click on "Access to e-Voting" under "Value Added Services" and you will be able to view e-Voting page. Click on the name of the Company or e-Voting service provider i.e. CDSL and you will be re-directed to CDSL website for casting your vote during the remote e-Voting period or join Virtual meeting & vote during the meeting.



- b) If you are not registered for IDEAS Services, you may register using the link: <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> and follow the process mentioned above;

(or)

- c) Open the URL: <https://www.evoting.nsd.com/> and on the home page of e-Voting services, click on “Login” under the ‘Shareholder/Member/Creditor’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. On successful authentication, you will be redirected to NSDL wherein you will be able to see e-Voting page. Click on the name of the Company name or e-Voting service provider i.e. CDSL and you will be redirected to CDSL website for casting your vote during the remote e-Voting period or join Virtual meeting & vote during the meeting.

### iii. 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 may click on e-Voting option that appears, which will redirect you to NSDL/CDSL website after successful authentication, wherein you can see e-Voting feature. Click on the name of the Company or e-Voting service provider i.e. CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or join Virtual meeting & vote during the meeting.

### iv. Retrieving User Id/Password

Members who are unable to retrieve User ID/ Password, please use Forget User ID and Forget Password option available at respective website and follow the instructions for resetting the information.

### v. Help Desk in case of log-in issues for demat holders:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### 5. Physical Shareholders and Shareholders other than Individuals holding in Demat Form: Login method for e-Voting and for attending Virtual Meeting

- a. Access the link: [www.evotingindia.com](http://www.evotingindia.com) in your web browser and Click on “Shareholders/Members” Tab
- b. You will be re-directed to a page, where you can enter User ID as given below and login:
  - i. For CDSL: 16 digits beneficiary ID
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - iii. Shareholders holding shares in Physical Form to enter Folio Number
- c. Enter the Image Verification as displayed and Click on Login.
- d. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and participated in any e-Voting process of any other Company earlier, then your existing password can be used.

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

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 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 in the Dividend Bank details field.

- f. After entering these details appropriately, click on “SUBMIT” tab.
- g. 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.
- h. For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- i. Click on the EVSN for Tamilnadu Petroproducts Limited
- j. 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.
- k. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l. 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.
- m. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- n. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o. 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.
- p. You can also cast your 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 for Remote e-Voting on your mobile.
- q. There is also a provision to upload Board Resolution/Power of Attorney, if any uploaded, which will be made available to scrutinizer for verification.

**6. For attention of Non-Individual Shareholders and Custodians: applicable for Remote Voting and not for attending the AGM or attending the voting thereat:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued infavour 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 mandatory 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](mailto:bchandraassociates@gmail.com) and to the Company at the email address [secy-legal@tnpetro.com](mailto: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 email id as above, the RTA will provide the login credentials for e-Voting along with the notice of the AGM.

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

1. The procedure for attending meeting & e-Voting at the meeting is same as the instructions mentioned above for remote e-Voting.
2. The link for VC 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.
3. Members may join the AGM through VC 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 4:15 PM to 4:45 PM on the AGM Day.**
4. The facility of participation at the AGM through VC 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.
5. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. 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.

7. 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.
8. 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.
9. 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 MEETING 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](http://www.evotingindia.com) and register themselves in the “Custodian/Corporates” Tab.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User shall 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](mailto: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 Authorised Representative/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](mailto:bchandraassociates@gmail.com) or to the Company at [secy-legal@tnpetro.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

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

**Dear Shareholders,**

Your Directors have pleasure in presenting the Thirty Eighth Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2023. 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 this Report.

### FINANCIAL RESULTS

The summary of the financial results prepared as per the Indian Accounting Standards (Ind AS) is given below:

(₹ In crore)

Description	2022-23	2021-22
Earnings Before Interest, Depreciation and Tax	147.25	260.95
Interest	6.80	5.80
Depreciation	21.30	23.63
<b>PBT (before exceptional item)</b>	<b>119.15</b>	<b>231.52</b>
Exceptional item	-	-
<b>PBT (after exceptional item)</b>	<b>119.15</b>	<b>231.52</b>
Tax expenses	29.84	60.88
<b>Profit After Tax</b>	<b>89.32</b>	<b>170.64</b>

### HIGHLIGHTS OF OPERATIONS

Your Company achieved revenue from operations of ₹ 2,150.25 crore up by 19% over previous year figure of ₹ 1,805.58 crore.

Linear Alkyl Benzene (LAB), the major product of the Company increased its topline due to optimal sales volume and improved prices. However, the contributions reduced substantially with equivelant increase in raw material cost due to high crude price that prevailed in FY 2022-23 and low-priced imports, consequent to expiry of Anti-dumping duty on imports from China, Iran & Qatar in April 2022. Average crude price prevailed during the year was at peak of USD 96/bbl. Further, the LAB Plant was under maintenance for a period of 19 days during the year, which also had its own impact on production and profitability.

Your Company is the first in the Country to receive BIS certification for LAB product.

Chlor-alkali business improved its contribution substantially compared to previous year due to improved prices.

Your Company continued its policy of prudent sourcing & inventory management, sustaining margins achieved during the pre-pandemic period, despite increase in crude prices.

Your Company in its efforts to augment the capacity of LAB Plant from its existing 120 KTA to 145 KTA, has obtained Environment Clearance from Ministry of Environment, Forest and Climate Change of India. As on 31<sup>st</sup> March, 2023, the Company had spent a sum of ₹ 38.82 crore majorly towards the cost of the design Engineering. The estimated cost of revamp of LAB facility is ₹ 240 crore and expected to be put on stream in 24 months.

As an initiative towards decarbonization, two new Gas Engines (2 x 7.8 MW) have been procured to meet the power requirement of LAB Plant and the same were put into service.

Your Company in order to modernise the existing Caustic Soda plant from its 150 TPD to 250 TPD has estimated an outlay of ₹ 165 crore to be incurred over a period of 18 months from the date of receipt of all statutory clearances. Towards this, the Company has incurred a sum of ₹ 0.62 crore for initial feasibility study.

### FINANCIAL REVIEW

Your Company's top line increased due to higher prices in LAB keeping in trend with crude price combined with improved Caustic Soda Lye price realisation. Net Profits achieved was ₹ 89.32 crore as compared to ₹170.64 crore in the previous year. FY 2021-22 was exceptional in nature due to pandemic resulting in average crude USD 46/bbl as against USD 96/bbl during FY 2022-23.

Chlor-alkali business contribution more than doubled compared to previous year owing to better prices. Propylene Oxide contribution sustained in line with the previous year.

In order to meet the project expansion cost of LAB & HCD, the board of directors had approved the proposal for availing of term loan upto 50% of the project cost and your company had received a sanction from HDFC Bank Ltd towards funding

of the project helping in financial closure of these envisaged projects.

Your Company's debt is lower as it is currently restricted to working capital borrowings and lease liabilities.

CARE Ratings Limited has upgraded Company rating to CARE A+; Stable (Single A Plus; Outlook: Stable) for Long Term Bank facilities (term loans and fund-based working capital facilities) and CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus) ratings for Short Term Bank facilities (non-fund based working capital facilities).

## DIVIDEND

Pursuant to Regulation 43A of the Listing Regulations, the Company has a Dividend Distribution Policy approved by the Board, a copy of which is available on the website of the Company: <https://www.tnpetro.com/wp-content/uploads/2021/07/Dividend-Distribution-Policy-2021.pdf>.

In line with the parameters in the policy, your directors are pleased to recommend a dividend of 15% i.e. ₹ 1.50 per equity share of face value of ₹ 10/- each fully paid up, for the year 2022-23, aggregating to ₹ 13.50 crore subject to withholding taxes.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Linear Alkyl Benzene (LAB) is an organic compound primarily used as an intermediate in the production of surfactant linear alkylbenzene sulphonate (LAS), also known as linear alkylbenzene sulphonic acid (LABSA) which is the key ingredient for producing biodegradable detergents. LAB is consumed chiefly to produce laundry detergents, light-duty dishwashing liquids, industrial cleaners, household cleaners, other applications like crop protection, Enhanced crude oil recovery etc.

Due to increase in population and lifestyle changes, the detergent industry is expected to grow at a better rate. Asia is the world's largest producer and consumer of LAB. The leading manufacturers are presently India, China, and the Middle East. In the Middle East and India, new capacity has been developed during the year under review.

The Indian LAB sector began in 1978 with the opening of IPCL's first LAB facility in Vadodara. Following which, Reliance Industries Limited (RIL) acquired IPCL. TPL, RIL, Nirma, and

IOC later had set up plants around India as the import substitution sector grew. However, due to globalization and legislative developments such as the Free Trade Agreement (FTA), the sector has faced stiff competition from imports primarily from Middle East, Thailand and China until last year. The expiration of anti-dumping charges against Iran, Qatar, and China has forced the industry to contend with severe competition from low-cost imports, which has affected the contribution margins during FY 2022-23.

The Indian government made BIS certification mandatory for LAB in the Indian market effective 3<sup>rd</sup> April 2023. This has given temporary relief as low-cost LAB imports from Iran, China and Korea have not come in post implementation of BIS.

The global LAB market has reached approximately 4 million Tons and is expected to grow at a CAGR of 4.36% i.e., approximately 6.5 million Tonnes by 2032.

Based on demand across the globe, Asia Pacific happens to be the biggest consumer of LAB. This region accounted for a demand of approximately 50% of the global LAB consumption. With rising concerns over cleanliness and personal hygiene, government-led campaigns like Swachh Bharat Mission in India to promote wellness, well-being, and welfare of the citizens, are expected to stimulate the growth of the LAB market.

The UOP Technique, which is widely recognized as the best and most cost-effective technology has been applied by more than 95 percent of all LAB manufacturers, including TPL. Regardless, the cost of making LAB in India exceeds international standards due to the high cost of essential components and feedstock quality. Domestic firms with standalone units constantly struggle to compete with offshore suppliers and factories integrated with refineries, which allow them to achieve lower production costs.

Caustic soda is an inorganic bulk chemical, strongly alkaline and odourless, having application in various industries like pulp and paper manufacturing, viscose yarn, staple fibre, aluminium, textiles, soaps & detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining, etc.

It is available in two forms, liquid form which is called lye & solid form which is called Flakes

or pellets. Caustic soda is used to extract alumina from the bauxite ore. The product's annual demand was stable. Despite the power-intensive process, national capacity utilization of the aggregate capacity of roughly 5 million tons are high and expected to further grow at a CAGR of 6.50% by FY2035.

Global increase in power/coal costs, exports from India to Europe increased in H1 FY'23 and hence the price of Caustic soda improved, and shipments began from the west, clearing the path for domestic market price sustenance at higher levels. From January 2023 situation turned normal, as the coal costs started reducing. This has curbed down the export orders from India thus resulting in the price drop of Caustic Lye from the fourth quarter of FY 2022-23.

Chlorine, a co-product of Caustic Soda, is widely utilized in industries such as Vinyl Chloride, Chlorinated Paraffin Wax (CPW), pulp and paper, water treatment, chlorinated solvents, and so on. The lack of integrated plants and downstream Chlorine utilization initiatives are key barriers to Chlorine disposal.

Propylene oxide is a colorless liquid that is organic, volatile, and flammable. It is soluble in ether and alcohol. It is primarily utilized in the production of propylene glycol, polyols, and other industrial intermediates. It is a chiral epoxide, even though it is widely used in combination. PO derivatives are most used in the automotive, household home appliances, and industrial insulation industries. The import lines into India are clear after the pandemic, but market prices are under pressure due to the massive influx of imported products available to Indian purchasers.

## OPPORTUNITIES AND THREATS

Global economic growth remains sluggish as financial concerns mount. However, India stands out as a bright spot in the global economy. With 75 years of freedom under its belt, India is rapidly advancing to become one of the world's major economies. The country is witnessing unprecedented social and economic development. It recently became the world's fifth largest economy, with the goal of surpassing the \$5 trillion GDP threshold.

Your company is indirectly involved in the Fast-Moving Consumer Goods (FMCG) industry,

which remains one of our country's most significant long-term sustainable business potential. Despite being one of the fastest growing FMCG markets in the world, India's per capita FMCG consumption remains among the lowest in the world, providing a vast runway for growth. We operate in two key FMCG categories (detergent and dishwashing) and continue to be the lead player in South Indian market.

A solid talent pool, a diverse client base that spans the price-benefit spectrum, unrivalled distribution that covers nearly all households, and an agile supply chain all contribute to our enormous competitive advantage in South. Consumer preferences and purchasing paths are fast changing because of changing demographics such as rising prosperity, a big youthful working population, developing nuclear-family structures, urbanisation, and increased usage of technology.

Consumers are growing more discerning, seeking superior products, making informed decisions, and demanding brands with a purpose and a point of view. We recognise shifting customer needs and believe that businesses that help people and the earth will thrive in the future. LAB demand is altering with a portion of detergent powder market moving to Liquid detergent. The Content of LAB is lower in liquids than Powder. As a company, we are continually looking ahead, adapting and changing to stay one step ahead. Consumers, government agencies, and investors looking for enterprises to invest in are increasingly accepting of the commercial case for sustainability.

India is on a path towards sustainable and inclusive growth, and all businesses are required to conduct themselves properly. Our objective is to produce consistent, competitive, profitable, and responsible growth. Urban markets drove FMCG growth, aided by a return to normalcy in economic activity following a couple of years of COVID-induced disturbances.

We remained laser-focused on serving our customers' increasing needs while also protecting our business model. As economic activity returned to normal after a couple of years of COVID, we saw consumers prioritise fundamentals above discretionary spending in a high inflationary environment. In the last three years, our Home Care business's liquid detergent and dishwashing portfolio has been growing steadily.

Rapid industrialization and urbanisation because 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 because of key players' expansion, collaboration, and partnership initiatives. The increased need for sanitizers induced by the pandemic crises 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, India being a desirable market considering its population and consumption, it is being pursued by global LAB companies, resulting in higher imports to India. The addition of new factories in the Middle East poses 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. This is a challenging macroeconomic climate typified by geopolitical uncertainty, high commodity prices, and lacklustre market growth. We live in a complicated and volatile world. Our plan of action is continually evolving to respond to the trends and forces driving our industry and affecting our stakeholders.

The operational environment remained tough this year. Food, energy, and commodity prices rose at an unprecedented rate due to geopolitical instability in Europe and worldwide supply chain disruptions. Global central banks' aggressive monetary tightening efforts put further strain on emerging economies. With prices of various commodities ballooning to decadal highs, widespread inflation caused significant issues for the economy and the FMCG industry. This had a huge influence on FMCG consumption as consumers attempted to manage their household budgets by modifying volume and prioritising necessities over discretionary categories. The decline had a greater impact in rural areas.

Caustic soda is a key industrial intermediate with numerous applications. The market for Caustic Soda is expected to grow further as demand for textiles and apparel increases due to urbanization and increased expenditure on personal care products. The import volume of Caustic decreased during the fiscal year under review since prices in all international sectors are high for suppliers. The situation has been changing recently resulting in free flow of imports coupled with an overstock position in India affecting the prices of caustic lye.

The conversion of the former ECH facility into a Propylene Oxide (PO) manufacturing facility has proven beneficial in many ways, including the beneficial use of a defunct facility and the opening of a new avenue for the advantageous use of Chlorine, which has paved the way for higher capacity utilisation of the Chlor Alkaline Division.

## OUTLOOK

### LAB

Soap and detergent demand have risen in recent years because of improved hygiene awareness and a greater emphasis on cleanliness. A shift in lifestyle is transferring a large portion of the population from semi-urban to metropolitan areas, and detergent usage is keeping up, causing demand to climb continuously.

Despite fierce competition from overseas vendors, TPL remains the market leader in south India. Over the previous three decades, TPL has established a reputation as a trusted LAB supplier to MNCs and others.

The increase in Saudi Arabian imports is concerning. In addition, IOCL debottlenecked its Baroda facility in September 2022, by repositioning loading bays, enabling for an additional 42 kt/year of production.

### CAUSTIC SODA /CHLOR ALKALI

The Caustic Soda industry's survival and expansion are dependent on the avenues of Chlorine utilization potential. There is currently no anti-dumping tariff on caustic soda entering India. Due to COVID-19 in the last fiscal, manufacturing activities affected caustic exports from China and Russia-Ukraine war escalated power costs in Europe affecting their production, paving way for more exports from West India and our domestic prices of the alkali have witnessed highest ever prices.



There have been new additions in domestic caustic soda production, like the Grasim plant in Balabhadrapuram, AP in South, and GNALCO in West 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. Despite a drop in demand in the textile industry, businesses such as alumina, paper, vinyl, and color intermediates are thriving, making caustic sales simpler than ever. However, greater supply than demand due to China's return to the export market, and Europe's production normalization will have a significant impact on Caustic Lye prices, with margin erosion projected for Caustic margin-dependent enterprises like us.

### PROPYLENE OXIDE

The long-awaited conversion of our former ECH facility to make Propylene Oxide was completed in 2018-19. The new PO Plant has given your company an additional possibility to dispose of chlorine more advantageously, allowing for higher caustic production. While there would be no difficulty in selling the product, as previously said, increasing output is contingent on the recovery of end consumers of PO derivatives, such as the automobile industry, from the recent depression, which has been exacerbated by the pandemic crisis.

### RISK MANAGEMENT PROCESS

Your Company has a structured methodology to effectively monitor and manage the risks by setting up two-employee level Committee and one Board level Committee 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, Mr. C S Shankar, Ms. R Bhuvaneshwari and Mr. D Senthikumar as its Members. During the year, the Committee met four times viz. 20<sup>th</sup> May 2022, 4<sup>th</sup> August 2022, 31<sup>st</sup> October 2022 and 3<sup>rd</sup> February 2023. As required under Section 177 of

the Act, the Audit Committee also reviews the risk management process periodically.

### RISKS AND CONCERNS

As previously stated, the biggest risk that TPL faces is the import of LAB, Caustic Soda, and Chlorine (in indirect form) into the country. Aside from the new Farabi capacity, IOCL's expansion has enhanced the market's accessible quantity. This is projected to exacerbate competitiveness in the domestic market. Your Company is considering minimising this risk by increasing contract volumes with large LAB buyers. Because large-scale imports would have an influence on product pricing, addressing the possibility of lower margins would be an important issue to handle, as spot price stress has a significant impact on the bottom line.

To address the concerns, your Company is focusing on boosting production and productivity to control per-unit costs while providing for product price flexibility. Furthermore, reliance on spot markets is being gradually reduced to expand and secure direct customer committed volumes. Also, anti-dumping duty case has been filed and in progress with trade remedies agencies of government to tackle the low-cost imports. Your company jointly filed an application on the Under valuation of low-cost imports and seeking help, guidance from Department of Chemicals and Petrochemicals, Government of India for the Production linked Incentive Schemes for the new LAB Expansion project which is underway. Your organization continues to conduct risk assessments and corresponding mitigations for the hazardous chemicals used in the Plants with the assistance of technical experts. Adequate measures are being taken to address this risk.

In the year 2020, NGT on Suo Motu basis registered a case against few industries situated at Manali (including your Company), based on the newspaper report published in November 2020 regarding emission from the industries affecting air quality in Manali, Chennai during the period April 2019 to December 2020. NGT vide its order dated 20.07.2023 had given certain directions/recommendations to the industries at Manali, Tamilnadu Pollution Control Board and Central Pollution Control Board which includes collection of environmental compensation and creation of corpus fund for improvement of environmental

standards in Manali Industrial area. Your Company is addressing these issues and taking appropriate action in this regard. Your Company is in adherence to the prescribed environmental conditions and will continue to adhere the same.

## **SAFETY, HEALTH & ENVIRONMENT**

TPL plants are accredited with International Organization for Standardization (ISO) certificates for Occupational Health & Safety Management System (ISO 45001-2018) and Environmental Management System (ISO 14001-2015) and Quality Management System (ISO 9001-2015).

Your Company has replaced the old fire engines with two latest high capacity fire engines of BS VI model to TPL's fleet of emergency preparedness. Also, two fire water pumps' with Diesel engines as prime mover were replaced with new BS VI model engines.

Your Company continue to utilize treated city sewage water after Tertiary Treatment Reverse Osmosis (TTRO) for industrial purpose. Regassified Liquefied Natural Fuel (RLNG) is being used as fuel in the process heaters and boilers. These two major changes have come up as a natural resource conservation measure and efforts towards cleaner environment.

Your Company already achieved Zero Liquid Discharge in LAB and HCD plants. Significant level of green belts developed, around 31000 Tree saplings were planted in and around Manali and at Thiruvallur District during the period 2021, 2022 & 2023.

Leak Detection and Repair (LDAR) programme is being implemented to control HC/VOC emissions. 3-Dimensional Risk Assessment has been carried out for LAB plant, for inclusion of vertical Assessment.

New gas based CPP (2 X 7MW Engines) are being installed to reduce emission to new low level.

As part of National Safety Day (4<sup>th</sup> March), various competitions were conducted for employees and other contractors to reiterate the Company's 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 are being followed without any compromise. Utmost importance is given to the protection of employees, assets and environment at all times. All legal and statutory requirements are complied, by planning well in advance without any deviation. Regular training is arranged for workers as a refreshment on safety, environment & health.

## **SUBSIDIARIES**

As at the year end, your Company had one Wholly-Owned Subsidiary (WOS) and one Step down Subsidiary (SDS) which were incorporated outside India. The financials of 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 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.

### **Certus Investment and Trading (S) Private Limited**

In the past, TPL was exporting large quantity of LAB and importing various materials, such as NP, Benzene, etc. Therefore, CITL, Mauritius had 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 31<sup>st</sup> March 2023 was 394.

## BOARD OF DIRECTORS AND RELATED DISCLOSURES

As on the date of this Report, the Board comprises of 12 Directors of whom six are Independent, including 3 Woman Directors.

The Board met five times during the year and the relevant details are furnished as part of Corporate Governance Report.

The following changes took place in the composition of the Board since the date of last Annual General Meeting:

Mr. S Krishnan, IAS (DIN: 03439632) and Ms. Jayashree Muralidharan, IAS (DIN:03048710) nominees of TIDCO were appointed as Non-Executive Directors of the Company at the 37<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2022.

Ms. R Bhuvaneshwari, Director (DIN: 06360681) retires by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment and is recommended for approval of the Shareholders.

### Declaration from Independent Directors:

All the Independent Directors (IDs) have submitted 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 per Section 149(6) of the Act

and the Listing Regulations. In the opinion of the Board, the IDs fulfil the conditions specified in the Act and the rules made thereunder for appointment as IDs including the integrity, expertise and experience and confirm that they are independent of the management. All the IDs have confirmed their registration with the Indian Institute of Corporate Affairs under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended and all of them have been exempted from or passed the proficiency test.

As required under Section 178(3) of the Act, your Company has a Board approved policy on remuneration which is available on the website of the Company : <https://www.tnpetro.com/investors/policies/>.

## KEY MANAGERIAL PERSONNEL

As on 31<sup>st</sup> March 2023, Mr. D Senthikumar and Mr. KT Vijayagopal, Whole-time Directors and Ms. Sangeetha Sekar, Company Secretary were the Key Managerial Personnel of the Company.

During the year, Ms. Sangeetha Sekar was appointed as Company Secretary and Compliance Officer of the Company effective 6<sup>th</sup> February 2023 in the place of Mr. V Balamurugan who ceased to be the Company Secretary and Compliance Officer effective close of business hours of 31<sup>st</sup> January 2023.

## 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 of the Act and the Listing Regulations, a separate meeting of the Independent Directors was held on 21<sup>st</sup> March 2023 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-section 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 31<sup>st</sup> March 2023, 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;
- 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 31<sup>st</sup> March, 2023 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 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** of this report.

#### **AUDITORS**

M/s. RGN Price & Co., Chartered Accountants, Chennai having Firm Registration No. 002785S was appointed as the Statutory 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 42<sup>nd</sup> AGM. The report of Auditors on the financial statements is attached and forms part of this report and does not contain any qualification, reservation or adverse remarks.

#### **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 Secretarial Audit Report is attached and forms part of this report and does not contain any qualification, reservation or adverse remarks.

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

#### **MAINTENANCE OF COST RECORDS & COST AUDIT**

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

M/s. M Krishnaswamy and Associates, Cost Accountants, Chennai have been appointed as the Cost Auditors of the Company for conducting

the audit of cost records for the financial year 2022-23 and 2023-24 on a remuneration of ₹ 2.75 lakh plus applicable taxes and duties (for each financial year) and they will hold office till submission of their Report or 30<sup>th</sup> September of the respective year for which they are appointed, 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 2022-23 and 2023-24 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 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(3)(m) of the Companies Act, 2013 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.

### **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

During the year under review, Debt service coverage (in times) (56)%, Return on equity (in %) (55)%, Net profit (in %) (56)%, Return on capital employed (in %) (51)% ratios significantly altered as earnings compared to the previous financial year substantially reduced on account of increased raw material costs which is a factor of abnormal crude price (average USD 96/bbl.) prevailed in FY 2022-23. The accounting ratios are given under Note: 40 of the Standalone Financial Statements.

### **PARTICULARS 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.

### **RELATED PARTY TRANSACTIONS**

All transactions with related parties entered into by the Company during the year were on arms' length basis and were approved by the Audit Committee at the beginning of the financial year. There were no contracts or arrangements entered into with the related parties covered under section 188(1) of the Act that is required to be disclosed in Form AOC-2. The policy on materiality of transactions with related party as approved by the Board is available in the website of the Company : <https://www.tnpetro.com/investors/policies/>.

As required under Regulation 23(2) of the Listing Regulations, prior approval of the Members was obtained at the 37<sup>th</sup> AGM held on September 29, 2022, for transactions with Manali Petrochemicals Limited upto ₹ 425 crore plus taxes for the period October 2022 to September 2023.

### **AUDIT COMMITTEE**

The Composition of the Committee and particulars of its meetings are disclosed under the Corporate Governance Report annexed to this Report. During the year, the Board had accepted all the recommendations made by the Committee.

### **VIGIL MECHANISM**

As required under Section 177 of the Act and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, your Company has established a vigil mechanism for its 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 / exceptional cases.

### **ANNUAL RETURN**

Pursuant to Section 92(3) of the Act, the Annual Return in Form MGT-7 is available in the website of the Company: <https://www.tnpetro.com/investors/annual-return/>.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH)**

The Company has complied with the provisions relating to framing of policy and constitution of Internal Complaints Committee (ICC) under the POSH Act. There were no referrals received by ICC during the year.

## **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.

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

The report on Business Responsibility and Sustainability in compliance with Regulation 34 of the Listing Regulations is given as **Annexure VI** of this report.

## **Other Disclosures:**

- There was no fraud reported by the Auditors of the Company as per Section 143(12) of the Act read with the Companies (Audit and Auditors) Rules, 2014;
- There were no significant and material orders passed by any of the regulators / courts / tribunals impacting the going concern status and company's operations;

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

## **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**

8<sup>th</sup> August 2023  
Chennai – 600068

**D Senthikumar**  
DIN: 00202578  
Whole-time Director (Operations)

**KT Vijayagopal**  
DIN: 02341353  
Whole-time 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 31<sup>st</sup> March 2023.

**2. Board of Directors :**

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

As on 31<sup>st</sup> March 2023, the Board comprised of 12 Directors as detailed below:

<b>Name/Category</b>	<b>Other Listed Companies in which he / she is a Director</b>	<b>Other Directorships*</b>	<b>Other Committee Membership**</b>
<b>Non-Executive and Non- Independent (NENI)</b>			
Mr. S Krishnan, IAS (Nominee of TIDCO)	Titan Company Limited Tamilnadu Newsprint & Papers Limited -(NENI)	10	2
Mr. Ashwin C Muthiah Vice-Chairman (Nominee of SPIC)	Southern Petrochemicals Industries Corporation Limited Manali Petrochemicals Limited SICAGEN India Limited – (NENI)	3(3)	-
Ms. Jayashree Muralidharan, IAS (effective 08.08.2022 & Nominee of TIDCO)	Titan Company Limited Southern Petrochemicals Industries Corporation Limited – (NENI)	12	4(1)
Ms. R Bhuvanewari (Nominee of TIDCO)	Saptarishi Agro Industries Limited Manali Petrochemicals Limited – (NENI)	2	2
<b>Non-Executive and Independent (NEID)</b>			
Mr. Dhananjay N Mungale	NOCIL Limited, Mahindra and Mahindra Financial Services Limited, Mahindra Logistics Limited - (NEID)	6	6(3)
Ms. Sashikala Srikanth	Southern Petrochemicals Industries Corporation Limited Manali Petrochemicals Limited, Mercantile Ventures Limited, SICAGEN India Limited - (NEID)	6	7(3)

<b>Name/Category</b>	<b>Other Listed Companies in which he / she is a Director</b>	<b>Other Directorships*</b>	<b>Other Committee Membership**</b>
Dr. N Sundaradevan, IAS (Retd.)	Manali Petrochemicals Limited Tamilnadu Newsprint & Papers Limited - (NEID)	5	4
Lt. Col. (Retd.) C S Shankar	Manali Petrochemicals Limited - (NEID)	1	-
Mr. G D Sharma	Manali Petrochemicals Limited Mercantile Ventures Limited - (NEID)	2	2
Mr. Debendranath Sarangi, IAS (Retd.)	Voltas Limited Southern Petrochemicals Industries Corporation Limited - (NEID)	3	2(1)
<b>Executive Directors</b>			
Mr. D Senthikumar, Whole-time Director (Operations) (Nominee of SPIC)	-	-	-
Mr. KT Vijayagopal, Whole-time Director (Finance) (Nominee of SPIC)	-	-	-

**Notes:**

- (a) \*Other Directorships excludes foreign companies, private limited companies, Section 8 companies and alternate directorships;
- (b) \*\*Only Membership in Audit and Stakeholders' Relationship Committees (other than in TPL) are considered. Figures in brackets denote the Chairmanship in the Board/Committee of the Companies in which he/she is a Director/Member;
- (c) None of the Directors hold equity shares of the Company other than Mr. KT Vijayagopal, Whole-time Director (Finance), who is holding 200 equity shares as on date of the report;
- (d) None of the Directors have any inter-se relationship;
- (e) The details of familiarisation programmes imparted to the Independent Directors are available in the website of the Company at <https://www.tnpetro.com/investors/familiarization-programmes-imparted-to-independent-directors/>.
- (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 2022-23 i.e., on 23<sup>rd</sup> May 2022, 8<sup>th</sup> August 2022, 1<sup>st</sup> November 2022, 6<sup>th</sup> February 2023 and 21<sup>st</sup> March 2023.



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

<b>Name of the Director</b>	<b>No of Meetings attended/ eligible to attend</b>	<b>Attendance at the last AGM</b>
Mr. S Krishnan, IAS	4/5	Yes
Mr. Ashwin C Muthiah	5/5	Yes
Mr. Dhananjay N Mungale	3/5	Yes
Dr. N Sundaradevan IAS (Retd.)	5/5	Yes
Mr. Debendranath Sarangi IAS (Retd.)	4/5	No
Ms. Sashikala Srikanth	5/5	Yes
Lt. Col. (Retd.) C S Shankar	5/5	Yes
Mr. G D Sharma	5/5	Yes
Ms. Jayashree Muralidharan, IAS (effective 08.08.2022)	3/3	No
Ms. R Bhuvanewari	4/5	No
Mr. Pankaj Kumar Bansal, IAS (until 03.08.2022)	1/1	NA
Mr D Senth Kumar	5/5	Yes
Mr KT Vijayagopal	5/5	Yes

**(iii) Chart of Skills / Expertise / Competencies of the Directors:**

<b>Major Classification</b>	<b>Sub Classification</b>	<b>Remarks</b>	<b>Directors having the skills</b>
<b>Industry</b>	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. S Krishnan, IAS Ms. Jayashree Muralidharan, IAS Ms. R Bhuvanewari Mr.D Senth Kumar Mr. KT Vijayagopal
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	Mr. D Senth Kumar Mr. KT Vijayagopal

Major Classification	Sub Classification	Remarks	Directors having the skills
<b>Strategy &amp; Policy</b>	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 Senth Kumar Mr. KT Vijayagopal Mr. S Krishnan, IAS Ms. Jayashree Muralidharan, 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 Ms. Jayashree Muralidharan, IAS
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr. Ashwin C Muthiah Mr.D Senth Kumar Mr. KT Vijayagopal
<b>Risk &amp; Compliance</b>	Operational	Identification of risks related to each area of operation.	Mr. D Senth Kumar Lt.Col. C S Shankar Ms. R Bhuvanewari Mr. Debendranath Sarangi
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements.	Ms. Sashikala Srikanth Mr. S Krishnan, IAS Ms. Jayashree Muralidharan, 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, oversee funding arrangements and budgets.	Mr. Dhananjay N Mungale Ms. Sashikala Srikanth Mr. KT Vijayagopal
<b>Management &amp; Leadership</b>	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, IAS Mr. Ashwin C Muthiah Mr. G D Sharma Mr. D Senth Kumar Mr. KT Vijayagopal
	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

Major Classification	Sub Classification	Remarks	Directors having the skills
<b>Board Conduct</b>	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.	All the Directors
<b>Personal</b>	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 available with the Board.

#### (iv) Confirmation on Independent Directors

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

### 3. Audit Committee:

#### i. Terms of reference

The 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 12<sup>th</sup> August 2014, the terms of reference are aligned to the requirements of the Act and the Listing Regulations.

#### ii. Composition, Meetings and Attendance

The Committee met five times during the year 2022-23 i.e., on 23<sup>rd</sup> May 2022, 8<sup>th</sup> August 2022, 1<sup>st</sup> November 2022, 6<sup>th</sup> February 2023 and 21<sup>st</sup> March 2023. The Committee comprises of 4 members of which 3 are Independent Directors. 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, Chairperson	5	5
Mr. Dhananjay N Mungale	5	3
Mr. G D Sharma	5	5
Ms. R Bhuvanewari	5	2

### 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 27<sup>th</sup> 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 requirements of Regulation 19(4) and Part D of Schedule II of the Listing Regulations.

The terms of reference *inter alia* include the process 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. Criteria for performance evaluation of Independent Directors

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of

knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

### iii. Composition, Meetings and Attendance

The Committee met three times during the year 2022-23 i.e., on 23<sup>rd</sup> May 2022, 4<sup>th</sup> August 2022 and 6<sup>th</sup> February 2023. The Committee comprises of 4 members of which 3 are Independent Directors. 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 of the Member	No. of Meetings during the year	
	Held	Attended
Mr. G D Sharma, Chairman	3	3
Lt. Col. (Retd ) C S Shankar	3	2
Dr. N Sundaradevan, IAS (Retd)	3	3
Ms. R Bhuvaneswari	3	2

## 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/ remuneration.

iii. Details of Remuneration of Directors:

a) Remuneration of the Executive Directors for the year 2022-23 are as follows:

(₹ in lakh)

Sl. No.	Description	Mr D Senth Kumar Whole-time Director (Operations)	Mr KT Vijayagopal Whole-time Director (Finance) & CFO
01	Salary & Allowances	66.69	66.69
02	Performance Linked Pay	12.00	12.00
03	Perquisites	0.30	0.30
	<b>Total</b>	<b>78.99*</b>	<b>78.99*</b>

**Note:**

- (1) \*In addition to the above, contribution to Provident Fund, Gratuity and other benefits were provided 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 place;
- (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;
- (4) No employee stock options has been offered by the Company to any of its Directors.

b) Remuneration paid to Non-Executive Directors:

During the year, the non-executive directors were paid sitting fees of ₹ 1 lakh for each of the meeting of Board attended by them, as given below:

(₹ in lakh)

Name of the Director	Sitting Fees paid	Remuneration paid for FY 2021-22
Mr. S Krishnan, IAS <sup>§</sup>	4.00	1.00
Mr. Ashwin C Muthiah	5.00	5.00
Mr. Dhananjay Mungale	3.00	5.00
Ms. Sashikala Srikanth	5.00	5.00
Mr. G D Sharma	5.00	5.00
Dr. N Sundaradevan, IAS (Retd.)	5.00	5.00
Mr. Debendranath Sarangi, IAS (Retd.)	4.00	5.00
Lt. Col. (Retd ) C S Shankar	5.00	5.00
Ms. Jayashree Muralidharan <sup>§</sup>	3.00	NA
Ms. R Bhuvaneshwari <sup>§</sup>	4.00	1.00
Mr. Pankaj Kumar Bansal, IAS**	1.00	3.00
<b>Total</b>	<b>44.00</b>	<b>40.00</b>

\*\* Resigned from Directorship effective 3<sup>rd</sup> August 2022

§ Remuneration to TIDCO Nominee Directors was paid to TIDCO

## 6. Stakeholder's Relationship Committee

### i. Chairman and Compliance Officer

As on 31<sup>st</sup> March 2023, the Committee comprised of 4 Members of which 2 are Independent Directors with Dr. N Sundaradevan, IAS (Retd.) – Non-Executive/ Independent Director as the Chairman of the Committee. Ms. Sangeetha Sekar, Company Secretary is the Compliance Officer of the Company. The Committee met on 3<sup>rd</sup> February 2023 during the year 2022-23 and the details of the attendance of Members are as follows:

Name of the Members	No. of Meetings during the year	
	Held	Attended
Dr. N Sundaradevan, IAS (Retd), Chairman	1	1
Mr. G D Sharma	1	1
Mr. D Senth Kumar	1	1
Ms. R Bhuvaneswari	1	-

### ii. Details of Complaints received and pending

During the year, the Company had received and resolved 16 complaints within the stipulated time. At the end of the year, there was no pending complaint. All the complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

## 7. Risk Management Committee

### i. Terms of reference

The terms of reference of the Committee, *inter alia*, includes formulation, monitoring and reviewing of implementation of risk management policy and evaluating the adequacy of risk management systems. The terms of Risk Management Committee (RMC) RMC as prescribed under the Regulations and the role of the RMC have been explained in detail in the said policy framed pursuant to the Regulations, as amended from time to time.

### ii. Composition, Meetings and Attendance

The Committee met four times during the year 2022-23 i.e. on 20<sup>th</sup> May 2022, 4<sup>th</sup> August 2022, 31<sup>st</sup> October 2022 and 3<sup>rd</sup> February 2023. The Committee comprises of 4 members of which 2 are Independent Directors. Details of the composition of the Committee and attendance of Members during the year are as follows:

Name of the Members	No. of Meetings during the year	
	Held	Attended
Ms. Sashikala Srikanth, Chairperson	4	4
Lt. Col. (Retd ) C S Shankar	4	4
Mr. D Senth Kumar	4	4
Ms. R Bhuvaneswari	4	2

## 8. General Body Meetings

The Annual General Meeting during the year 2020, 2021 and 2022 were held through Video Conferencing mode. The date and the special resolutions passed at the aforesaid meetings are as follows:

Year	Date	Time	Special Resolutions Passed thereat
2020	09.09.2020	2.00 PM	NIL
2021	15.09.2021	2.00 PM	NIL
2022	29.09.2022	3.00PM	a. Approval for payment of remuneration to the Non-Executive Directors of the Company for the year 2021-22 b. Approval for renewal of appointment and increase in remuneration of Mr. D Senthikumar as the Whole-time Director (Operations) (DIN: 00202578) c. Approval for renewal of appointment and increase in remuneration of Mr. K T Vijayagopal as the Whole-time Director (Finance) (DIN: 02341353)

No Postal Ballot was conducted during the year and at present there is no proposal to seek approval of members through postal ballot.

## 9. 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 Financial Results (Quarterly/Annual) are intimated to the Stock Exchanges and published in one English National Newspaper (Financial Express) and one Tamil Newspaper (Makkal Kural).
- b) The results are also posted in the website of the Company viz. <https://www.tnpetro.com/>

In addition to the above, 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.

## 10. General Shareholder Information

### i. Annual General Meeting

The 38<sup>th</sup> AGM of the Company is scheduled to be held on Tuesday, 26<sup>th</sup> September 2023 at 4.30 PM (IST) through Video Conference or Other Audio-Visual Means in compliance with the guidelines and circulars issued by the Ministry of Corporate Affairs and SEBI.

### ii. Financial Year

The financial year of the Company commences on 1<sup>st</sup> April and ends on 31<sup>st</sup> March.

### iii. Dividend payment date

The Dividend will be paid / warrants will be dispatched for the year 2022-23 on 20<sup>th</sup> October 2023, net of withholding applicable taxes, if any and subject to declaration at the ensuing AGM.



**iv. Listing of Securities (Equity Shares) :**

The Company had paid annual listing fees for the financial year 2023-24 with the following Stock Exchanges.

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

**v. Market Price Data and Share Price Performance vis a vis indices –**

Month & Year	BSE				NSE			
	Share price (INR)		Sensex		Share price (INR)		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr-22	134.35	111.55	60845.10	56009.07	128.15	120.10	18114.65	16824.70
May-22	127.60	86.90	57184.21	52632.48	95.50	92.45	17132.85	15735.75
Jun-22	100.75	80.00	56432.65	50921.22	93.90	91.50	16793.85	15183.40
Jul-22	107.05	92.00	57619.27	52094.25	97.60	95.05	17172.80	15511.05
Aug-22	107.50	96.05	60411.20	57367.47	102.50	101.20	17992.20	17154.80
Sep-22	111.65	95.00	60676.12	56147.23	102.60	97.35	18096.15	16747.70
Oct-22	104.00	94.05	60786.70	56683.40	96.65	95.25	18022.80	16855.55
Nov-22	99.00	86.95	63303.01	60425.47	97.50	90.95	18816.05	17959.20
Dec-22	98.75	84.50	63583.07	59754.10	93.15	90.75	18887.60	17774.25
Jan-23	96.85	86.15	61343.96	58699.20	89.00	87.05	18251.95	17405.55
Feb-23	90.70	78.00	61682.25	58795.97	80.55	77.10	18134.75	17255.20
Mar-23	82.12	68.37	60498.48	57084.91	72.90	70.65	17799.95	16828.35

**vi. Registrar and Share Transfer Agent:**

All share registry work in respect of both physical and demat segment are handled by Cameo Corporate Services Limited, No.1, Club House Road, V Floor, “Subramanian Building”, Chennai - 600002, as the Registrars and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

**vii. Share Transfer System:**

Requests for share 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 transmission, transposition, change of name etc., are approved by the Whole-time Director(s) and Company Secretary and the details are placed before the Stakeholder Relationship Committee and the Board.

Pursuant to proviso to Regulation 40(1) of Listing Regulations, effective 1<sup>st</sup> April 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form.

SEBI vide circular dated 25<sup>th</sup> January 2022 and 18<sup>th</sup> May 2022 has simplified the process for transmission of shares and issue of duplicate share certificates and mandated the listed entities to issue securities only in dematerialised form for the service requests such as issue of duplicate securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transpositions.

**viii. Distribution of Shareholding as on 31<sup>st</sup> March 2023**

Category (No. of Shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1- 500	121188	91.53	14149212	15.73
501- 1000	6427	4.85	5147334	5.72
1001- 2000	2600	1.96	3901693	4.34
2001- 3000	788	0.60	2036196	2.26
3001- 4000	326	0.25	1175910	1.31
4001- 5000	331	0.25	1572631	1.75
5001- 10000	429	0.32	3181211	3.54
10001 and above	346	0.23	58807287	65.36
<b>Total :</b>	<b>132399</b>	<b>100.00</b>	<b>89971474</b>	<b>100.00</b>

**ix. Dematerialisation of Shares and liquidity :**

The Company's equity shares are traded on BSE & NSE in demat form and the ISIN of the shares is INE148A01019. The shares are traded regularly on BSE & NSE. About 95.13% of the 8,99,71,474 outstanding shares have been dematerialised and 4.87% are held in physical mode, as on 31<sup>st</sup> March 2023.

x. The Company has not issued any convertible instruments.

**xi. 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.

**xii. Plant Location:** Manali Express Highway, Manali, Chennai-600068.

**xiii. Address for Correspondence:**

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

<p><b>M/s. Cameo Corporate Services Limited</b>          No.1 Club House Road, V floor, "Subramaniam Building", Chennai – 600002          Phone: 044-2846734/735/24860395/24860390(4 lines), Fax: 044-28460129          E-mail: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a></p>
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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](mailto:secy-legal@tnpetro.com), [investorgrievance@tnpetro.com](mailto:investorgrievance@tnpetro.com),

website: [www.tnpetro.com](http://www.tnpetro.com).

**xiv. Credit Rating**

CARE Ratings Ltd. vide letter dated 8<sup>th</sup> December 2022 upgraded the rating in respect of the Long Term Bank facilities of ₹ 176 crore to CARE A+; Stable (Single A Plus; Outlook: Stable) and also upgraded the rating in respect of Short / Long term Bank facilities of ₹ 98 crore (enhanced from ₹ 63 crore) to CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus).

**11. Other Disclosures**

- a) There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed as part of the Notes to Financial Statements;
- b) There have been no instances of non-compliance by the Company on any matters relating 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.
- c) As stipulated under the Act and the Listing Regulations, the Company has adopted a Whistle Blower mechanism for Directors and employees. During the year, no personnel have been denied access to the Audit Committee.
- d) The Policy for determining material subsidiaries and on dealing with related party transactions were framed by the Company and the same are available on our website: <https://www.tnpetro.com/investors/policies>
- e) A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- f) The Company has complied with all the mandatory requirements stipulated under the Listing Regulations.
- g) Ms. 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 in this regard is attached as **Annexure – A**.
- h) During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- i) There were no loans and advances given by the Company or its subsidiaries to firms/companies in which directors are interested.

- j) 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.
- k) 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.
- l) The Statutory Auditor was paid INR 1,70,640 for providing certifications to the Company, other than the audit fee as disclosed in the Financial Statements.
- m) The Company does not hold any shares in the demat suspense account/unclaimed suspense account as on date of this report.

**n) 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 have been no modified opinions on the financial statements, and the Company is under a regime of unmodified audit opinions.
- 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.

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**Declaration by WTD**

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

8<sup>th</sup> August 2023  
Chennai

**D Senthikumar**  
DIN: 00202578  
Whole-time Director (Operations)



## Annexure – A

### 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](http://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 31<sup>st</sup> March, 2023.

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](http://www.mca.gov.in).

Pursuant to the above, this is to certify:

1. The following were the Directors of the Company as on 31.3.2023.
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 N. Mungale	00007563	22/01/2004
D. Senth Kumar	00202578	18/02/2016
N. Sundaradevan	00223399	01/09/2018
Ashwin C. Muthiah	00255679	23/07/2001
Debendranath Sarangi	01408349	21/05/2019
Sashikala Srikanth	01678374	12/08/2014
KT Vijayagopal	02341353	01/02/2016
G. D. Sharma	08060285	01/04/2019

<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
C. S. Shankar	08397818	01/04/2019
S. Krishnan	03439632	15/12/2021
Jayashree Muralidharan	03048710	08/08/2022
R. Bhuvanewari	06360681	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  
 Peer review no 602/2019  
 UDIN: A020879E000737485

Place: Chennai  
 Date: 08.08.2023



## **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 31<sup>st</sup> March, 2023, 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, 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. 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

Peer review no. 602/2019

UDIN: A020879E000737486

Place: Chennai

Date: 08.08.2023

## 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. Wherever 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.
7. I further add due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Place : Chennai

Date : 08.08.2023

Name of Company Secretary in Practice : **B.CHANDRA**

ACS No.: 20879

C P No.: 7859





Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2023**

***[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 31.03.2023, 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 31.03.2023, 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
- (vi) 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 Practice

ACS No.: 20879

CP No.: 7859

Peer review: 602/2019

UDIN: A020879E000737507

Place: Chennai

Date: 08.08.2023

## ANNEXURE - III TO DIRECTORS' REPORT

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March 2023, 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 were carried out and energy saving of around 7.15 lakh Kwh/year.
- b) Energy savings of around 1.44 lakh Kwh/year were realised by replacing existing light fixtures with high efficiency LED fixtures and installing VFD in pumps.

#### ii) Steps taken by Company for alternate use of energy

During the year, the Company had consumed 30% of the overall power consumption in the form of renewable sources viz., wind and solar i.e., 58631750 units.

#### iii) Investment in conservation of energy

About ₹ 170 lakh investment made during the year 2022-23.

### 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.

### C) Foreign Exchange Earnings and outgo:

- i) Foreign exchange in terms of actual inflows: ₹ 13.67 lakh;
- ii) Foreign exchange in terms of actual outflows: ₹ 10611.75 lakh;

**For and on behalf of the Board of Directors**

**8<sup>th</sup> August 2023**  
**Chennai – 600068**

<p><b>D Senthikumar</b>  <b>DIN: 00202578</b>  <b>Whole-time Director (Operations)</b></p>	<p><b>KT Vijayagopal</b>  <b>DIN: 02341353</b>  <b>Whole-time Director (Finance) &amp; CFO</b></p>
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## 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 Senthikumar, WTD (Operations) : 11 times Mr. KT Vijayagopal, WTD (Finance) : 11 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;	14% increase was provided to Whole-time Directors effective February 2022
c. The percentage increase in the median remuneration of employees in the financial year;	22.4% increase for employees of all the categories, which includes unionised employees.
d. The number of permanent employees on the rolls of Company;	As on 31 <sup>st</sup> March 2023, there were 376 permanent employees, including WTDs (excluding trainees)
e. Average percentile increase already made in the salaries of employees other than 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 Managerial Personnel in the last financial year is 18.72% against 14% increase in the remuneration of Managerial Personnel, attributable to revision in remuneration of whole-time Directors which was done based on the recommendations of NRC taking into consideration of various factors including but not limited to the performance of the Company, the individual, remuneration of similarly placed Executives in other companies and the like.
f. Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company as approved by the Board of Directors.

### 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	Age	Last Employment
1	Mr. KT VIJAYAGOPAL	WTD (F)	88.36*	B.com, FCA	33	21-Aug-15	58	Managing Director – EDAC Engineering Limited
2	Mr. D SENTHI KUMAR	WTD (O)	88.21*	B.Tech	37	18-Feb-16	59	VP (Projects) - Cetex Petrochemicals Limited
3	Mr. N MURUGAN	AVP (O)	52.37	B.Tech Chemical	36	04-Aug-21	56	Process Engineering Head, ADNOC, Abudhabi
4	Mr. R M RAGHUNATHAN	AVP (M&P)	37.88	B.E (Mechanical Eng.), MBA	35	05-Mar-18	55	PM Head - EDAC Engineering Limited
5	Mr. M VENKATAKRISHNAN	DGM (F)	34.06	B.com, ACA	25	15-Feb-16	55	RM (Finance) - Crompton Greaves Limited
6	Mr. T MURUGANANDAM	AGM (Marketing)	30.05	B.E. (Chemical), Dip. Chem. Tech	20	01-Nov-19	44	Business Development Manager - Ultramarine & Pigments Ltd.

S. No.	Name	Designation	Remuneration (₹ In Lakh)	Qualification	Experience	DOJ	Age	Last Employment
7	Mr. V S PRAKASH KUMAR	DGM (Prod & Proj)	28.32	B.Tech (Chemical), Dip. Chem Tech	23	20-Aug-21	44	GM (Production) -Shreas Industries Limited
8	Mr. K VASANTHA KUMAR	DGM (HR)	28.20	B.Sc (Stat)., M.A.(PM&IR)., MLM	24	09-Dec-16	48	Senior Manager (IR) - India Yamaha Motors Pvt Ltd
9	Mr. N J VENKATESH	AGM (TS)	25.37	DME., AMIE, MBA	36	16-Dec-87	56	-
10	Mr. S KUMARAGURUBARAN	SR. MANAGER (IT)	21.02	M.SC. (IT)., MBA	30	02-Jun-15	52	Senior Manager IT - Thirumalai Chemicals Ltd.

\* Includes performance linked pay pertaining to FY 2021-22 paid during the year.

**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**

**8<sup>th</sup> August 2023**  
**Chennai – 600068**

**D Senth Kumar**  
**DIN: 00202578**  
**Whole-time Director (Operations)**

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

## ANNEXURE V TO DIRECTOR'S REPORT

### ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2022-23

#### 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 31<sup>st</sup> March 2023, the CSR Committee comprises of the following Directors as the Members. The Committee met two times during the year 2022-23, on 4<sup>th</sup> August 2022 and 3<sup>rd</sup> February 2023. The Company Secretary is the Secretary to the Committee.

Name of the Director	Designation / Nature of Directorship	No. of Meetings during the year	
		Held	Attended
Ms. Sashikala Srikanth, Chairperson	Independent Director	2	2
Mr. G D Sharma	Independent Director	2	2
Ms. R Bhuvanewari	Non-Executive Director	2	1
Mr. D Senth Kumar	Whole-time Director (Operations)	2	2

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

- Composition of the Committee : <https://www.tnpetro.com/about-us/board-of-directors-committees/>
- CSR Policy and CSR Projects approved by the Board : <https://www.tnpetro.com/about-us/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

- a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 14,993 lakh
- b) Two percent of the average net profit of the Company: ₹ 299.86 lakh
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- d) Amount required to be set off for the financial year: Nil
- e) Total CSR obligation for the financial year: ₹ 299.86 lakh

6. a) Amount spent on CSR Projects (both Ongoing project and others): ₹ 114.36 lakh  
 b) Amount spent in Administrative overheads : Nil  
 c) Amount spent on Impact Assessment, if applicable : Nil  
 d) Total amount spent for the financial year : ₹ 114.36 lakh  
 e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year	Unspent Amount (₹ In lakh)				
	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
114.36	185.64	25/04/2023	Not applicable		

- f) Excess amount for set-off, if any : Not applicable

7. Details of Unspent CSR amount for the preceding three Financial Year: (₹ In lakh)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6) as on 1 <sup>st</sup> April 2022	Amount spent in the Financial Year 2022-23	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1	2020-21	101.83	22.32	22.32	-	-	0.00	Nil
2	2021-22	145.75	145.75	66.87	-	-	78.88	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year - No

9. Reasons for amount not spent :

Against the total CSR obligation of ₹ 299.86 lakh, the Board approved CSR projects of value amounting to ₹ 300 lakh. Of which, a sum of ₹ 114.36 lakh was spent during the year and the balance of ₹ 185.64 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 FY 2023-24 towards the said projects in line with CSR Rules.

**For and on behalf of the Board of Directors**

**8<sup>th</sup> August, 2023**  
**Chennai – 600 068**

**D Senthikumar**  
 DIN 00202578  
**Whole-time Director (Operations)**

**Ms. Sashikala Srikanth**  
 DIN 01678374  
**Chairperson of CSR Committee**



**ANNEXURE VI TO DIRECTORS' REPORT  
BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

**SECTION A – GENERAL DISCLOSURES**

**I. Details of the Listed Entity:**

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L23200TN1984PLC010931
2.	<b>Name of the Company</b>	Tamilnadu Petroproducts Limited
3.	<b>Year of Incorporation</b>	1984
4.	<b>Registered office address</b>	Manali Express Highway, Manali, Chennai - 600068
5.	<b>Corporate address</b>	Manali Express Highway, Manali, Chennai - 600068
6.	<b>E-mail</b>	<a href="mailto:secy-legal@tnpetro.com">secy-legal@tnpetro.com</a>
7.	<b>Telephone</b>	044 - 25945588 / 69185588
8.	<b>Website</b>	<a href="http://www.tnpetro.com">www.tnpetro.com</a>
9.	<b>Financial year for which reporting is being done</b>	2022-23
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited and National Stock Exchange of India Limited
11.	<b>Paid-up Capital</b>	8997.15 lakh
12.	<b>Name of contact details of the person who may be contacted in case of any queries on the BRSR Report</b>	Ms. Sangeetha Sekar Company Secretary & Compliance Officer Phone No. 044- 69185588 / 25945588 e-mail id : <a href="mailto:secy-legal@tnpetro.com">secy-legal@tnpetro.com</a>
13.	<b>Reporting boundary</b>	The disclosures under this report are made on a standalone basis for Tamilnadu Petroproducts Limited

**II. Products / Services**

**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Processing / Manufacturing of Petro products.	Processing/Manufacturing, Sales, Distribution and marketing of Chemical and chemical products and Petro products	99.11%

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Linear Alkyl Benzene (LAB)	20119	77.39%
2	Caustic Soda/Chlorine	20119	10.58%
3	Propylene Oxide	20119	8.67%

**III. Operations**
**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of Plants	Number of offices	Total
National	3	2	5
International	TPL doesn't have International Operations		

**17. Markets served by the entity:**

The Company operates in the following markets mentioned below:

**a. Number of locations**

Locations	Number
National (No. of States)	LAB is supplied PAN India from Baddi in North to Tuticorin in South. However, the Company is a market leader of LAB in South India
International (No. of Countries)	Currently, LAB export is NIL. The demand for LAB exceeds the domestic production capacity and hence we primarily cater to domestic demand rather than exports to other countries.

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

NIL

**c. A brief on types of customers**

Tamilnadu Petroproducts Limited, manufactures and sells petrochemical and industrial intermediate chemical products in India. It offers linear alkyl benzene, an organic compound used in the manufacture of domestic detergents, institutional, and industrial cleaners under the SUPERLAB brand; Apart from this, caustic soda is produced and sold, for use in textile, pulp and paper, aluminium, and soap and detergent industries; and chlorine, a co-product of caustic soda for use in various sectors, including vinyl chloride, chlorinated paraffin wax, pulp and paper, water purification, chlorinated solvents, etc.

The Company sells Linear Alkyl Benzene (LAB) to detergent manufacturers, Sulphurators in India.

#### IV. Employees

##### 18. Details as at the end of Financial Year:

###### a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	381	364	96%	17	4%
2.	Other than Permanent (E)	13	13	100%	0	-
3.	<b>Total employees (D + E)</b>	<b>394</b>	<b>377</b>	<b>96%</b>	<b>17</b>	<b>4%</b>
<b>WORKERS</b>						
4.	Permanent (F)	0	0	-	0	-
5.	Other than Permanent (G)	587	576	98%	11	2%
6.	<b>Total workers (F + G)</b>	<b>587</b>	<b>576</b>	<b>98%</b>	<b>11</b>	<b>2%</b>

###### b. Differently abled Employees / Workers:

Differently abled Employees / Workers						
S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	0	0	-	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	<b>Total differently abled employees / workers (D + E)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>

##### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	3	25%
Key Management Personnel	3*	1	33%

\*KMP includes two Whole-time Directors

##### 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	24%	18%	8%	100%	8%	8%	50%	8%
Permanent Workers	-	-	-	-	-	-	-	-	-

**Note:** TPL doesn't have workforce categorized as Permanent Workers

## V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

### 21. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Certus Investment & Trading Limited, Mauritius	Wholly Owned Subsidiary	100%	No
2	Certus Investment and Trading (S) Private Limited, Singapore	Step-down Subsidiary	-	No

## VI. CSR Details:

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) - 1818.37 Crore

(iii) Net worth (in ₹) - 709.37 Crore

## VII. Transparency and Disclosure Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		No. of complaints filed	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Shareholders	Yes, Shareholders can register their grievances through the Company's Website <a href="https://www.tnpetro.com/investors/investor-queries-grievances/">https://www.tnpetro.com/investors/investor-queries-grievances/</a> and also through regulators SEBI/ Stock Exchanges.	16	0	-	11	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
Employees & Workers	Yes	9	0	-	7	0	-
Customers	Yes, feedback forms are obtained from customers on regular basis and any sort of grievances/ complaints are recorded and resolved promptly.	0	0		1	0	
Value Chain Partner	E-mail communication and regular meetings at a frequency of once in a quarter	0	0		0	0	
Others (Pls Specify)	Not applicable						
Web link	<a href="https://www.tnpetro.com/investors/policies/">https://www.tnpetro.com/investors/policies/</a>						

**24. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format**

Overview of the entity's material responsible business conduct issues:

S. No.	Material identified issue-risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Carbon Emission - Risk & Opportunity	Given the growing emphasis on sustainability and the transition towards cleaner energy sources, Petro products companies face potential challenges including stricter regulations, carbon pricing mechanism and a consumer shift to low carbon alternatives. If not addressed, these factors pose as a risk to company's operations, market competitiveness and long-term viability. As a result, TPL needs to address Carbon emissions as a risk and explore ways to reduce their carbon footprint, invest in renewable energy sources and adapt to the evolving energy landscape. While carbon emissions present challenges to petroleum products companies, it can also be viewed as an Opportunity for	<ul style="list-style-type: none"> <li>a. Baselineing the current carbon footprint</li> <li>b. Detailed activity break up in the order of carbon emission from high to low.</li> <li>c. Action plan to reduce or eliminate carbon from the activity.</li> <li>d. Cost estimate and economics</li> <li>e. Setting a realistic timeline and targets.</li> <li>f. Implementation of decarbonisation measures and monitoring.</li> </ul>	High carbon emissions can be detrimental to the company's growth. Increasingly strict environmental regulations and carbon pricing mechanisms can lead to elevated operational costs for companies with high carbon emissions. These costs can erode profitability and hinder investment in growth initiatives. It can also result in reputational damage as

S. No.	Material identified issue-risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		<p>innovation and diversification. As a step towards low carbon emissions, TPL can reduce or offset carbon emission by switching to renewable power, more hydrogen fuel and invest in renewable energy projects.</p>		<p>consumers and investors are increasingly concerned about sustainability and climate change.</p>
2	Toxic Emissions-Risk	<p>Addressing toxic emissions in a petrochemical products company requires implementing rigorous environmental regulations, emission control mechanisms and regular monitoring to minimize harmful impacts on the environment and public health. Possibility of leak from the system while handling, loading and unloading pose critical threat to the environment.</p>	<p>Various steps are taken to handle Toxic Emissions proactively and effectively. Release of toxic emissions to environment is practically Nil, as any draining is only through closed piping to Recovery drum, from where it is recycled to system. Any venting is also only through closed header for safe disposal through Flare. HC &amp; Gas Detectors are installed in various areas of the plants, to alert any leaks and to take immediate corrective action. LDAR (Leak detection and Repair) surveys are done at periodic intervals to detect fugitive emissions &amp; to rectify. SOP is available and PPEs are provided to the concerned employees and also relevant safety trainings are imparted to the employees.</p>	<p>Toxic emissions can significantly harm companies leading to financial losses, increased operational costs, legal issues, reputation damage, regulatory issues etc. Addressing these issues through sustainable practices and emissions reduction can help mitigate financial risks.</p>
3	Hazardous Waste and Wastewater management-Risk	<p>The hazardous waste generated should be stored safely inside the premises and disposed off prudently through approved disposal facilities to avoid/ reduce the impact on environment.</p> <p>The risk of spillage or leakage should be understood and addressed effectively as part of risk assessment and mitigation plan.</p> <p>The wastewater discharge from chemical industry operations poses a significant environmental risk due to potential contamination and harmful impacts on ecosystem, hence it's important to prudently treat the waste water generated.</p>	<p>The hazardous waste generated through the process are maintained in a secured area. Valid documentation for authorising generation and storage and disposal is maintained. Also, a contract with the disposal agency is in practice. The Hazardous waste annual return is submitted as part of the regulatory requirement.</p>	<p>The absence of proper hazardous waste management within the company can result in severe financial consequences. These include potential fines and penalties for non-compliance with regulations, increased liability for any harm caused due to improper waste disposal, increased operational expenses associated with mitigation and clean-up efforts hence causing loss in customers and investors interest.</p>

S. No.	Material identified issue-risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		Two plants of TPL, LAB (Linear Alkyl Benzene) and HCD (Heavy Chemicals Division) are ZLD units. PO (Propylene Oxide) plant has consent for Marine Discharge of treated effluent. Wastewater generated during operations from LAB and HCD plants is repurposed effectively by being utilized in PO plant. As a step forward towards Zero Liquid Discharge implementation across TPL, National Environmental Engineering Research Institute (NEERI) has been engaged to study the feasibility of implementation of ZLD in PO plant, thus enforcing our commitment to sustainable resource management and minimizing environmental impact.		
4	Opportunities in Clean Technology-Opportunity	By adopting clean technology opportunities, petrochemical companies can contribute to environmental protection and also position themselves as a sustainable and responsible player. At TPL we are actively trying to reduce our carbon footprint by exploring more environment friendly resources like renewable energy and alternate energy viz., replacing fuel oil DG Sets with Gas based Engines for improving energy efficiencies and conservation of resources.	Investing and adopting renewable energy sources provides the company with greater stability since renewable sources are abundant and not subject to steep price fluctuations. TPL fulfils a significant amount of its energy demands through a combination of wind and solar energy thus asserting its commitment to sustainable energy practices. Additionally, we utilise the hydrogen generated in our facilities as fuel to meet the operational requirements of certain processes.	Embracing clean technology provides the company with opportunities for revenue growth, cost savings, regulatory compliance, reputation enhancement, access to funding, risk mitigation, resilience to market shifts and long-term sustainability. These benefits can contribute to the company's success and competitiveness in a changing business landscape.
5	Labour Management-Risk	In today's changing times workforce expectations are constantly changing and inability to meet with the workforce expectations may impact the Company's retention rate and eventually affect the business continuity hence causing reputational risk as well as productivity issues. It	By periodic and continuous interactions with the workforce and ensuring speedy grievance redressal TPL is committed to fostering a positive association with their work force. Having committed	Poor labour management can lead to decreased productivity due to disputes and strikes, increased labour cost due to inefficiencies and

S. No.	Material identified issue-risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		<p>is also vital to ensure safe working conditions for the workforce and compliance to all safety measure mandated by the regulators. Considering the manufacturing industry with the huge number of workforce it's important to have a welfare monitoring and tracking system.</p>	<p>and engaged workforce aids the company in increased production and innovation.</p>	<p>huge turnover rates, legal expenses related to employment disputes, damage to company's reputation, resulting in various financial challenges for the company.</p>
6	Chemical Safety-Risk	<p>As a chemical manufacturing company, chemical safety is of utmost priority for us. Risks of Leakage, explosion, hazardous dust, odour, mishandling of chemicals and reactive nature of chemicals is an eventuality we face on a daily basis. Therefore, Hazard identification, Risk assessment and mitigation plan is critical to the business.</p>	<p>The Company has several multi-level safety features incorporated in plant design, to minimize plant safety &amp; integrity related incidents. Plant is operated through a well automated Distributed Digital Control System (DDCS) within the operating envelope with sufficient alarms to take corrective action. In the case of deviation well beyond the operating envelope, automated interlocks are available to trip the equipment. Over and above this, mechanical protection devices like Safety valves are available to safely relieve to Flare, well before the design parameters of the equipment. Detailed SOP is available for all major work activities to adhere &amp; a Permit to work system ensures all work is done with required precautions. Any modification in plant goes through a review &amp; approval process, which includes Hazard identification &amp; Risk assessment. MSDS (Material Safety Data Sheets) for the chemicals are available to act in accordance while handling them in the plant. Routine surveillance and reporting of adverse events is in practice for investigation and corrective actions are taken.</p> <p>TPL ensures that all chemical containers are properly labelled with hazard symbols and relevant warnings and the employees are appropriately trained to ensure safe storage,</p>	<p>Ensuring robust chemical safety practices is not only a moral imperative but also a crucial financial safeguard for the operations of a company. The absence of proper chemical safety measures can result in potential costs related to accidents, legal liabilities, regulatory fines, and damage to company reputation.</p>



S. No.	Material identified issue-risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
			handling and disposal of hazardous chemicals and wastes. The company also conducts regular mock drills to make certain that the employees are familiar with the emergency response plan in case of spills, leaks and accidents. Lastly, regular inspections and maintenance are scheduled of chemical storage area, equipment, and safety system.	
7	Corporate Governance and Business Ethics- Opportunity	At TPL, ethical and transparent business conduct has been the foundations that has enabled the organization to build solid reputation and gain stakeholder trust. Ethical, Transparent governance are important to ensure that the organisation conducts business in an ethical and transparent manner to remain successful over the long run and generate maximum value for stakeholders.	-	Good governance practices can have a positive financial implication by attracting investors, reducing costs, mitigating risks, improving operational efficiency, building stakeholder trust, fostering long term sustainability and facilitating strategic partnerships.
8	Community relations- Opportunity	A strong relation with the community aids in building positive reputation for the company and helps in fostering trust and loyalty among customers, employees and stakeholders. It also maximises brand awareness and visibility. By maintaining a positive relation with the community, the company strive to make a considerable impact on the local communities by supporting social causes , educational initiatives and environmental sustainability.	Being a responsible organization, community relations and engagement is indispensable to TPL. By identifying opportunities for socio economic development of the community TPL engages and ensures it creates a meaningful impact on the communities they interact with thus contributing towards a positive social performance and goodwill.	Strong community relations can significantly benefit the company in several ways like fostering good will, enhancing the brand reputation, and building trust among the various stakeholders. The positive image can lead to increased customer loyalty, leading to company's long-term success and sustainability.

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. At TPL, we have a robust management framework in place which enables us to align with the NGRBC Principles with respect to structure and policies to ensure we continue to deliver our best in an ethical, and responsible way. This includes transparent and ethical business practices that hold us accountable, as well as protect the interests of our stakeholders, including customers and employees.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1.									
a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	<a href="https://www.tnpetro.com/investors/policies/">https://www.tnpetro.com/investors/policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	BIS No. IS 252: 2013 IS 12795: 2020 ISO 9001-2015: Quality Management System Standard ISO 14001-2015: Environmental Management System Standard ISO 45001-2018: Occupational Health & Safety Management System Standard								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>TPL is actively prioritizing sustainability and is currently working on developing comprehensive goals and commitments in this area. TPL aims at creating a sustainable future and is diligently defining specific and measurable targets. We are in the process of baselining and setting detailed targets for emissions, ZLD, adopting clean technology initiatives etc.</p> <p>With this focus, we have begun certain initiatives like replacing fuel oil fired DG sets to R-LNG based Gas Engines, replacing membranes to reduce specific energy consumption in HCD plant etc. Some specific commitments are:</p> <ul style="list-style-type: none"> <li>- TPL aims to reduce their CO<sub>2</sub> emissions by 15% by FY 2023-24 from the baseline value of 40305 MT in the FY 2022-23 by conversion of gas engine from oil fired engine.</li> <li>- TPL commits to reduce 5% of its specific carbon emissions in the year 2024-25 from baseline of 131859 MT of CO<sub>2</sub> in the year 2022-23 by replacing the caustic manufacturing technology from monopolar membrane to bi-polar membrane technology.</li> </ul>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>As part of TPL's commitment to enhancing the environment and promoting biodiversity it has developed Green belt area of around 15 acres at Morai, Village, during 2022-2023 and 15000 tree saplings were planted.</p> <p>TPL is in the process of setting specific ESG commitments and targets as part of our commitment to responsible business practice and sustainable growth.</p>								

### Governance Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>The Company is committed to integrating environmental, social and governance (ESG) principles into its business and believes it is essential to improve the quality of life of all stakeholders it serves. ESG-related challenges have been at the forefront of our agenda, and we understand the importance of addressing them. The health, safety and environmental impact of products and services have been improved across their life cycle. The Company has established policies for Safety, Health, and Environment. The Company will develop climate change policy and policy for Biodiversity. The Company is committed to conducting business in a fair manner to maximise value for both human capital and Community. We strive to provide clean, safe and healthy workspace to our employees. We engage with the communities through our community outreach programs supporting various initiatives and our well-established and comprehensive CSR policy aids in the same.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. D Senthikumar Whole-time Director (Operations) (DIN: 00202578)</p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>The Company has a Risk Management Committee at Board level to provide valuable guidelines to the Management to ensure all risk factors are suitably addressed for sustainable business</p>								

### 10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half - yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly								

	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half - yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly								

<b>11. Has the entity carried out independent assessment/</b>	TPL hasn't carried out any independent assessment with an external agency
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**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

#### Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

At TPL, we firmly believe that ethical business practices and integrity are the cornerstones for business success. We are committed to conducting ourselves with utmost honesty, integrity, transparency, and accountability in all aspects of our business. TPL has a comprehensive Code of Conduct for its directors and senior management outlining their responsibilities and ethical obligation which facilitates them to discharge their duties in a responsible, transparent, fair and ethical manner.

#### SDG Linkages-



## Essential Indicators

### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	4	During the year, the Board of Directors were made familiar with various issues pertaining to business including information on regulations, compliance requirements, environmental, social and governance parameters. There were discussion regarding various risk indicators that could impact Environmental, Social and Governance performance of the company.	100%
Key managerial personnel	5	During the year, KMP's were part of discussions pertaining to business including information on regulations, compliance requirements, environmental, social and governance parameters. Also discussions to raise awareness about the various risk indicators, mitigation planning were conducted.	100%
Employees other than BoD and KMPs	21	On-the job trainings, behavioural trainings, Safety trainings (Safety refresher training, safety trainings by external agencies), ISO training, Environment awareness training, Human Rights training, Health talk, Policies trainings, HR training, IT training	54%
Workers	10	Safety awareness, Special safety training for drivers carrying hazardous goods handling, Biannual training for contract supervisors, Safety trainings by external agencies, Tool box talk	100%

### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the Regulator	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	6	Hon'ble National Green Tribunal (NGT)	1,00,00,000	With regard to the effluent discharged to sea by companies at Manali, the Fishermen Association, Chennai had referred the matter to NGT. Based on the recommendations of the Committee appointed by NGT, NGT vide judgment dated 22.03.2022 had given certain recommendations to Pollution Control Board and also the Companies identified at Manali for implementation. Further, NGT also directed the Companies to pay an interim compensation.  As per the directions, the Company had remitted an interim compensation on 10.05.2022.	No
Settlement				-	
Compounding fee				-	

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				Nil
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, At TPL we are committed to upholding the highest standards of integrity and ethical conduct. As part of our commitment to responsible business practices we have an Anti-bribery and Anti-corruption Policy that applies to any individuals working for all affiliates of TPL at all levels and grades. It clearly lays down our commitment to ethical conduct and consequences in case of any non-compliance.

Weblink: <https://www.tnpetro.com/investors/policies/>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. - Not Applicable**

**Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.**

At TPL, we are deeply committed to delivering goods and services in a manner that aligns with sustainability principles and prioritizes the safety of the customers, employees and environment, we prioritize the safety and quality of our products and services while ensuring business innovation and embracing new technologies to enhance our performance.

**SDG Linkages**



**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	<b>78%</b>	0.2%	Conservation of energy, reduction of emission and carbon footprint, wastewater recycling and reusing across plants.

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes**
- b. If yes, what percentage of inputs were sourced sustainably? Above 70%**

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) e-waste (c) Hazardous waste and (d) other waste.**

Taking into consideration that the product is specialty chemical, the end of life reclaimable is not applicable. However, the wastes generated during the process stage are handled responsibly. The process of waste disposal generated at our facility is mentioned below.

Type of waste	Process
(a) Plastics (including packaging)	Not Applicable
(b) e-waste	The accumulated e-waste is disposed through the approved e-waste vendor on need basis
(c) Hazardous waste	All three units of TPL generates Hazardous wastes which are segregated and stored in well-constructed Hazardous storage area, Periodic disposal is undertaken through authorized TSDF and authorized recycler as per the Hazardous Waste Authorization issues by TNPCCB.
(d) Other waste	Other solid wastes are being handled through solid waste pickers.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?**

No, as the product does not fall under EPR regime of Plastic Waste Management Rules, 2016

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

Our commitment to employee well-being is at the core of our values. We strive to create a supportive, inclusive and empowering workplace that nurtures the physical, mental and emotional well-being of the employee. TPL has zero tolerance towards any discrimination or harassment based on gender, caste, religion, race, ethnicity, age and all other attributes that make an individual unique. TPL invests in the growth and development of the employee through training programs and skill-building opportunities. TPL prioritizes a safe and healthy work environment for the employees by adhering to strict safety protocols. By ensuring open and transparent communication, we encourage feedback and address employee concerns, thus building a positive and engaged workforce.

**SDG Linkages-**





## Essential Indicators

### 1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	364	354	97%	364	100%	0	-	0	-	0	-
Female	17	9	53%	17	100%	17	100%	0	-	0	-
<b>Total</b>	<b>381</b>	<b>363</b>	<b>95%</b>	<b>381</b>	<b>100%</b>	<b>17</b>	<b>4%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	13	0	-	13	100%	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	<b>13</b>	<b>0</b>	<b>-</b>	<b>13</b>	<b>100%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>

**Note:** 10 Male employees and 8 female employees are EMS (Engineering Management Service) trainees and are eligible for Group Medical Insurance benefits post successful completion of 1 year training program. Other than permanent employees are not covered under the Group Medical Insurance benefits.

### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	0	0	-	0	-	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Other than Permanent workers</b>											
Male	576	0	-	576	100%	0	-	0	-	0	-
Female	11	0	-	11	100%	11	100%	0	-	0	-
<b>Total</b>	<b>587</b>	<b>0</b>	<b>-</b>	<b>587</b>	<b>100%</b>	<b>11</b>	<b>2%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>

## 2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI*	100	100	Y	100	100	Y
Others	-	-	-	-	-	-

\*Note: Based on applicability of employees, the percentage is disclosed.

## 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. We believe that fostering an inclusive and accessible workplace is imperative to our business. While we currently do not have any differently abled employees, we are dedicated to creating an environment that welcomes and accommodates disabled individuals.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes. <https://www.tnpetro.com/investors/policies/>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	-	-	-	-

Note: None of the female employees availed maternity leave during the reporting period.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Permanent Workers	<p>TPL has the statutory committees like Works Committee, Safety Committee, POSH Committee to address all issues of the employees. Apart from these, the Company also has unions, through which employees can share their grievances. All these committees meet at regular intervals to address the grievances and ensures that the complainant identity is kept confidential. The committee investigates the matter and provides resolution at the earliest.</p> <p>TPL also has a comprehensive Grievance Redressal policy for speedy redressal of all complaints/concerns raised.</p> <p>Weblink: <a href="https://www.tnpetro.com/investors/policies/">https://www.tnpetro.com/investors/policies/</a></p>
Other than permanent workers	
Permanent Employees	
Other than permanent employees	

**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (D/C)
<b>Employees</b>						
Male	364	214	59%	398	232	58%
Female	17	0	-	0	0	-
<b>Total</b>	<b>381</b>	<b>214</b>	<b>56%</b>	<b>398</b>	<b>232</b>	<b>58%</b>
<b>Workers</b>						
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	377	182	48%	201	38%	398	105	26%	172	43%
Female	17	8	47%	7	29%	0	0	-	0	-
<b>Total</b>	<b>394</b>	<b>190</b>	<b>48%</b>	<b>208</b>	<b>37%</b>	<b>398</b>	<b>105</b>	<b>26%</b>	<b>172</b>	<b>43%</b>

**Note:** This table mentions only about the workforce in employees category. All the workers in the 'Other than permanent category' undergo a comprehensive Safety training to ensure a secure and protected working environment.

**9. Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	364	364	100%	398	398	100%
Female	17	17	100%	0	0	-
<b>Total</b>	<b>381</b>	<b>381</b>	<b>100%</b>	<b>398</b>	<b>398</b>	<b>100%</b>
<b>Workers</b>						
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, the Company has ISO 45001: 2018 certified Occupational Health and Safety Management System.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have the following systems in force to identify the work-related hazards.

1. HIRA (Hazard Identification and Risk Assessment)
2. HAZOP (Hazard and Operability) study for every management of change or addition to existing jobs.
3. Job Safety Analysis for projects, high volume, critical and specific jobs.
4. A full fledged work permit system is in place.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, TPL has procedures in place for workers to report the work related hazards

- There is a reporting system where the workers can identify and record the hazard and based on severity and priority due remedial actions are taken;
- Designated Safety Committee meets periodically to discuss the various hazards and the mitigation plan;
- Plant Safety Inspections are carried out at regular intervals by respective plant Safety Officers;
- Mock drills are conducted at steady intervals to ensure emergency readiness and lapses are identified and actions initiated;
- Contractors safety training meetings are held at regular intervals;
- Plant Walkthrough along with the Senior Management are undertaken to identify safety gaps and issues, if any, are addressed;

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

Yes, Comprehensive Health checks for all employees are conducted once in every six months.

**11. Details of safety related incidents, in the following format:**

Safety incident/number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0	0
	Workers	0.64	1.47
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

There are several measures in place at TPL to ensure a safe and healthy workplace. There is a “permit to work” system for routine activities with a checklist to be updated. Specific approvals up to 4 levels are mandatory for any non-routine or critical activity. Electrical clearance system and tagging are followed based on the criticality of a job and nature. Use of PPEs by the executing person is ensured, Mock drills are conducted with specific exigency scenarios and debrief sessions and actions taken are discussed.

**13. Number of Complaints on the following made by employees and workers**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	4	0	-	-	-	-
Health & Safety	-	-	-	-	-	-

**14. Assessments for the year**

	% of the plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

There are specific corrective actions which have been adopted by TPL to ensure a safe and healthy workplace and non-occurrence of safety-related incidents like:

- To handle heavy loads, we have successfully implemented a Chain block pulley system enhancing operational efficiency and ensuring safe lifting and movement of substantial weights.
- We have improved the manual material handling system for heavy loads prioritizing safety and efficiency.
- Tasks like removal of submersible pumps from the pit is not designated for night shift ensuring operational safety.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

We understand that stakeholder engagement and involvement is key to our success, and we are dedicated to fostering strong relationships with all our stakeholders and conducting our business with respect and responsiveness to their interests. We actively engage with our stakeholders seeking their feedback, addressing their concerns and fulfilling their expectations. We value their feedback as an essential part of our decision-making process. We maintain transparent and open communication with all our stakeholders both external (customers, suppliers, vendors, contractors, investors, community) and internal (Employees, leadership) and provide them timely and clear information about our business practices, performance and initiatives.

SDG Linkages-



**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or group of individuals or institutions that adds value to the business chain of the corporation or is materially affected by entity’s decision is identified as a core stakeholder. At present, the given stakeholder groups identified have immediate impact on the operations and working of the Company. TPL has recognized both, internal stakeholder (which includes employees and leadership), and external stakeholder (which includes regulators, investors, suppliers, customers and community).

At TPL, we recognize stakeholder engagement as an integral part of our Operations. We strive to create long-term sustainable value for all our stakeholders including employees, customers, investors, suppliers, and communities. In order to do so, we regularly engage and collaborate with our stakeholders to develop an understanding of their needs and expectations.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> <li>• Newspaper Advertisement</li> <li>• Annual General Meetings</li> <li>• Corporate Website</li> <li>• Disclosures to Stock Exchanges</li> </ul>	Quarterly / Annual / Event Based	<ul style="list-style-type: none"> <li>• Long-term value creation</li> <li>• Dividends</li> <li>• Familiarising the shareholders on the Business</li> <li>* Financial/ Operating Performance</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>• Email</li> <li>• Training Programmes</li> <li>• Meetings</li> <li>• Notice Board</li> <li>• Website</li> <li>• Regular Employee Communication Forums</li> </ul>	On a regular basis	<ul style="list-style-type: none"> <li>* Business update</li> <li>* Employee benefits</li> <li>* Recognition</li> <li>* Learning and development</li> <li>* Safety and well-being</li> <li>* Career development</li> </ul>
Government/ Regulators	No	<ul style="list-style-type: none"> <li>* Email</li> <li>* Disclosures filed through Stock Exchanges,</li> <li>* Submission of documents / information as per the applicable regulations with each of the Regulator</li> </ul>	Event based	Statutory Requirements

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	<ul style="list-style-type: none"> <li>* E-mail</li> <li>* Corporate Meetings</li> <li>* Corporate Website</li> <li>* Company representatives</li> </ul>	On a regular basis	<ul style="list-style-type: none"> <li>* Customer feedback</li> <li>* Resolution of their queries</li> <li>* Advertising</li> </ul>
Suppliers	No	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• E-mail/ Telecommunication</li> </ul>	Need based	<ul style="list-style-type: none"> <li>• Business Requirements</li> <li>• Performance assessment</li> <li>• Query resolution</li> </ul>
Community	Yes	<ul style="list-style-type: none"> <li>• CSR initiatives</li> <li>• Volunteering activities</li> <li>• Community events</li> </ul>	On a regular basis	<ul style="list-style-type: none"> <li>* Community Development</li> <li>* CSR Compliance</li> </ul>

### Principle 5: Businesses should respect and promote human rights

TPL firmly believes that respecting and promoting human rights is a moral responsibility and is dedicated to upholding the fundamental principles of human rights in all our operations. We believe in fostering a workplace that protects and promotes the rights and dignity of all individuals both within and outside the organisation. In our effort to promote non-discrimination and inclusivity we provide a work environment that is free from any discrimination and harassment based on gender, race, ethnicity, religion, age, disability. Etc.

#### SDG Linkages-





## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	381	381	100%	419	419	100%
Other than permanent	13	13	100%	0	0	-
<b>Total employees</b>	<b>394</b>	<b>394</b>	<b>100%</b>	<b>419</b>	<b>419</b>	<b>100%</b>
<b>Workers</b>						
Permanent	0	0	-	0	0	-
Other than permanent	0	0	-	0	0	-
<b>Total workers</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>

2. Details of minimum wages paid to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	381	0	-	381	100%	398	0	-	398	100%
Other than permanent	13	0	-	13	100%	21	0	-	21	100%
<b>Total employees</b>	<b>394</b>	<b>0</b>	<b>-</b>	<b>394</b>	<b>100%</b>	<b>419</b>	<b>0</b>	<b>-</b>	<b>419</b>	<b>100%</b>
<b>Workers</b>										
Permanent	0	0	-	0	-	0	0	-	0	-
Other than permanent	587	458	78%	129	22%	515	383	74%	132	26%
<b>Total workers</b>	<b>587</b>	<b>458</b>	<b>78%</b>	<b>129</b>	<b>22%</b>	<b>515</b>	<b>383</b>	<b>74%</b>	<b>132</b>	<b>26%</b>

3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (in lakh)	Number	Median remuneration/ salary/ wages of respective category (in lakh)
Board of Directors (BoD)*	9	10.00	3	5.00
Key Managerial Personnel (KMP)*	-	-	1	25.00
Employees other than BoD and KMP	375	7.78	16	3.80
Workers	587	2.25	18	2.25

\* BoD includes two Whole-time Directors as KMPs & Median is calculated by taking into account the remuneration /sitting fees paid to the Directors.

**4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. Company has the statutory Committees like Works Committee, Safety Committee, POSH Committee to address all issues of discrimination and harassment. Apart from these the Company also has unions, through which employees can share their grievances. All these Committees meet at regular intervals, to address the grievances raised. Grievances can be communicated to any of these Committees, which ensures that the complainant identity is kept confidential. The Committee investigates the matter and provides prompt appropriate solution.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

We have an exclusive grievance redressal mechanism, in which the grievances are addressed by the Designated Officers who are trained to provide resolution to these sensitive issues. In case of any grievance, the written complaint is received by the designated officer who ensures that the complainant identity is kept confidential. Once the complaint is received, remedial actions are taken immediately with the help of management.

**6. Number of complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced labour/ Involuntary labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights-related issues	0	0	-	0	0	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

We ensure confidential reporting which allows employees to submit complaints without the fear of retaliation. The identity of the complainant is protected all through the investigation and the harassment cases are handled discreetly and with utmost sensitivity.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company has a comprehensive Vendor Code of Ethics to be signed prior to onboarding a Vendor/ Partner which serves as a guiding document and emphasizes on the fundamental principles of human rights.

## 9. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100% assessed by the Company / Statutory Authority, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

## 10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

Not Applicable

### Principle 6: Businesses should respect and make efforts to protect and restore the environment

TPL believes in preserving and protecting the environment and is deeply committed to environmental stewardship and taking proactive measures to respect, protect and restore the environment. We strive to adopt sustainable practices, minimize our ecological footprint and actively contribute to environmental preservation. We promote energy efficient practices, optimize energy consumption, water stewardship measures and implement ways for waste reduction and recycling.

#### SDG Linkages-



## Essential Indicators

### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) GJ	508887	500476
Total fuel consumption (B) GJ	2728807	2791279
Energy consumption through other sources (C) GJ	259761	185632
Total energy consumption (A+B+C) GJ	3497456	3477386
Energy intensity per rupee of turnover: GJ /Cr. (Total energy consumption/ turnover in rupees)	1627	1926

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out in the current reporting period.

### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

TPL has 3 plants viz., LAB, (Linear Alkyl Benzene), HCD (Heavy Chemicals Division) and PO (Propylene Oxide), of which HCD is covered under the Performance, Achieve and Trade (PAT) Scheme and accordingly, the target fixed by the Government of India for the said plant has been achieved for the reporting period.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water (municipal water supplies)	<b>1287037</b>	1295025
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	<b>1287037</b>	1295025
Total volume of water consumption (in kilolitres)	<b>802862</b>	958731
Water intensity per rupee of turnover: Kilo Litres/ Cr. (water consumed / turnover)	<b>373 KL/Cr.</b>	531 KL/Cr.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out in the current reporting period.

**4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.**

Two plants out of three belonging to TPL viz., LAB and HCD are Zero Liquid Discharge plants.

PO plant has TNPCB consent for marine discharge of treated effluent. National Environmental Engineering Research Institute (NEERI) has been engaged to study the feasibility of implementation of ZLD in PO plant.

**5. Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	µg/m <sup>3</sup>	<b>40.46</b>	48.7
SOx	µg/m <sup>3</sup>	<b>30</b>	35.4
Particulate matter (PM)	µg/m <sup>3</sup>	<b>194.43</b>	208.13
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	<b>976.3</b>	1253.4
Hazardous air pollutants (HAP)	-	-	-
Others – ozone-depleting substances (HCFC - 22 or R-22)	-	-	-

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	<b>168205</b>	164277
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	<b>58735</b>	67485
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent/ Crore Rs	<b>105.5</b>	128.3

**7. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.**

TPL has committed to switch over from fuel oil-based DG sets to LNG based DG set in the forthcoming financial year.

**8. Provide details related to waste management by the entity, in the following format:**

<b>Parameter</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	<b>Nil</b>	Nil
E-waste (B)	<b>5</b>	2.96
Bio-medical waste (C)	<b>90.5</b>	15
Construction and demolition waste (D)	<b>0</b>	0
Battery waste (E)	<b>0</b>	0
Radioactive waste (F)	<b>0</b>	0
Other Hazardous waste. Please specify, if any. (G)	<b>2621.91*</b>	921.00
Other Non-hazardous waste generated (H).	<b>7965</b>	10450
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>10682.41</b>	<b>11388.96</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	<b>8010</b>	9361.33
(ii) Re-used	<b>856.94</b>	543.52
(iii) Other recovery operations	<b>0</b>	0
<b>Total</b>	<b>8866.94</b>	<b>9904.85</b>
<b>For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	<b>3.664</b>	7.786
(ii) Landfilling	<b>1716.29</b>	1458.3
(iii) Other disposal operations	<b>5</b>	2.96
<b>Total</b>	<b>1724.954</b>	<b>1469.046</b>

\* As per the hazardous waste authorization received from TNPCB, brine sludge is classified as Hazardous waste from October 2022 and hence accounted under Hazardous waste in FY 2022-23.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

At TPL all three units are generating Hazardous wastes which are segregated and stored in designated Hazardous waste storage area, Periodic disposal is through authorized TSDF (Treatment, Storage and Disposal facility) and authorized recycler as per the Hazardous Waste Authorization regulations issued by TNPCB. Other solid wastes disposal is being handled through solid waste pickers. The Bio-Medical waste generated at the Occupational Health Center is disposed off through contracted hospital management i.e. Be Well Hospital for the reporting period. The accumulated E waste is disposed through the approved E waste vendor on need basis.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable as the Company is not operating / located in and around ecologically sensitive area			

**11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/ no)	Relevant Web link
Expansion of LAB production from 120000TPA to 145000TPA within the existing plant	EIA Notification 2006.	28.11.2022	Yes	No	-
Expansion of Caustic Soda production capacity from 150 TPD to 250 TPD by bipolar membrane cell process in the existing Heavy Chemicals Division Plant (HCD Plant)	EIA Notification 2006	13.01.2023 (EC application submitted date)	Yes	No	-

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:**

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
1	Environmental Protection Act 1986	With regard to the effluent discharged to sea by companies at Manali, the Fishermen Association, Chennai had referred the matter to NGT. Based on the recommendations of the Committee appointed by NGT, NGT vide judgment dated 22.03.2022 had given certain recommendations to Pollution Control Board and also the Companies identified at Manali for implementation. Further, NGT also directed the Companies to pay an interim compensation.	Honourable NGT vide its order dated 22.03.2022 has directed TPL to pay an interim compensation of Rs. 1 Crore and the same was remitted by the Company on 10.05.2022.	As per the directions of NGT based on the recommendations of Joint Committee, the Company had: <ul style="list-style-type: none"> <li>- appointed National Environmental Engineering Research Institute (NEERI) to conduct feasibility study for implementation of Zero Liquid Discharge.</li> <li>- ETP equipment in PO plant has been refurbished;</li> <li>- Complied with other short -term &amp; long-term recommendations viz., installation of flow meter in marine disposal pipeline to assess the quantity of effluent discharged, conducting of Marine Impact Assessment study on annual basis and submission of report to Pollution Control Board, install Continuous Marine Water Quality Monitoring system at discharge point, conducted toxicity study and submitted report to TNPCB, Online Effluent Monitoring System has been installed in the PO ETP outlet and monitoring data is displayed in the display board at factory.</li> </ul>

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

TPL is the member of several esteemed trade and industry chambers. These affiliations allow us to engage actively with various business communities, gain invaluable insights and contribute to the growth and development of the industry. Through these associations, we aim to foster meaningful collaborations, stay updated on industry trends and collectively work towards creating a positive impact on the business.

**SDG Linkages-**



**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.  
6 (Six)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	South India Chamber of Commerce and Industry	National
2	Alkali Manufacturers Association of India	National
3	Manali Industries Association	State
4	National Safety Council	National
5	Federation of Indian Export Organisation	National
6	South India Alkali Manufacturers Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

At the core of our values, we strive to make a positive impact on the society and create a sustainable future for all. We are committed to supporting and uplifting the communities by our Corporate Social Responsibility (CSR) initiatives. We actively engage in projects that support education, health care and empowering the communities thus fostering an equitable environment for the communities we serve.

**SDG Linkages-**





### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant web link
Not Applicable					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

All grievances from the community can be communicated through the grievances mail id available in the website of the Company. Specific complaints related to environmental issues are also received through statutory authorities viz Pollution Control Board. Remedial actions are taken and appropriate responses are provided to the complainant/Statutory Authorities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	3%	2%
Sourced directly from within the district and neighbouring districts	1.32%	1.24%

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

TPL is a consumer centric company, placing our customers at the heart of everything we do. Our commitment to delivering exceptional customer experience is vital for our business and is a primary focus in our decision-making processes. We actively listen to customer feedback to understand their needs and preferences which enables us to continuously improve our products, services and support to exceed their expectations.

#### SDG Linkages-



## Essential Indicators

### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

TPL supplies to Industrial Users and the Marketing Team interacts with them directly. Feedback forms are collected on periodic basis to address their concerns, if any.

### 2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

### 3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	-	-		-	-	
Restrictive trade practices	-	-		-	-	
Unfair trade practices	-	-		-	-	
Other						

### 4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for Recall
<b>Voluntary Recalls</b>	<i>Nil</i>	-
<b>Forced Recalls</b>	<i>Nil</i>	-

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes, Risks are reviewed and discussed in Risk Management Committee of the Company.  
<https://www.tnpetro.com/investors/policies/>

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Not applicable as the Company had not received any such consumer complaint.

## 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 31<sup>st</sup> March, 2023, 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 standalone 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 31<sup>st</sup> March 2023, 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.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Accounting for legal and other contractual claims:	Our response
<p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the Company's processes and controls for monitoring of claims, litigations, disputes, compliance and assessment thereof for determining the likely outcome.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Obtained risk assessment of tax litigations from tax specialists to assess management's judgements and assumptions on such matters.</li> <li>• Read the minutes of the board meetings to determine the completeness of claims, disputes, and litigations.</li> <li>• Tested the adequacy of disclosures in the standalone financial statements.</li> <li>• Also obtained necessary representation from the management with regard to the provisioning and disclosures in respect of the claims and litigations.</li> </ul>

### 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 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 Act, 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 31<sup>st</sup> March, 2023 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) other than those disclosed in the standalone financial statements 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. (Refer note.44 to the standalone financial statements).
- vi. As proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the Company with effect from April 1, 2023, reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 relating to audit trail is not applicable for the year.

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

**Sriram Alevoor M**  
**Partner**

Place: Chennai  
Date : 23<sup>rd</sup> May 2023

M. No. 221354  
UDIN:23221354BGXJLJ5015

## 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 ("the Company") on the standalone financial statements of the Company for the year ended 31<sup>st</sup> March 2023]**

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:

- (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 does not have any intangible assets and reporting under this clause is not applicable.
- (b) The Company has 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 been physical verified by the management and the discrepancies noticed on such verification have been properly dealt with in the books of accounts.
- (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, except to

the extent disclosed under note no.33 to the financial statements.

- (d) The Company has not revalued any of its Property, Plant and Equipment during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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 and these discrepancies have been properly dealt with in the books of accounts.
- (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. Details of differences between quarterly returns or statements filed by the Company with such banks and other books of accounts on the respective dates are given below:

(₹ in lakh)

Particulars	Amount as per book of account (A)	Amount as per Return submitted to Banks (B)	Reported excess/ (shortage) C= B-A
<b>Trade Receivables</b>			
As at 30 <sup>th</sup> June 2022	13,719.38	12,417.61	(1,301.77)
As at 30 <sup>th</sup> September 2022	16,893.01	16,562.03	(330.97)
As at 31 <sup>st</sup> December 2022	14,626.81	14,256.48	(370.33)
As at 31 <sup>st</sup> March 2023	13,886.42	13,874.64	(11.78)
<b>Trade Payables</b>			
As at 30 <sup>th</sup> June 2022	6,772.74	4,085.11	(2,687.63)
As at 30 <sup>th</sup> September 2022	6,777.01	5,514.48	(1,262.52)
As at 31 <sup>st</sup> December 2022	5,969.28	5,243.17	(726.11)
As at 31 <sup>st</sup> March 2023	9,257.71	8,186.41	(1,071.30)
<b>Inventories</b>			
As at 30 <sup>th</sup> June 2022	13,008.23	10,557.47	(2,450.76)
As at 30 <sup>th</sup> September 2022	12,263.01	11,799.16	(463.84)
As at 31 <sup>st</sup> December 2022	14,573.44	14,063.54	(509.90)
As at 31 <sup>st</sup> March 2023	16,793.55	16,321.60	(471.95)

Refer note to the financial statements for reasons for excess/shortage as mentioned in the table above.

iii. During the year, the Company has not 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 (a), (c) to (f) of this clause are not applicable.

As required by clause 3(iii)(b) of the Order, we report that the investments made during the year 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 Act, 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, 2023 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 31<sup>st</sup> March 2023, except for:

(₹ In lakh)

Nature of Statute	Nature of Dues	Forum where dispute is pending	Financial Year	Amount involved	Amount unpaid
Tamilnadu Sales Tax Act	Sales Tax	Sales Tax Appellate Tribunal	1993-94	1,629	1,629
		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	2,645.60	123.56
		CIT (Appeals)	2015-16 & 2016-17	1,340.23	1,274.71
		DCIT/ A.O	1999-00, 2005-06, 2008-09, 2012-13, 2013-14	4,295.59	822.97
Tamilnadu Electricity Regulatory Commission (RPO) Regulations, 2010	Renewable Purchase Obligation	Madras High Court	2010-11 to 2022-23	3,449.90	3,449.90
Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act, 2007	Electricity Tax	Supreme Court	2003-04 to 2008-09	1,054.93	1,054.93
Electricity Act, 2003	Cross Subsidy Charge under Group Captive Scheme	Madras High Court	2014-15 to 2016-17	444.95	444.95
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	200
TN Government Regulations	Rent for leasehold land	Thasildar, Thiruvottiyur	1990-2020	9,224.34	9,224.34



- 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 banks.
- 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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. No report under sub-section (12) of section 143 of the 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.
- 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 Act, 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 the provisions of section 192 of the Act, 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 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 Regn. 002785 S

**Sriram Alevoor M**  
Partner

Place: Chennai  
Date: 23<sup>rd</sup> May 2023

M. No. 221354  
UDIN: 23221354BGXJLJ5015

## 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 on the standalone financial statements to the members of the Company, on the Internal Financial Controls with reference to financial statements for the year ended 31<sup>st</sup> March 2023.)

We have audited the internal financial controls with reference to financial statements of **Tamilnadu Petroproducts Limited ('the Company')** as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ICAI. 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, 2023 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 ICAI.

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn. 002785 S

**Sriraam Alevoor M**  
Partner

Place: Chennai  
Date: 23<sup>rd</sup> May 2023

M. No. 221354  
UDIN: 23221354BGXJLJ5015

**Standalone Balance Sheet as at 31<sup>st</sup> March, 2023**

All amounts are in ₹ lakh unless otherwise stated

<b>ASSETS</b>	<b>Notes</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	<b>3A</b>	<b>24,020.06</b>	25,477.70
b) Capital work-in-progress	<b>3A</b>	<b>10,254.57</b>	2,673.64
c) Investment Property	<b>3B</b>	<b>-</b>	20.68
d) Right of Use-Assets	<b>3C</b>	<b>1,158.57</b>	1,248.70
e) Financial assets			
i) Investments :			
(a) Investment in subsidiary	<b>4A</b>	<b>9,645.13</b>	9,645.13
(b) Other Investments	<b>4B</b>	<b>700.74</b>	138.58
ii) Other financial assets	<b>5</b>	<b>1,405.10</b>	2,048.65
f) Other non-current assets	<b>6</b>	<b>567.01</b>	451.12
<b>Total - Non-current assets (A)</b>		<b><u>47,751.18</u></b>	<b><u>41,704.20</u></b>
<b>Current assets</b>			
a) Inventories	<b>7</b>	<b>16,793.64</b>	14,258.14
b) Financial assets			
i) Trade Receivables	<b>8</b>	<b>13,886.42</b>	11,205.54
ii) Cash and Cash equivalents	<b>9A</b>	<b>1.86</b>	0.37
iii) Bank balances other than Cash and Cash equivalents	<b>9B</b>	<b>21,893.69</b>	22,939.08
iv) Other financial assets	<b>10</b>	<b>734.85</b>	720.52
c) Other Current assets	<b>11A</b>	<b>2,540.11</b>	1,977.28
d) Current Tax Assets (Net)	<b>11B</b>	<b>1,204.36</b>	1,062.98
<b>Total - Current assets (B)</b>		<b><u>57,054.93</u></b>	<b><u>52,163.91</u></b>
Non-current assets held for sale (C)	<b>12</b>	<b>81.27</b>	100.00
<b>TOTAL ASSETS [(A) + (B)+(C)]</b>		<b><u>104,887.38</u></b>	<b><u>93,968.11</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	<b>13</b>	<b>8,997.15</b>	8,997.15
b) Other Equity	<b>14</b>	<b>67,774.65</b>	61,708.84
<b>Total - Equity (A)</b>		<b><u>76,771.80</u></b>	<b><u>70,705.99</u></b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
a) Financial liabilities			
i) Lease Liabilities	<b>15A</b>	<b>1,329.28</b>	1,295.26
ii) Other financial liabilities	<b>15B</b>	<b>179.91</b>	75.69
b) Provisions	<b>16</b>	<b>5,324.88</b>	4,930.73
c) Deferred tax liabilities (Net)	<b>17</b>	<b>1,292.90</b>	1,522.02
<b>Total - Non-current liabilities (B)</b>		<b><u>8,126.97</u></b>	<b><u>7,823.70</u></b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	<b>18A</b>	<b>6,191.76</b>	4,221.67
(a) Lease liabilities	<b>18B</b>	<b>104.14</b>	104.14
ii) Trade payables	<b>19</b>		
- Total Outstanding dues of Micro & Small Enterprises		<b>271.51</b>	384.29
- Total Outstanding dues of creditors other than Micro & Small Enterprises		<b>8,986.20</b>	5,794.60
iii) Other financial liabilities	<b>20</b>	<b>2,324.01</b>	2,152.04
b) Provisions	<b>21</b>	<b>1,367.43</b>	1,259.37
c) Other current liabilities	<b>22</b>	<b>743.56</b>	1,522.31
<b>Total - Current liabilities (C)</b>		<b><u>19,988.61</u></b>	<b><u>15,438.42</u></b>
<b>Total liabilities [(B) + (C)]</b>		<b><u>28,115.58</u></b>	<b><u>23,262.12</u></b>
<b>TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]</b>		<b><u>104,887.38</u></b>	<b><u>93,968.11</u></b>

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**
**Sriraam Alevoor M**  
Partner  
M.No. 221354

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

**D Senth Kumar**  
Whole Time Director (Operations)  
DIN:00202578

Place : Chennai  
Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**  
Company Secretary  
M.No. A31391

## Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Notes	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>INCOME</b>			
Revenue from operations	23	215,025.11	180,558.24
Other income	24	1,925.47	1,278.77
<b>TOTAL INCOME</b>		<b>216,950.58</b>	<b>181,837.01</b>
<b>EXPENSES</b>			
Cost of Materials consumed	25	122,874.47	84,510.09
Purchase of Stock-in-trade	26	4,428.60	-
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	27	(2,220.75)	166.21
Employee benefits expense	28	4,591.38	4,105.97
Finance costs	29	679.77	579.62
Depreciation / Amortization Costs	30	2,129.68	2,362.76
Other expenses	31	72,552.16	66,960.20
<b>TOTAL EXPENSE</b>		<b>205,035.31</b>	<b>158,684.85</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>11,915.27</b>	<b>23,152.16</b>
Exceptional items		-	-
<b>PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEMS</b>		<b>11,915.27</b>	<b>23,152.16</b>
<b>INCOME TAX EXPENSE</b>			
a) Current tax		3,212.89	6,408.18
b) Deferred tax	17	(229.12)	(392.56)
c) Provision for tax relating to prior years		-	72.76
<b>TOTAL TAX EXPENSE</b>		<b>2,983.77</b>	<b>6,088.38</b>
<b>PROFIT FOR THE YEAR</b>		<b>8,931.50</b>	<b>17,063.78</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
i) Items that will not be reclassified to Profit or (Loss)			
- Re-measurement of Defined Benefit Plan (Net)		(166.55)	33.68
<b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		<b>(166.55)</b>	<b>33.68</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>8,764.95</b>	<b>17,097.46</b>
Earnings Per Equity Share of ₹ 10 each (Previous year - ₹ 10 each)			
Basic and Diluted		9.93	18.97
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			
<b>For R.G.N. Price &amp; Co.</b> Chartered Accountants Firm Regn No.002785S	<b>For and on behalf of the Board of Directors</b>		
<b>Sriraam Alevoor M</b> Partner M.No. 221354	<b>KT Vijayagopal</b> Whole Time Director (Finance) & CFO DIN:02341353	<b>D Senthikumar</b> Whole Time Director (Operations) DIN:00202578	
Place : Chennai Date : 23 <sup>rd</sup> May, 2023		<b>Sangeetha Sekar</b> Company Secretary M.No. A31391	

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Equity Share Capital</b>		
Balance as at the beginning of the year	8,997.15	8997.15
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>8997.15</b>	<b>8997.15</b>
Changes in equity share capital during the year	-	-
<b>Balance as at the end of the year</b>	<b>8997.15</b>	<b>8997.15</b>

### 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	
<b>Balance as at April 01,2021*</b>	<b>16,918.79</b>	<b>4,611.57</b>	<b>25,595.28</b>	<b>(264.87)</b>	<b>46,860.77</b>
Profit for the year	-	-	17,063.78	-	17,063.78
Dividend on Equity Shares	-	-	(2,249.39)	-	(2,249.39)
Remeasurement of Defined Benefit Plan (Net)	-	-		33.68	33.68
<b>Balance as at March 31,2022</b>	<b>16,918.79</b>	<b>4,611.57</b>	<b>40,409.67</b>	<b>(231.19)</b>	<b>61,708.84</b>
<b>Balance as at April 01,2022</b>	<b>16,918.79</b>	<b>4,611.57</b>	<b>40,409.67</b>	<b>(231.19)</b>	<b>61,708.84</b>
Profit for the year	-	-	8,931.50	-	8,931.50
Dividend on Equity Shares	-	-	(2,699.14)	-	(2,699.14)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	(166.55)	(166.55)
<b>Balance as at March 31,2023</b>	<b>16,918.79</b>	<b>4,611.57</b>	<b>46,642.03</b>	<b>(397.74)</b>	<b>67,774.65</b>

\*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**

**Sriraam Alevoor M**  
Partner  
M.No. 221354

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

**D Senthikumar**  
Whole Time Director (Operations)  
DIN:00202578

Place : Chennai  
Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**  
Company Secretary  
M.No. A31391

## Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax after exceptional items</b>	<b>11,915.27</b>	23,152.16
<u>Adjustments for:</u>		
Depreciation on Property, Plant and Equipment, ROU assets,	2,129.68	2,362.76
Profit on Sale of Property, Plant and Equipment	(200.09)	-
Loss on Property, Plant and Equipment sold/discarded,	-	12.60
Finance costs	679.77	579.62
Interest income	(1,322.91)	(1,182.32)
Provision no longer required written back	(44.05)	-
Employee benefit obligation	(222.57)	45.01
	<u>1,019.83</u>	<u>1,817.67</u>
<b>Operating profit before working capital changes</b>	<b>12,935.10</b>	24,969.83
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(2,535.50)	(6,076.36)
Trade receivables	(2,636.83)	(3,091.85)
Other financial assets	644.68	(42.84)
Other assets	(367.81)	(173.47)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	3,078.82	1,911.80
Provision and other current liabilities	(276.54)	1,757.84
Other financial liabilities	131.14	1,169.66
	<u>(1,962.04)</u>	<u>(4,545.22)</u>
<b>Cash generated from operations</b>	<b>10,973.06</b>	20,424.60
Income Tax paid (Net of refunds)	(3,347.96)	(9,618.57)
<b>Net cash (used in) / generated from operating activities - (A)</b>	<b><u>7,625.10</u></b>	<u>10,806.04</u>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(8,478.49)	(4,001.15)
Proceeds from sale of Property, Plant and Equipment and Investment Property	293.96	0.93
Proceeds from Sale of Investments	17.90	-
Investments in Equity shares	(580.05)	8.08
Proceeds/(Investment) in Fixed deposits with Bank	3,039.82	(5,419.27)
Interest received - others	1,307.44	1,043.15
Bank balances not considered as cash and cash equivalents	(1,994.43)	(201.98)
	<u>(6,393.85)</u>	<u>(8,570.24)</u>
<b>Net cash (used in) / generated from investing activities - (B)</b>	<b><u>(6,393.85)</u></b>	<u>(8,570.24)</u>

## Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	34.02	651.87
(Repayment) / Proceeds from Short-term borrowings	1,970.09	(152.49)
Finance costs	(679.77)	(579.62)
Dividends paid	<u>(2,554.09)</u>	<u>(2,156.43)</u>
	<u>(1,229.75)</u>	<u>(2,236.67)</u>
<b>Net cash (used in)/generated financing activities – C</b>	<u>(1,229.75)</u>	<u>(2,236.67)</u>
<b>Net increase/(decrease) in cash and cash equivalents – (A+B+C)</b>	<u>1.49</u>	<u>(0.87)</u>
Add: Cash and cash equivalents at the beginning of the year	0.37	1.24
<b>Cash and cash equivalents at the end of the year (Refer Note 9A)</b>	<u>1.86</u>	<u>0.37</u>
Net increase / (decrease) in cash and cash equivalents	<u>1.49</u>	<u>(0.87)</u>

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.

Figures in bracket represent cash out flows

The accompanying notes form an integral part of the financial statements

### Change in Liability arising from Financing Activities:

	1 <sup>st</sup> April, 2022	Cash flows	31 <sup>st</sup> March, 2023
Borrowing – Current (Refer Note 18A)	<u>4,221.66</u>	<u>1,970.09</u>	<u>6,191.75</u>
	<u>4,221.66</u>	<u>1,970.09</u>	<u>6,191.75</u>
	1 <sup>st</sup> April, 2021	Cash flows	31 <sup>st</sup> March, 2022
Borrowing – Current (Refer Note 18A)	<u>4,374.15</u>	<u>(152.49)</u>	<u>4,221.66</u>
	<u>4,374.15</u>	<u>(152.49)</u>	<u>4,221.66</u>

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**

**Sriraam Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) & CFO

DIN:02341353

**D Senth Kumar**

Whole-Time Director (Operations)

DIN:00202578

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**

Company Secretary

M.No. A31391

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 1. General Information:

#### Company Information

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 Tamilnadu Industrial Development Corporation Limited (TIDCO) and Southern Petrochemical Industries Corporation Limited (SPIC). 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 (CS lye), Chlorine and Propylene Oxide at its 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 ('MCA') 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 operating cycle.
- 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.

#### Functional and Presentation Currency

The standalone financial statements are presented in Indian National Rupee (INR), 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').



## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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 31<sup>st</sup> March 2023 were reviewed and recommended by the Audit Committee and approved for issue in accordance with the resolution of the Board of Directors on May 23, 2023.

### (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:** Depreciation is based on management estimates of the future useful life and residual value of certain class of property, plant and equipment and ROU 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 of an asset or liability.
- 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 Recent Accounting Developments:

"Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements".

### 2.4 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 from sale of goods or services is recognized when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue from sale of products is recognized when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties ( taxes collected on behalf of Government etc.) .

Interest income is recognized using effective interest method. Dividend income is recognized at the time when the right to receive is established by the reporting date. Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

#### 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.

### 2.5 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.

### 2.6 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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 2.7 Employee benefits:

Employee benefits include contributions to Provident Fund (PF), Employee State Insurance (ESI) scheme, gratuity fund and payment of compensated absences to eligible employees.

#### a) Defined contribution plans:

The Company's contribution to PF and ESI scheme are considered as defined contribution plans and are recognized as an expense in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions. The Company has no further obligations beyond the monthly contribution to these schemes.

#### 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 compensated absences 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.

### 2.8 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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 2.9 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)..

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 realise the assets and settle the liability simultaneously.

- **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 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.

- **Current and deferred tax for the 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.

### 2.10 Property, plant and equipment, Right of Use assets 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.

Assets 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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

Advances given towards acquisition of capital 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
- iv) Vehicles - 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 capitalized and 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, Buildings and Plant & Machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract 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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term of the underlying asset.

The ROU 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 payment towards lease liabilities 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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 2.11 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 at 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.

### 2.12 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.

### 2.13 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

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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.

### 2.14 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-progress – 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 operating capacity.

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

### 2.15 Exceptional item:

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

### 2.16 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.

### 2.17 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.

### 2.18 Financial instruments:

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

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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.

### 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.

### Classification of financial assets:

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

### 2.19 Effective interest method:

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

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

### 2.20 Investments in Subsidiaries, 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.

### 2.21 Investments in equity instruments at Fair Value Through Other Comprehensive Income (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



## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

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

### 2.22 Financial assets at Fair Value Through Profit or Loss (FVTPL):

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

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

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

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

### 2.23 Impairment of financial assets:

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

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

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

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

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

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

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

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

### 2.24 Derecognition of financial assets:

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

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

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

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

### 2.25 Foreign exchange gains and losses:

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

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

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

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 2.26 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

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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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.

## 2.27 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.

## 2.28 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.

## 2.29 Dividends:

Final dividends on equity 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 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>3A (a) Property, Plant and Equipment and Capital work-in-progress</b>		
Land	1,687.33	1,687.33
Buildings	388.57	400.80
Plant and Machinery	21,876.06	23,307.82
Furniture and Fixtures	11.85	5.19
Office Equipments	11.68	16.50
Vehicles	44.58	60.06
<b>Total</b>	<b>24,020.06</b>	<b>25,477.70</b>
<b>(b) Capital work-in-progress</b>		
<b>Total</b>	<b>10,254.57</b>	<b>2,673.64</b>

Gross Block	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	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)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>1,687.33</b>	<b>1,012.44</b>	<b>34,433.13</b>	<b>30.08</b>	<b>169.60</b>	<b>75.11</b>	<b>37,407.69</b>
Additions	-	57.08	547.69	8.52	23.07	-	636.36
Disposals	-	(1.57)	(265.74)	(1.10)	(11.52)	(0.34)	(280.27)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>1,687.33</b>	<b>1,067.95</b>	<b>34,715.08</b>	<b>37.50</b>	<b>181.15</b>	<b>74.77</b>	<b>37,763.78</b>

Accumulated Depreciation and Impairment	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	-	515.44	8,935.46	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	-	-	(9.78)	-	-	(2.87)	(12.65)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>611.64</b>	<b>11,125.31</b>	<b>24.89</b>	<b>153.10</b>	<b>15.05</b>	<b>11,929.99</b>
Depreciation expense	-	69.31	1,858.97	1.86	27.91	15.14	1,973.19
Eliminated on disposals / Impairment	-	(1.57)	(145.26)	(1.10)	(11.54)	-	(159.47)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>679.38</b>	<b>12,839.02</b>	<b>25.65</b>	<b>169.47</b>	<b>30.19</b>	<b>13,743.71</b>
<b>Carrying amount at 31<sup>st</sup> March, 2023</b>	<b>1,687.33</b>	<b>388.57</b>	<b>21,876.06</b>	<b>11.85</b>	<b>11.68</b>	<b>44.58</b>	<b>24,020.06</b>
<b>Carrying amount at 31<sup>st</sup> March, 2022</b>	<b>1,687.33</b>	<b>400.80</b>	<b>23,307.82</b>	<b>5.19</b>	<b>16.50</b>	<b>60.06</b>	<b>25,477.70</b>

**Notes:**

- i) For Property, plant and equipment (PPE) given as securities against working capital facility refer Note no.18A

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

Capital work-in-progress movement	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>147.00</b>
Additions during the year	2,565.43
Capitalised during the year	(38.79)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>2,673.64</b>
Additions during the year	7,726.50
Capitalised during the year	(145.57)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>10,254.57</b>

### 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 ₹ 3,504.36 lakhs as of March 2023 (31<sup>st</sup> March 2022: ₹ 2,211.41 lakhs) and capital advance of ₹ 439.89 lakhs (31<sup>st</sup> March 2022: Nil)
- CPP is converted from FO engine to Gas based engine and amount of ₹ 6468.98 lakhs (31<sup>st</sup> March 2022: ₹ 4.73 lakhs) has already been incurred towards this.
- During the year, the Honourable HC of Madras, while disposing the common writ petitions by various land owners including TPL ( in respect of its land of 18 acres in Manali), in its order dated 19.9.2022 quashed the decision to take over such lands from the owners under the Urban Land Ceiling Act, 1972, on grounds that the Act itself having being repealed in 1999. Accordingly, the Company's unencumbered title to the land is established".

### 3A (b) Capital work-in-progress ageing

- Ageing for capital work-in-progress as at March 31, 2023 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	7,838.44	2,416.13	-	-	10,254.57
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7,838.44</b>	<b>2,416.13</b>	<b>-</b>	<b>-</b>	<b>10,254.57</b>

- 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	-	-	-	-	-
<b>Total</b>	<b>2,673.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,673.64</b>

<b>As at</b>	<b>As at</b>
<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>

### 3B Investment Property

Freehold Land #	-	20.68
	-	20.68

#Land was sold for value of ₹ 120 lakhs during the year.

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	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>
<b>Freehold Land</b>		
Rental Income (A)	-	-
Direct operating expenses, that generated rental income. (B)	-	-
Direct operating expenses, that did not generated rental income. (C )	<b>1.93</b>	<b>8.98</b>
<b>Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C )</b>	<b><u>(1.93)</u></b>	<b><u>(8.98)</u></b>
Depreciation (D)	-	-
<b>Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C )-(D)</b>	<b><u>(1.93)</u></b>	<b><u>(8.98)</u></b>

**3C Right of Use-Asset**

Right-of-Use Asset*	<b><u>1,158.57</u></b>	<b><u>1,248.70</u></b>
	<b><u>1,158.57</u></b>	<b><u>1,248.70</u></b>

<b>Gross Block</b>	<b>Leasehold Land*</b>	<b>Leasehold Building</b>	<b>Total</b>
<b>Opening balance as at 1<sup>st</sup> April, 2021</b>	<b>690.55</b>	<b>-</b>	<b>690.55</b>
- Additions	-	604.02	604.02
- Deletions	-	-	-
<b>Opening balance as at 1<sup>st</sup> April, 2022</b>	<b>690.55</b>	<b>604.02</b>	<b>1294.57</b>
- Additions	-	-	-
- Deletions	-	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>690.55</b>	<b>604.02</b>	<b>1294.57</b>

<b>Accumulated Depreciation</b>	<b>Leasehold Land*</b>	<b>Leasehold Building</b>	<b>Total</b>
<b>Opening balance as at 1<sup>st</sup> April, 2021</b>	<b>17.26</b>	<b>-</b>	<b>17.26</b>
- Depreciation expense	23.02	5.59	28.61
- Deletions	-	-	-
<b>Opening balance as at 1<sup>st</sup> April, 2022</b>	<b>40.28</b>	<b>5.59</b>	<b>45.87</b>
- Depreciation expense	23.02	67.11	90.13
- Deletions	-	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>63.30</b>	<b>72.71</b>	<b>136.00</b>
<b>Net book value as on 31<sup>st</sup> March, 2023</b>	<b>627.25</b>	<b>531.31</b>	<b>1,158.57</b>
<b>Net book value as on 31<sup>st</sup> March, 2022</b>	<b>650.27</b>	<b>598.43</b>	<b>1,248.70</b>

\*Refer note no: 35 that deals with the dispute that is on going with Government of Tamilnadu with regard to lease rental for the land

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>4. Investments</b>		
<b>Non-current investments:</b>		
<b>Investments at Cost:</b>		
<b>(A) Investment in a subsidiary - Equity Shares (fully paid) - Unquoted</b>		
Certus Investment & Trading Limited, Mauritius		
2,04,190 (31 <sup>st</sup> March 2022: 2,04,190) Equity shares of US \$ 100 each fully paid up.	9,645.13	9,645.13
<b>Total - Investment in subsidiary (A)</b>	<u>9,645.13</u>	<u>9,645.13</u>
<b>(B) Other Investments: Unquoted</b>		
(a) Ushdev Engitech Limited	2.24	2.24
22,463 (31 <sup>st</sup> March 2022: 22,463) Equity Shares of ₹10 each fully paid up.		
(b) Watsun Infrabuild Private Limited.	88.00	88.00
8,80,000 (31 <sup>st</sup> March 2022: 880,000) Equity shares of ₹10 each fully paid up		
(c) OPG Power Generation Private Limited	-	17.86
(31 <sup>st</sup> March 2022: 155,300 Equity shares of ₹10 each fully paid up).		
(d) AM Foundation	0.16	0.16
1,600 (31 <sup>st</sup> March 2022: 1,600) Equity shares of ₹ 10 each fully paid up.		
(e) IL&FS Financial Services Limited	-	0.04
(31 <sup>st</sup> March 2022: 3,600) Units of ₹ 1/- each fully paid.		
(f) Nagai Power Private Limited	13.35	13.35
133,440 (31 <sup>st</sup> March 2022: 133,440) Equity shares of ₹10 each fully paid up.		
(g) Dalavaipuram Renewables Private Limited	580.05	-
58,00,548 (31 <sup>st</sup> March 2022: NIL) Equity shares of ₹10 each fully paid up.		
<b>Total - Other investments (B)</b>	<u>683.81</u>	<u>121.65</u>
<b>(C) Other Investments: Unquoted - Fair value through profit and loss (FVTPL)</b>		
SEPC Power (Private) Limited		
1,00,000 (31 <sup>st</sup> March 2022: 100,000) Equity shares of ₹10 each fully paid up.	16.93	16.93
	<u>16.93</u>	<u>16.93</u>
<b>Aggregate amount of unquoted investments (A+B+C)</b>	<u>10,345.87</u>	<u>9,783.71</u>
<b>5. Other financial assets</b>		
Security deposits	1,405.10	2,048.65
	<u>1,405.10</u>	<u>2,048.65</u>



## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>6. Other Non-Current assets</b>		
Capital advances	553.67	433.85
Others*	13.34	17.27
	<u>567.01</u>	<u>451.12</u>

\* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant and Leased Premises.

### 7. Inventories

Inventories		
- Raw materials	9,419.75	5,358.24
- Work-in-progress	-	1,050.57
- Finished goods	4,771.91	1,500.59
- Goods in transit - Traded Goods	-	4,428.60
- Stores and spares	2,601.98	1,920.14
	<u>16,793.64</u>	<u>14,258.14</u>

i) Finished goods are valued at lower of cost and net realisable value and raw material, Stores and spares, Work-in-progress are valued at weighted average cost

ii) Inventories are given as securities against working capital facilities from banks (refer Note no.18A).

### 8. Trade receivables

Considered good - Secured	-	-
Considered good - Unsecured	13,886.42	11,205.54
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	33.73	77.78
Impairment Allowance (Allowance for doubtful debts)	(33.73)	(77.78)
	<u>13,886.42</u>	<u>11,205.54</u>

Trade receivables are given as securities against working capital facilities from banks (refer Note no.18A).

### 8(A) Ageing for trade receivables – Non-Current outstanding as at March 31, 2023 is as follows:

Trade receivables	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	13,864.47	22.74	-	30.42	2.52	-	13,920.15
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>13,864.47</b>	<b>22.74</b>	<b>-</b>	<b>30.42</b>	<b>2.52</b>	<b>-</b>	<b>13,920.15</b>
Less: Allowance for doubtful trade receivables							(33.73)
<b>Total Trade Receivables</b>							<b>13886.42</b>

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 8(B) 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						Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years		
(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	-	-	-	-	-	-	-	
<b>Total</b>	<b>10,952.00</b>	<b>283.32</b>	<b>13.00</b>	<b>30.00</b>	<b>2.00</b>	<b>3.00</b>	<b>11,283.32</b>	
Less: Allowance for doubtful trade receivables							(77.78)	
<b>Total Trade Receivables</b>							<b>11,205.54</b>	

As at  
31<sup>st</sup> March, 2023                      As at  
31<sup>st</sup> March, 2022

### 9(A) Cash and Cash equivalents

Balances with Banks

- In current accounts
- Cash on hand

**Total (A)**

	-	-
	<b>1.86</b>	<b>0.37</b>
	<b>1.86</b>	<b>0.37</b>

### 9(B) Bank balances other than above

Unspent CSR account

Margin money deposits

Unclaimed dividend account (Refer note 20)

Other Fixed deposits #

**Total (B)**

**Total Cash and Cash equivalents (A+B)**

	78.88	22.33
	2,578.51	785.68
	352.79	207.74
	18,883.51	21,923.33
	<b>21,893.69</b>	<b>22,939.08</b>
	<b>21,895.55</b>	<b>22,939.45</b>

# represents deposits with original maturity more than three months but less than twelve months.

### 10. Other Financial Assets

Security deposits

Interest accrued on Deposits

	70.25	71.38
	664.60	649.14
	<b>734.85</b>	<b>720.52</b>

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>11(A) Other Current assets</b>		
Advances given to Suppliers	1,534.86	263.04
Prepaid expenses	561.05	653.60
Balances with Government Authorities		
(i) GST credit receivable	412.05	1,016.71
(ii) Balances with Customs, Sales tax and Excise Authorities	28.23	39.43
Others*	3.92	4.50
	<u>2,540.11</u>	<u>1,977.28</u>

\* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant and Leased Premises.

### 11(B) Current Tax Assets (Net)

Advance income tax (net of provision)	<u>1,204.36</u>	<u>1,062.98</u>
	<u>1,204.36</u>	<u>1,062.98</u>

### 12. Asset held for Sale:

Plant & Machinery	<u>81.27</u>	<u>100.00</u>
	<u>81.27</u>	<u>100.00</u>

### 13. Equity Share Capital

#### Authorised Share capital :

200,000,000 (as at 31<sup>st</sup> March 2022: 200,000,000) fully paid equity shares of ₹10 each. 20,000.00 20,000.00

#### Issued

89,976,899 (as at 31<sup>st</sup> March 2022: 89,976,899) equity shares of ₹10 each. 8,997.69 8,997.69

#### Subscribed and fully paid up

89,971,474 (as at 31<sup>st</sup> March 2022: 89,971,474) equity shares of ₹10 each. 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
<b>Balance as at 1<sup>st</sup> April, 2021</b>	89,971,474	8,997.15
Movements	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	89,971,474	8,997.15
Movements	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	89,971,474	8,997.15

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 13.03 Details of shareholdings by the Promoter's of the Company

Promoter Name	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		% Change in the year
	No. of shares held	% of holding	No. of shares held	% of holding	
<b>Fully paid-up equity shares</b>					
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	-
<b>Total Promoters' shareholding outstanding</b>	<b>31,078,126</b>	<b>34.54</b>	31,078,126	34.54	-

### 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 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Fully paid-up equity shares</b>				
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
<b>Total outstanding</b>	<b>31,078,126</b>	<b>34.54</b>	31,078,126	34.54

As at  
31<sup>st</sup> March, 2023      As at  
31<sup>st</sup> March, 2022

### 14 (A) Other Equity

#### I. Reserves and Surplus

A. General reserve	<b>16,918.79</b>	16,918.79
B. Securities premium	<b>4,611.57</b>	4,611.57
C. Surplus in Statement of Profit and Loss	<b>46,642.03</b>	40,409.67

#### II. Other Comprehensive income

D. Remeasurement of Defined Benefit Liabilities	<b>(397.74)</b>	(231.19)
	<b>67,774.65</b>	61,708.84

#### A. General reserve

Balance at beginning of year	<b>16,918.79</b>	16,918.79
Movement during the year	-	-
<b>Balance at end of year</b>	<b>16,918.79</b>	16,918.79

#### B. Securities premium

Balance at beginning of year	<b>4,611.57</b>	4,611.57
Movement during the year	-	-
<b>Balance at end of year</b>	<b>4,611.57</b>	4,611.57

#### C. Surplus in Statement of Profit and Loss

Balance at beginning of year	<b>40,409.67</b>	25,595.28
(Add): Profit after tax for the year	<b>8,931.50</b>	17,063.78
Less: Dividend (₹3.00 per share - 2021-22) (₹2.50 per share - 2020-21)	<b>(2,699.14)</b>	(2,249.39)
<b>Closing balance</b>	<b>46,642.03</b>	40,409.67

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
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### D. Re-measurement of Defined Benefit Plan

Balance at beginning of year	(231.19)	(264.87)
Movement during the year	<u>(166.55)</u>	<u>33.68</u>
<b>Closing balance</b>	<u><b>(397.74)</b></u>	<u><b>(231.19)</b></u>

### (B) Nature and purpose of reserves

- a. **General Reserve:** This Reserve is created by an appropriation from one component of equity generally surplus in statement of Profit and Loss (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 in earlier years 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 Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholder
- d. **Items of Other Comprehensive Income - Remeasurements of Net Defined Benefit Plans**

It represent different between actuarial assumption on interest income on Plan asset and actuals, besides movement in plan liabilities due to changes in actuarial assumptions including experience adjustments.

### 15 (A) Financial liabilities (Non-Current)

Lease Liabilities	<u>1,329.28</u>	<u>1,295.26</u>
	<u><b>1,329.28</b></u>	<u><b>1,295.26</b></u>

- a) The above includes ₹ 850.32 lakhs of future lease commitment in respect of lease hold land from Government of Tamilnadu estimated on the basis of increase in guideline value (as indicated in the earlier lease agreement which expired as at 12<sup>th</sup> June 2020) accounted in compliance with Ind AS 116 - Leases, pending approval of application for renewal of lease submitted by the Company.
- b) Discounting borrowing rate adopted for fair valuation of future lease liabilities :-
  - Lease hold Land - 11% pa
  - Lease hold buildings - 10% pa

### 15 (B) Other financial liabilities (Non-Current)

Security deposit	162.98	58.76
Other payables*	<u>16.93</u>	<u>16.93</u>
	<u><b>179.91</b></u>	<u><b>75.69</b></u>

\*Other payable represents advance received against sale of equity interests (100000 equity shares) in SEPC Power (Private) Limited upon completion of power project.

#Includes deposits received amounting to ₹ 71.00 lakhs (as at 31<sup>st</sup> March, 2022 : Nil) pertaining to non-current assets held for sale.

### 16. Provisions (Non-Current)

#### Provision for:

- Compensated absences	460.34	408.63
- Provision for Litigated claims and statutory dues (Refer to note 33A)	<u>4,864.54</u>	<u>4,522.10</u>
	<u><b>5,324.88</b></u>	<u><b>4,930.73</b></u>

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>17. Deferred tax balances (Non-Current)</b>		
<b>a) Deferred tax liabilities in relation to :</b>		
- Property, plant and equipment	2,799.43	2,820.83
	<u>2,799.43</u>	<u>2,820.83</u>
<b>b) Deferred tax assets in relation to :</b>		
- Provision for Employee benefits allowed on payment basis	161.90	142.55
- Allowance for doubtful debts	8.49	19.58
- Expenses allowable on payment basis	1,266.96	1,174.62
- Provision for Lease Assets / (Liability) - Ind AS 116	69.18	(37.94)
	<u>1,506.53</u>	<u>1,298.81</u>
<b>C) Deferred Tax Liability (net) (A+B)</b>	1,292.90	1,522.02
Opening	1,522.02	1,914.58
For the year	(229.12)	(392.56)
For the period based on effective tax rate method	(229.12)	(392.56)
Closing	<u>1,292.90</u>	<u>1,522.02</u>
<b>d) Deferred tax liabilities (net)</b>	<u>1,292.90</u>	<u>1,522.02</u>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>17 (A) Reconciliation between book and taxable profits</b>		
Profit before Income Taxes	11,915.27	23,152.15
Enacted Tax Rates in India	25.17%	25.17%
Computed Expected Tax Expense	2,999.07	5,827.40
<b>Tax effect of adjustments :</b>		
- Tax Effect of non deductible expenses	213.81	580.78
- Income Tax Expense	3,212.89	6,408.18
- Income Tax Expense for the year	3,212.89	6,408.18
- Tax Provisions relating to earlier years	0.00	72.76
Deferred tax	(229.12)	(392.56)
<b>Total income tax expense</b>	<u>2,983.77</u>	<u>6,088.38</u>
<b>17 (B) Tax expense recognised in Other Comprehensive Income</b>		
Deferred tax charge		
- (Gain)/Loss on remeasurement of net defined benefit plans	(56.02)	11.33
	<u>(56.02)</u>	<u>11.33</u>
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>18 (A) Borrowings (Current)</b>		
<b>Secured Borrowings</b>		
a. Loans repayable on demand		
(i) From banks	4,691.76	4,221.67
b. Other Loans (Short term advances against Deposits)	1,500.00	-
	<u>6,191.76</u>	<u>4,221.67</u>
i) Working capital loans are secured by hypothecation of inventories both at factory and in transit, book debts and other receivables, both present and future. This are 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.		

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

- ii) The above loans carry varying rates of interests with the maximum rate of interest being 10.55% (As at 31<sup>st</sup> March 2022: 10.65%) per annum. The weighted average rate of interest of these loans is 9.22% (2021-22: 9.66%) per annum.
- iii) Other short term advances against deposits are obtained for workings capital purpose which carry rate of interests being 6.30%.

**As at**  
**31<sup>st</sup> March, 2023**                      **As at**  
**31<sup>st</sup> March, 2022**

### 18 (B) Lease liabilities - (Current)

Lease Liabilities	<b>104.14</b>	104.14
	<b>104.14</b>	104.14

- a) The above includes ₹ 13.51 lakhs of future lease commitment in respect of lease hold land from Government of Tamilnadu estimated on the basis of increase in guideline value (as indicated in the earlier lease agreement which expired as at 12<sup>th</sup> June 2020) accounted in compliance with Ind AS 116 - Leases, pending approval of application for renewal of lease submitted by the Company.
- b) Discounting borrowing rate adopted for fair valuation of future lease liabilities :-  
     - Lease hold Land - 11% pa  
     - Lease hold buildings - 10% pa

### 19. Trade payables

(i) Dues to Micro and Small Enterprises (Refer note 33B)	<b>271.51</b>	384.29
(ii) Dues to other than Micro and Small Enterprises	<b>8,984.67</b>	5,793.07
(iii) Dues to related parties	<b>1.53</b>	1.53
	<b>9,257.71</b>	6,178.89

### 19 (A) Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	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
<b>Trade payables</b>						
(i) MSME*	128.92	142.59	-	-	-	271.51
(ii) Others	4,977.80	4,005.40	1.00	-	2.00	8,986.20
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables</b>	<b>5,106.72</b>	<b>4,147.99</b>	<b>1.00</b>	<b>0.00</b>	<b>2.00</b>	<b>9,257.71</b>

\*The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### (B) Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	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
<b>Trade payables</b>						
(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	-	-	-	-	-	-
<b>Total trade payables</b>	<b>3,014.26</b>	<b>3,154.63</b>	<b>1.00</b>	<b>7.00</b>	<b>2.00</b>	<b>6,178.89</b>

\*The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>20. Other Current Financial Liabilities</b>		
Interest accrued	5.75	5.85
Unclaimed dividends *	352.79	207.74
Deposits	14.25	14.25
Other expenses	1,932.84	1,907.61
Others #	18.38	16.59
	<u>2,324.01</u>	<u>2,152.04</u>
* Amount to be credited to Investor Education and Protection Fund	Nil	Nil
# Represents payable to TPL Employee's Co-operative Thrift and Credit Society Ltd.		
<b>21. Provisions - (Current)</b>		
Provision for:		
(a) Employee Benefits		
(i) Gratuity	237.59	53.77
(ii) Compensated absences	182.93	157.78
(iii) Ex-gratia	236.84	223.13
(c) Provision for Litigated claims and statutory dues (Refer to note 33A)	710.04	824.69
	<u>1,367.43</u>	<u>1,259.37</u>
<b>22. Other Current Liabilities</b>		
Other Payables		
- Statutory dues	296.62	1,257.21
- Advances from Customers*	446.94	265.10
	<u>743.56</u>	<u>1,522.31</u>
*Includes advances received amounting to ₹ 185.24 lakhs (as at 31 <sup>st</sup> March, 2022 : Nil) pertaining to non-current assets held for sale.		
<b>23. Revenue from operations</b>		
Sale of products	214,659.54	180,214.53
Sale of services	3.11	1.97
Other operating revenues	362.46	341.74
<b>Total Revenue from Operations</b>	<u>215,025.11</u>	<u>180,558.24</u>
<b>Sale of products comprises</b>		
<b>a) Manufactured goods</b>		
- Linear Alkyl Benzene	168,356.52	142,980.94
- Propylene Oxide	18,663.20	17,442.11
- Caustic soda Lye	22,631.27	14,399.02
- Chlorine	25.15	640.61
- Others	4,983.39	4,751.86
	<u>214,659.54</u>	<u>180,214.53</u>
<b>b) Traded goods</b>		
- LAB	-	-
- Furnace Oil	-	-
<b>Total Sale of Products (A+B)</b>	<u>214,659.54</u>	<u>180,214.53</u>
<b>Sale of services comprise</b>		
Others	3.11	1.97
<b>Total - Sale of Services</b>	<u>3.11</u>	<u>1.97</u>



## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Other operating revenue comprises</b>		
Scrap sales	<u>362.46</u>	<u>341.74</u>
<b>Total - Other operating revenue</b>	<u>362.46</u>	<u>341.74</u>
<b>Basis on which the entity identifies the fulfilment of performance obligations</b>		
Upon Shipment (Ex-works)	<b>91,598.09</b>	36,255.55
Upon Delivery (FOR Sales)	<b>123,061.45</b>	143,958.98
Payment Terms (Generally between 0 and 30 days. Refer note 8 a )		
Reconciliation of the amount of revenue recognised in Statement of Profit & Loss with discount etc. given to customers		
Gross Revenue	<b>222,052.90</b>	188,475.28
Less : Discounts	<u>7,027.79</u>	<u>7,917.04</u>
	<u>215,025.11</u>	<u>180,558.24</u>
<b>Disaggregation of Revenue</b>		
<b>a) Revenue by Product Lines</b>		
- LAB	<b>168,356.52</b>	142,980.94
- Caustic Soda Lye	<b>22,631.27</b>	14,399.02
- Chlorine	<b>25.15</b>	640.61
- Propylene Oxide	<b>18,663.20</b>	17,442.11
- Others	<b>4,983.39</b>	4,751.86
	<u>214,659.54</u>	<u>180,214.53</u>
<b>b) Revenue by Geographical Region</b>		
- India	<b>214,659.54</b>	180,214.53
- Others	<u>-</u>	<u>-</u>
	<u>214,659.54</u>	<u>180,214.53</u>
<b>Revenue by timing of transfer of goods/services</b>		
At a point in time		
(i) Product line	<b>214,659.54</b>	180,214.53
(ii) Others	<b>365.57</b>	343.71
Over a period of time	<u>-</u>	<u>0.00</u>
<b>Total</b>	<u>215,025.11</u>	<u>180,558.24</u>
<b>24. Other income</b>		
Interest		
- From bank deposits	<b>1,248.99</b>	1,097.43
- From others	<b>73.92</b>	84.89
Profit on sale of assets	<b>200.09</b>	-
Insurance claim received	<b>14.91</b>	16.21
Provision no longer required written back	<b>249.50</b>	-
Others	<b>138.06</b>	75.24
	<u>1,925.47</u>	<u>1,278.77</u>

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>25. Cost of materials consumed</b>		
Opening stock	9,786.84	3,350.65
Add: Purchases	118,078.78	90,946.28
	<u>127,865.62</u>	<u>94,296.93</u>
Less: Closing Stock	9,419.75	9,786.84
Cost of material consumed	<u>122,874.47</u>	<u>84,510.09</u>
<b>Material consumed comprises:</b>		
- Kerosene	70,469.47	44,104.16
- Benzene	28,048.89	26,156.67
- Normal Paraffin	8,222.60	480.67
- Propylene	9,760.57	8,545.60
- Salt	3,213.34	2,112.12
- Others	3,159.59	3,110.87
	<u>122,874.47</u>	<u>84,510.09</u>
<b>26. Purchase of Stock-in-trade</b>		
Linear Alkyl Benzene	4,428.60	-
	<u>4,428.60</u>	<u>-</u>
<b>27. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Inventories at the end of the year</b>		
- Finished goods	4,771.91	1,500.59
- Work-in-progress	-	1,050.57
	<u>4,771.91</u>	<u>2,551.16</u>
<b>Inventories at the beginning of the year</b>		
- Finished goods	1,500.59	965.50
- Work-in-progress	1,050.57	1,751.87
	<u>2,551.16</u>	<u>2,717.37</u>
	<u>(2,220.75)</u>	<u>166.21</u>
<b>28. Employee benefits expense</b>		
Salaries and wages	3,698.07	3,170.23
Contributions to provident and other funds	301.40	274.96
Staff welfare expenses	591.91	660.78
	<u>4,591.38</u>	<u>4,105.97</u>
<b>29. Finance costs</b>		
Interest Expense on Borrowings	354.68	264.63
Interest Expense on Lease liability	138.17	82.42
Other Borrowing Costs*	181.83	129.93
Other interest costs#	5.09	102.64
	<u>679.77</u>	<u>579.62</u>

\*Includes charges incurred towards commitment charges, transaction charges and other bank charges.

# Includes charges incurred towards Interest on customs duty, Interest on Security Deposit and interest payable under the income tax.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>30. Depreciation /Amortization</b>		
Depreciation on property, plant and equipment (owned assets)	2,039.55	2,334.15
Depreciation on Right of Use-Assets (ROU)	<u>90.13</u>	<u>28.61</u>
	<b>2,129.68</b>	<b>2,362.76</b>
<b>31. Other expenses</b>		
Consumption of stores and spare parts	3,819.02	4,606.75
Utilities consumed	1,096.00	1,092.96
Power and fuel	43,896.43	35,285.67
Renewable Energy Purchase Obligation (RPO)	547.89	554.18
Rent including lease rentals (Refer Note No.39)	12.08	111.89
Repairs to buildings	610.38	496.60
Repairs to machinery	3,188.47	3,004.36
Payment to Auditors:		
- Towards audit fee	30.00	30.00
- For other services	1.58	1.20
Insurance	582.33	490.71
Rates and Taxes	140.05	206.68
Freight and forwarding	2,773.45	2,940.80
Net loss on foreign currency transactions (other than considered as finance cost)	-	0.15
Loss on fixed assets sold/scrapped	-	12.60
Bad debts written off	-	5.00
Referral Charges	13,413.38	16,252.70
Corporate Social Responsibility expense (Refer Note below)	300.00	191.69
Directors Remuneration*	44.00	40.00
Miscellaneous expenses	<u>2,097.10</u>	<u>1,636.26</u>
	<b>72,552.16</b>	<b>66,960.20</b>

\*Subject to approval at the AGM.

### 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 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
a) Amount required to be spent by the company during the year	300.00	191.69
b) Amount spent during the year on:		
i) Construction / acquisition of any asset	-	-
ii) For purposes other than (i) above	114.36	45.93
c) Shortfall at the end of the year*	185.64	145.76
d) Total of previous years shortfall	78.88	22.33
e) Reason for shortfall	<b>Pertains to ongoing projects</b>	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)	13.31	80.16
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 ₹ 185.64 lakh of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31<sup>st</sup> March, 2023 (31<sup>st</sup> March, 2022: ₹ 145.76 lakh). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the company within 30 days from end of financial year.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 32. Additional Disclosures:

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. Details of differences between quarterly returns or statements filed by the Company with such banks and other books of accounts on the respective dates are given below:

Particulars	Amount as per book of account	Amount as per Return submitted to Banks	Reported excess/ (shortage)	Remarks
	(A)	(B)	C= B-A	
<b>Trade Receivables</b>				Timing difference between accounts and data submitted to the bank
As at 30 <sup>th</sup> June 2022	13,719.38	12,417.61	(1,301.77)	
As at 30 <sup>th</sup> September 2022	16,893.01	16,562.03	(330.97)	
As at 31 <sup>st</sup> December 2022	14,626.81	14,256.48	(370.33)	
As at 31 <sup>st</sup> March 2023	13,886.42	13,874.64	(11.78)	
<b>Trade Payables</b>				
As at 30 <sup>th</sup> June 2022	6,772.74	4,085.11	(2,687.63)	
As at 30 <sup>th</sup> September 2022	6,777.01	5,514.48	(1,262.52)	
As at 31 <sup>st</sup> December 2022	5,969.28	5,243.17	(726.11)	
As at 31 <sup>st</sup> March 2023	9,257.71	8,186.41	(1,071.30)	
<b>Inventories</b>				
As at 30 <sup>th</sup> June 2022	13,008.23	10,557.47	(2,450.76)	
As at 30 <sup>th</sup> September 2022	12,263.01	11,799.16	(463.84)	
As at 31 <sup>st</sup> December 2022	14,573.44	14,063.54	(509.90)	
As at 31 <sup>st</sup> March 2023	16,793.55	16,321.60	(471.95)	

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>33. (A) Provision for litigated claims and statutory dues</b>		
<b>Opening Balance</b>	<b>5,346.79</b>	3,687.98
Additions*	<b>227.79</b>	1,658.81
Reversals/Utilised	-	-
<b>Closing Balance</b>	<b>5,574.58</b>	5,346.79
Non-Current Provision for Litigated claims	<b>4,864.54</b>	4,522.10
Current Provision for Litigated claims	<b>710.04</b>	824.69
	<b>5,574.58</b>	5,346.79

\*Provision made for litigations relating Electricity generation tax (principal amount), RPO and Interest on income tax demand.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 33. (B) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	271.51	384.29
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	-	-

### 34. 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	
	2022-23	2021-22
Contribution to provident fund recognised in profit and loss	161.29	139.16

#### 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 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Change in Defined Benefit Obligation (DBO) during the year:</b>		
<b>Present value DBO at the beginning of the year</b>	<b>1,250.34</b>	1,265.43
Service cost	79.30	68.30
Interest cost	76.52	74.80
Remeasurment(gain)/loss	178.68	(20.77)
Actuarial (gain)/loss arising from experience adjustments	-	-
Benefits paid	(200.97)	(137.42)
<b>Present value DBO at the end of the year</b>	<b>1,383.87</b>	1,250.34
<b>B. Change in fair value of plan assets during the year:</b>		
<b>Fair value of plan assets as at beginning of the year</b>	<b>1,196.57</b>	1,125.00
Expected return on planned assets	76.86	69.62
Contributions	111.67	114.09
Benefits paid	(194.93)	(136.37)
Re-measurement gain/(loss)	(43.89)	24.23
<b>Fair value of plan asset at the end of the year</b>	<b>1,146.29</b>	1,196.57

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>C. Amount recognised in the balance sheet</b>		
Present value DBO at the end of the year	1,383.87	1,250.34
Fair value of the plan assets at the end of the year	<u>1,146.29</u>	<u>1,196.57</u>
<b>(Liability) / Asset recognised in the Balance sheet - net</b>	<u>(237.59)</u>	<u>(53.77)</u>
<b>D. Components of employer expenses:</b>		
Current service cost	79.30	68.30
Interest cost/ (income) on net defined benefit obligation	<u>(0.34)</u>	<u>5.18</u>
<b>Expense recognised in Statement of Profit t and Loss</b>	<u>78.96</u>	<u>73.48</u>
<b>E. Re-measurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	43.89	(24.23)
Actuarial loss arising from changes in financial assumptions	<u>(29.42)</u>	<u>(22.09)</u>
Actuarial loss arising from changes in experience adjustments	208.10	1.31
<b>Re-measurements Expense/(Income) recognised as other comprehensive income</b>	<u>222.57</u>	<u>(45.01)</u>
<b>Total defined benefit cost recognised (D+E)</b>	<u>301.53</u>	<u>28.47</u>
	<b>Year ended</b>	
	<b>31<sup>st</sup> March, 2023</b>	
<b>F. Net defined benefit liability (asset) reconciliation</b>		
1. Net Defined Benefit Liability/(Asset) as at 31-Mar-2022	53.77	
2. Net Defined Benefit Cost for the period	301.53	
- Amount recognised in P&L account	78.96	
- Amount recognised as OCI	222.57	
3. Benefit payments made directly by the company	(6.04)	
4. Actual contributions by the company	<u>(111.67)</u>	
<b>Net Defined Benefit Liability/(Asset) as at 31-Mar-2022 - (1+2+3+4)</b>	<u>237.59</u>	
<b>G. Major categories of plan assets</b>		
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1. Insurer-managed funds	<u>1,146.29</u>	<u>1,196.57</u>
	<u>1,146.29</u>	<u>1,196.57</u>
<b>H. Expected cash flows for following year</b>		
	As at 31 <sup>st</sup> March, 2023	
Expected total benefit payments		
Year 1	247.52	
Year 2 to Year 5	879.98	
Year 6 to Year 10	398.06	
Year 11 to Year 15	247.34	
More than 15 Years	<u>249.26</u>	
Liability Duration in years (Weighted by discounted cash flows)	<u>5</u>	

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I. ASSUMPTIONS</b>		
The principal assumptions used for the purposes of the actuarial valuations are given below:		
Discount rate	7.15%	6.66%
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 Mortality modified Ult.		
<b>J. Sensitivity analysis - DBO at the end of the year</b>		
i. Discount +1%	1,384	1,199
ii. Discount -1%	1,329	1,307
iii. Escalation +1%	1,445	1,306
iv. Escalation -1%	1,328	1,199
v. Attrition : 25% increase	1,392	1,254
vi. Attrition : 25% decrease	1,374	1,246
<b>35. Contingent Liabilities and commitments (to the extent not provided for) (Ind AS 37)</b>		
<b>A. Contingent liabilities:</b>		
<b>a. Claims against the Company not acknowledged as debt</b>		
i) Sales Tax	1,634.15	1,731.25
ii) Excise Duty	70.85	70.85
iii) Service Tax	102.47	102.47
iv) Income Tax	2,007.38	2,065.06
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	444.95	6,130.48
The demand from TANGEDCO for ₹ 61.30 crores towards cross subsidy surcharge for alleged non-compliance under Rule 3 of the Electricity Rules, 2005 during the period 2014-15 to 2016-17 in respect of the Company's participation in Group Captive Scheme for procurement of power from private power producers is unlikely to fructify in the wake of one such private power producer having established compliance under the above said Rules as communicated by TANGEDCO vide their letter dated 13.05.2022 and thereby qualifying to be categorized as captive generating plant. TANGEDCO's response to the Company's representation for withdrawal of the above said demand for reasons stated above is awaited		
<b>B. Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	5,183.16	480.93
(b) Other commitments		
(i) towards Green Belt/CER-Corporate Environment responsibility	23.93	21.77
<b>C. Lease arrangements with the Government of Tamilnadu</b>		
The agreement entered with the Government of Tamilnadu in respect of leasehold land on which Propylene Oxide plant is operating expired on 12 <sup>th</sup> June 2020. Application for renewal of the lease for further period has been filed with the relevant authorities. In the meanwhile, the Company received a demand for payment of arrears of lease rent for the period 1 <sup>st</sup> July 1990- 30 <sup>th</sup> June 2020 to the tune of ₹ 9,224.33 lakhs from the Vattachiyer, Tiruvottiyur. Despite representation made by the company in this regard, in the absence of any response from the authorities as to the basis on which the above demand was		

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

raised, the management is of the view that the demand is arbitrary and devoid of any merit. The Company continues to make payment of the lease rent at contracted rates as per the earlier agreement with Government of Tamilnadu, in terms of the extant Government guidelines for lease of land for industrial purposes. Pending execution of the renewed lease agreement from 13<sup>th</sup> June 2020, the company has recognised Right of use of Assets (ROUA) on the indicative increase in lease rentals for a period of 30 years.

### 36. Details on derivative instruments and unhedged foreign currency exposures

- (i) Outstanding forward exchange contracts entered into by the Company as on 31<sup>st</sup> March, 2023 : 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	EUR	3,378	301,958.00
	USD	(41,536)	(31.48)

\*Figures in brackets are in respect of previous year

37. 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.,

### 38. 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 31<sup>st</sup> March 2023. The covenants are restricted to working capital facilities offered by the bankers.

#### Categories of financial instruments

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Financial assets</b>		
(i) Measured at Fair value through profit or loss (FVTPL):		
- Investments in equity instruments under Group Captive Scheme	700.74	138.58
(ii) Measured at Amortised cost		
- Cash and bank balances	21,895.55	22,939.45
- Security Deposits	1,475.35	2,120.03
- Other financial assets	13,886.42	11,205.54
(iii) Measured at Cost		
- Investments in Equity instruments in subsidiary	9,645.13	9,645.13
	<u>47,603.19</u>	<u>46,048.73</u>



## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### B. Financial liabilities

Measured at amortised cost

- Trade payables	<b>9,257.71</b>	6,178.89
- Borrowings	<b>6,191.76</b>	4,221.67
- Lease Liabilities	<b>1,433.42</b>	1,399.40
- Other financial liabilities	<b>2,503.91</b>	2,227.72
	<b><u>19,386.80</u></b>	<u>14,027.68</u>

### 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 31<sup>st</sup> March, 2023 is as follows:

	Total	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in equity instruments	700.74	-	-	700.74
	(138.58)	-	-	(138.58)

\*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
<b>a. Credit risk</b>	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>b. Market risk</b>			
<b>i. Foreign exchange</b>	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	"Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
<b>ii. Interest rate</b>	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
<b>c. Liquidity risk</b>	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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### a(i) Trade receivables

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

### a(ii) Financial Instruments and cash deposits

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

The Company has no exposure to credit risk relating to these cash deposits as at: 31<sup>st</sup> March 2023.

### b. Market Risk

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

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

#### b(i) Foreign currency risk management

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

#### b(ii) Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107. The Company at the end of March 2023, does not carry any loans with variable interest.

### c. Liquidity risk management

Liquidity Risk refers to the risk that the company cannot meet 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 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> year	Due in 3 <sup>rd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Total
<b>Year Ended 31-Mar-2023</b>					
<b>Non-derivative financial liabilities</b>					
- Trade payables	9,257.71	-	-	-	9,257.71
- Borrowings	6,191.76	-	-	-	6,191.76
- Lease liabilities	172.37	175.27	574.99	510.79	1,433.42
- Other financial liabilities	2,324.01	179.90	-	-	2,503.91
<b>Total</b>	<b>17,945.85</b>	<b>355.17</b>	<b>574.99</b>	<b>510.79</b>	<b>19,386.80</b>

**Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> year	Due in 3 <sup>rd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Total
<b>Year Ended 31-Mar-2022</b>					
<b>Non-derivative financial liabilities</b>					
- 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	2,152.04	75.68	-	-	2,227.72
<b>Total</b>	<b>12,681.81</b>	<b>197.21</b>	<b>321.50</b>	<b>827.16</b>	<b>14,027.68</b>

**39. Disclosure in respect of Related Parties pursuant to Ind AS 24**
**a) List of Related Parties:**
**A) Entities having Joint control of TPL**

- Southern Petrochemical Industries Corporation Limited (SPIC)
- Tamilnadu Industrial Development Corporation Limited (TIDCO)

**B) Subsidiaries**

- Certus Investment and Trading Limited (CITL), Mauritius
- Certus Investment and Trading (S) Private Limited, Singapore

**C) Associates of Joint Venturers**

- Manali Petrochemicals Limited
- Tuticorin Alkali Chemicals and Fertilizers Ltd.,
- AMCHEM Speciality Chemical Pvt. Ltd., Singapore

**D) Private company in which a Director or his relative is a Director or Member**

- AM Foundation

**E) Key Management Personnel**

- Shri. KT Vijayagopal, Whole Time Director (Finance) & Chief Financial Officer
- Shri. D Senthikumar, Whole Time Director (Operations)

**b) During the year the following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Lakh)

Sl.	Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>1</b>	<b>Dividend paid</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	457.03	380.86
	b) Tamilnadu Industrial Development Corporation Limited (TIDCO)	475.31	396.09
<b>2</b>	<b>Sale of Goods</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	2.75	62.52
	b) Manali Petrochemicals Limited	23,138.99	21,997.49
<b>3</b>	<b>Sale of services</b>		
	a) Manali Petrochemicals Limited	35.40	39.95
<b>4</b>	<b>Purchase of goods</b>		
	a) Manali Petrochemicals Limited	11,737.78	10,277.61
	b) Tuticorin Alkali Chemicals and Fertilizers Limited	30.66	27.26

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

(₹ in Lakh)

Sl.	Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>5</b>	<b>Services Availed</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	3.90	-
	b) Manali Petrochemicals Limited - Effluent Line Usage	197.37	15.73
	c) AMCHEM Speciality Chemicals Pvt Ltd, Singapore	403.36	297.68
	d) AM Foundation	25.31	80.16
<b>6</b>	<b>Reimbursement of expenses</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	-
	b) Manali Petrochemicals Limited	7.19	3.89
<b>7</b>	<b>Remuneration to Key Personnel is given below:</b>		
	a) Short term benefits	176.57	143.37
	b) Other benefits	8.88	6.30

### c) Outstanding Balances:

Sl.	Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>1</b>	<b>Trade Payables</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.74	0.74
	b) Manali Petrochemicals Limited	97.25	42.91
	c) Certus Investment & Trading Limited, Mauritius	1.53	1.53
<b>2</b>	<b>Trade Receivables</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	0.01
	b) Manali Petrochemicals Limited	1,722.06	2,094.76
<b>3</b>	<b>Deposits held with</b>		
	a) Manali Petrochemicals Limited	115.46	128.79

- i) 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.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 40. Accounting Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows :

Name of the Ratio	Numerator	Denominator	As at 31-Mar-2023	As at 31-Mar-2022	% Change	Remarks
Current ratio (in times)	Total current assets	Total current liabilities	2.9	3.4	-16%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.10	0.08	25%	Increase is due to increase in borrowings and Lease liabilities
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	22.8	51.8	-56%	Decrease is due to decrease in profit and increase in finance cost
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	12%	27%	-55%	Decrease is due to decrease in profit for the year.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	17.1	18.7	-8%	
Trade payables turnover ratio (in times)	Cost of purchase	Average trade payables	12.8	14.7	-13%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	5.8	6.2	-6%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	4%	9%	-56%	Decrease is due to decrease in profit for the year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	15%	30%	-51%	Decrease is due to decrease in profit for the year.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	-	-	-	

\* The Company does not have any term 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.

### 41. Disclosure of Transactions With Struck Off Companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

## Notes forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 42. Additional Regulatory Information required under Schedule III of Companies Act 2013

There are no transactions during the year in respect of following disclosure requirements under 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. Utilisation of borrowed funds & share premium
  - iii. Borrowings obtained on the basis of security of current assets
  - iv. Discrepancy in utilisation of borrowings
  - v. Current maturity of long-term borrowings

### 43. Additional Regulatory Information required under Schedule III of Companies Act 2013

During the year, the Company's wholly owned subsidiary, Certus Investment and Trading Ltd Mauritius, out of the Funds invested by Company in earlier years, extended loans aggregating to USD 2,500,000 to its subsidiary Certus Investment and Trading Pte Ltd Singapore, who in turn had extended unsecured loans to the extent of USD 17,500,000( including the amount received earlier from its parent) to third parties. These loans were extended at arm's length interest rates.

### 44. Earnings per share

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Profit after taxation (₹ In lacs)	8,931.50	17,063.78
Weighted number of equity shares outstanding	89,971,474	89,971,474
Basic and diluted earnings per share- (Face value – ₹10/- per share ) (in ₹)	9.93	18.97

### 45. Events after the reporting period

The Board of Directors have recommended a dividend of ₹ 1.50/- per share 15 (%) on 8,99,71,474 equity shares of ₹10/- each for the Financial Year 2022-23 subject to approval of Members at the Annual General Meeting.

### 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 23<sup>rd</sup> May, 2023.

### 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**

**Sriram Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole Time Director (Finance) & CFO

DIN:02341353

**D Senth Kumar**

Whole Time Director (Operations)

DIN:00202578

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**

Company Secretary

M.No. A31391



**CONSOLIDATED FINANCIAL STATEMENTS  
2022-23**

## 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 31<sup>st</sup> March 2023, 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 31<sup>st</sup> March 2023 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 Institute of Chartered Accountants of India ('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.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Accounting for legal and other contractual claims:	Our response
<p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the Group's processes and controls for monitoring of claims, litigations, disputes, compliance and assessment thereof for determining the likely outcome.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Obtained risk assessment of tax litigations from tax specialists to assess management's judgements and assumptions on such matters.</li> </ul>



Accounting for legal and other contractual claims:	Our response
	<ul style="list-style-type: none"> <li>• Read the minutes of the board meetings to determine the completeness of claims, disputes, and litigations.</li> <li>• Tested the adequacy of disclosures in the Consolidated Ind AS financial statements.</li> <li>• Also obtained necessary representation from the management with regard to the provisioning and disclosures in respect of the claims and litigations.</li> </ul>

**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 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

1. 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
2. We did not audit the financial statements of the above two subsidiaries whose consolidated financial statements reflect total assets of INR 15,439.58 lakhs as at 31<sup>st</sup> March, 2023 (PY: INR 13,771.24 lakhs), total revenue of INR 560.14 lakhs for the year ended on that date (PY: INR 526.61 lakhs), total net profit after tax of INR 488 lakhs (PY: INR 472 lakhs), net cash flows amounting to INR 801.61 lakhs (PY: INR 626 lakhs) 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 31<sup>st</sup> March 2023 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) a. 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. 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) other than those disclosed in the consolidated financial statements 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.
3. As proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the Holding Company with effect from April 1, 2023, reporting under clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 is not applicable for the year.

**For R.G.N.Price &Co.**  
Chartered Accountants  
Firm Regn. 002785 S

**Sriraam Alevoor M**  
Partner

Place: Chennai  
Date: 23<sup>rd</sup> May 2023

M. No. 221354  
UDIN:23221354BGXJLK6112

## 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 31<sup>st</sup> March 2023

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, 2023, 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").

### Auditor's 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, 2023, 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 Regn. 002785 S

**Sriraam Alevoor M**  
Partner

Place: Chennai  
Date: 23<sup>rd</sup> May 2023

M. No. 221354  
UDIN:23221354BGXJLK6112



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**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023**

All amounts are in ₹ lakh unless otherwise stated

ASSETS	Notes	As at	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	3A	24,020.06	25,477.71
b) Capital work-in-progress	3A	10,254.57	2,673.64
c) Investment Property	3B	-	20.68
d) Right of Use-Assets	3C	1,158.57	1,248.70
e) Financial assets			
i) Investments			
(a) Investment in subsidiaries	4A	-	-
(b) Other Investments	4B	700.74	138.58
ii) Other financial assets	5	1,405.10	2,048.65
f) Other non-current assets	6	567.01	451.12
<b>Total - Non-current assets (A)</b>		<b>38,106.04</b>	<b>32,059.07</b>
<b>Current assets</b>			
a) Inventories	7	16,793.64	14,258.14
b) Financial assets			
i) Trade Receivables	8	13,886.42	11,205.54
ii) Cash and Cash equivalents	9A	13,054.50	12,251.40
iii) Bank balances other than (ii) above	9B	24,277.98	24,455.22
iv) Other financial assets	10	734.85	722.20
c) Other Current assets	11A	2,542.76	1,979.67
d) Current Tax Assets (Net)	11B	1,204.36	1,062.98
<b>Total - Current assets (B)</b>		<b>72,494.51</b>	<b>65,935.15</b>
Non-Current asset held for sale (C)	12	81.27	100.00
<b>TOTAL ASSETS [(A) + (B)+(C)]</b>		<b>110,681.82</b>	<b>98,094.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	13	8,997.15	8,997.15
b) Other Equity	14	73,547.40	65,820.24
<b>Total - Equity (A)</b>		<b>82,544.55</b>	<b>74,817.39</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
a) Financial liabilities			
i) Lease Liabilities	15A	1,329.28	1,295.26
ii) Other financial liabilities	15B	179.91	75.69
b) Provisions	16	5,324.88	4,930.73
c) Deferred tax liabilities (net)	17	1,292.90	1,522.02
<b>Total - Non-current liabilities (B)</b>		<b>8,126.97</b>	<b>7,823.70</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	18A	6,191.76	4,221.67
(a) Lease liabilities	18B	104.14	104.14
ii) Trade payables	19		
- Total Outstanding dues of Micro & Small Enterprises		271.51	384.29
- Total Outstanding dues of creditors other than Micro & Small Enterprises		8,998.96	5,794.63
iii) Other financial liabilities	20	2,324.01	2,161.43
b) Provisions	21	1,376.36	1,264.67
c) Other current liabilities	22	743.56	1,522.31
<b>Total - Current liabilities (C)</b>		<b>20,010.30</b>	<b>15,453.13</b>
<b>Total liabilities [(B) + (C)]</b>		<b>28,137.27</b>	<b>23,276.83</b>
<b>TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]</b>		<b>110,681.82</b>	<b>98,094.23</b>
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****Sriram Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) &amp; CFO

DIN:02341353

**D Senth Kumar**

Whole-Time Director (Operations)

DIN:00202578

**Sangeetha Sekar**

Company Secretary

M.No. A31391

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Notes	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>INCOME</b>			
Revenue from operations	23	215,025.11	180,558.24
Other income	24	2,485.61	1,805.38
<b>TOTAL INCOME</b>		<b>217,510.72</b>	<b>182,363.62</b>
<b>EXPENSES</b>			
Cost of Materials consumed	25	122,874.47	84,510.09
Purchase of Stock-in-trade	26	4,428.60	-
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	27	(2,220.75)	166.21
Employee benefits expense	28	4,591.38	4,105.97
Finance costs	29	682.40	581.12
Depreciation / Amortization Costs	30	2,129.68	2,362.76
Other expenses	31	72,600.60	66,995.21
<b>TOTAL EXPENSE</b>		<b>205,086.37</b>	<b>158,721.36</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>12,424.35</b>	23,642.26
Exceptional items		-	-
<b>PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEMS</b>		<b>12,424.35</b>	<b>23,642.26</b>
<b>INCOME TAX EXPENSES</b>			
a) Current tax		3,235.03	6,425.07
b) Deferred tax	17	(229.12)	(392.56)
c) Provision for tax relating to prior years		-	72.76
<b>TOTAL TAX EXPENSE</b>		<b>3,005.91</b>	<b>6,105.27</b>
<b>PROFIT FOR THE YEAR</b>		<b>9,418.44</b>	<b>17,536.99</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>(i) Items that will not be reclassified to Profit or (Loss)</b>			
- Re-measurement of Defined Benefit Plan (Net)		(166.55)	33.68
<b>(ii) Items that will be reclassified to Profit or Loss</b>			
- Exchange differences in translating the financial statements of foreign operations		1,174.41	413.91
<b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>		<b>1,007.85</b>	<b>447.59</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>10,426.29</b>	<b>17,984.58</b>
Earnings Per Equity Share of ₹ 10 each (Previous year - ₹ 10 each)			
Basic and Diluted		10.47	19.49
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**

**Sriraam Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) & CFO

DIN:02341353

**D Senthil Kumar**

Whole-Time Director (Operations)

DIN:00202578

**Sangeetha Sekar**

Company Secretary

M.No. A31391

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Equity Share Capital</b>		
Balance as at the beginning of the year	8997.15	8997.15
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	8997.15	8997.15
Changes in equity share capital during the year	-	-
<b>Balance as at the end of the year</b>	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	
<b>Balance as at April 01, 2021*</b>	<b>15,888.35</b>	<b>4,611.57</b>	<b>29,096.57</b>	<b>(264.87)</b>	<b>753.45</b>	<b>50,085.07</b>
Profit for the year	-	-	17,536.99	-	-	17,536.99
Dividend on Equity Shares	-	-	(2,249.40)	-	-	(2,249.40)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	33.68	-	33.68
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	413.91	413.91
<b>Balance as at March 31, 2022</b>	<b>15,888.35</b>	<b>4,611.57</b>	<b>44,384.16</b>	<b>(231.19)</b>	<b>1,167.36</b>	<b>65,820.24</b>
<b>Balance as at April 01, 2022</b>	<b>15,888.35</b>	<b>4,611.57</b>	<b>44,384.16</b>	<b>(231.19)</b>	<b>1,167.36</b>	<b>65,820.24</b>
Profit for the year	-	-	9,418.44	-	-	9,418.44
Dividend on Equity Shares	-	-	(2,699.14)	-	-	(2,699.14)
Remeasurement of Defined Benefit Plan (Net)	-	-	-	(166.55)	1,174.41	1,007.85
<b>Balance as at March 31, 2023</b>	<b>15,888.35</b>	<b>4,611.57</b>	<b>51,103.46</b>	<b>(397.74)</b>	<b>2,341.77</b>	<b>73,547.40</b>

\* 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**

**Sriram Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) & CFO

DIN:02341353

**D Senth Kumar**

Whole-Time Director (Operations)

DIN:00202578

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**

Company Secretary

M.No. A31391

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>A CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax after exceptional items</b>	<b>12,424.35</b>	23,642.26
<u>Adjustments for:</u>		
Depreciation on Property, Plant and Equipment, ROU assets,	2,129.68	2,362.76
Profit on Sale of Property, Plant and Equipment	(200.09)	-
Loss on Property, Plant and Equipment sold/discarded,	-	12.60
Finance costs	682.40	581.12
Interest income	(1,883.05)	(1,708.93)
Provision no longer required written back	(44.05)	-
Employee benefit obligation	(222.57)	45.01
Exchange differences in translating the financial statements of foreign operations	1,174.41	413.94
	<u>1,636.72</u>	<u>1,706.50</u>
<b>Operating profit before working capital changes</b>	<b>14,061.07</b>	25,348.76
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(2,535.50)	(6,076.36)
Trade receivables	(2,636.83)	(3,091.85)
Other financial assets	646.36	(42.90)
Other assets	(368.01)	(171.47)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	3,091.55	1,903.07
Provision and other current liabilities	(272.94)	1,757.64
Other financial liabilities	121.75	1,179.06
	<u>(1,953.63)</u>	<u>(4,542.81)</u>
<b>Cash generated from operations</b>	<b>12,107.44</b>	20,805.95
Income Tax paid (Net of refunds)	<u>(3,370.10)</u>	<u>(9,635.45)</u>
<b>Net cash (used in) / generated from operating activities - (A)</b>	<b>8,737.34</b>	11,170.50
<b>B CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)	(8,478.49)	(4,001.14)
Proceeds from sale of Property, Plant and Equipment and Investment Property	293.96	0.93
Proceeds from Sale of Investments	17.90	-
Investments in / (Sale of) Equity shares	(580.05)	8.08
Proceeds/(Investment) in Fixed deposits with Bank	2,171.67	(6,935.41)
Interest received - others	1,867.58	1,569.79
Bank balances not considered as cash and cash equivalents	(1,994.43)	(201.98)
	<u>(6,701.86)</u>	<u>(9,559.73)</u>
<b>Net cash (used in) / generated from investing activities – (B)</b>	<b>(6,701.86)</b>	(9,559.73)



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>C CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	34.02	651.87
(Repayment) / Proceeds from Short-term borrowings	1,970.09	(152.49)
Finance costs	(682.40)	(581.12)
Dividends paid	<u>(2,554.09)</u>	<u>(2,156.44)</u>
	<u>(1,232.38)</u>	<u>(2,238.18)</u>
<b>Net cash (used in)/generated financing activities – C</b>	<u>(1,232.38)</u>	<u>(2,238.18)</u>
<b>Net increase/(decrease) in cash and cash equivalents – (A+B+C)</b>	<u>803.10</u>	<u>(627.41)</u>
Add: Cash and cash equivalents at the beginning of the year	12,251.40	12,878.81
<b>Cash and cash equivalents at the end of the year (Refer Note 9A)</b>	<u>13,054.50</u>	<u>12,251.40</u>
Net increase / (decrease) in cash and cash equivalents	<u>803.10</u>	<u>(627.41)</u>

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.

Figures in bracket represent cash out flows

The accompanying notes form an integral part of the financial statements

### Change in Liability arising from Financing Activities:

	1 <sup>st</sup> April, 2022	Cash flows	31 <sup>st</sup> March, 2023
Borrowing – Current (Refer Note 18 A)	<u>4,221.66</u>	<u>1,970.09</u>	<u>6,191.75</u>
	<u>4,221.66</u>	<u>1,970.09</u>	<u>6,191.75</u>
	1 <sup>st</sup> April, 2021	Cash flows	31 <sup>st</sup> March, 2022
Borrowing – Current (Refer Note 18 A)	<u>4,374.15</u>	<u>(152.49)</u>	<u>4,221.66</u>
	<u>4,374.15</u>	<u>(152.49)</u>	<u>4,221.66</u>

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**

**Sriraam Alevoor M**  
Partner  
M.No. 221354

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

**D Senthikumar**  
Whole-Time Director (Operations)  
DIN:00202578

Place : Chennai  
Date : 23<sup>rd</sup> May, 2023

**Sangeetha Sekar**  
Company Secretary  
M.No. A31391

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 %	31.03.2023 Audited
Certus Investment and Trading(S) Pvt. Ltd.*	Subsidiary	Singapore	100 %	31.03.2023 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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- 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

- It is expected to be settled in normal
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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 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

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.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 Recent Accounting Developments

"Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2023.

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its Standalone financial statements".

### 2.4 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;

The principal accounting policies are set out below:

### 2.5 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 from sale of goods or services is recognized when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

Revenue from sale of products is recognized when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (taxes collected on behalf of Government etc.).

Interest income is recognized using effective interest method. Dividend income is recognized at the time when the right to receive is established by the reporting date. Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

### 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.

## 2.6 Foreign currencies:

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

## 2.7 Borrowing costs:

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

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

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

## 2.8 Employee benefits

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

### 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.

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### 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.

## 2.9 Earnings per share:

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

## 2.10 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).

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 realise the assets and settle the liability simultaneously.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

- **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 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.

- **Current and deferred tax for the 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.

### 2.11 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 and Machinery - 5-25 years
- ii) Office Equipment - 3 years
- iii) Furniture & Fixtures - 5 years
- iv) Vehicles - 5 years

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All amounts are in ₹ Lakh unless otherwise stated

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.

### 2.12 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.



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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.

### 2.13 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.

### 2.14 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.

### 2.15 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

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All amounts are in ₹ Lakh unless otherwise stated

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.

### 2.16 Exceptional item:

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

### 2.17 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.

### 2.18 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.

### 2.19 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.

### 2.20 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):

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- 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.

### 2.21 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.

### 2.22 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.

### 2.23 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.

### 2.24 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.

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All amounts are in ₹ Lakh unless otherwise stated

### 2.25 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.

### 2.26 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 lifetime 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.

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All amounts are in ₹ Lakh unless otherwise stated

### 2.27 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.

### 2.28 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.<sup>2</sup>

### 2.29 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.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 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'.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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.

### 2.30 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.

### 2.31 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.

### 2.32 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 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>3A (a) Property, Plant and Equipment and Capital work-in-progress</b>		
Land	1,687.33	1,687.33
Buildings	388.57	400.80
Plant and Machinery	21,876.07	23,307.85
Furniture and Fixtures	11.85	5.19
Office Equipments	11.68	16.50
Vehicles	44.58	60.04
<b>Total</b>	<b>24,020.06</b>	<b>25,477.71</b>
<b>(b) Capital work-in-progress</b>		
<b>Total</b>	<b>10,254.57</b>	<b>2,673.64</b>

Gross Block	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	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)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>1,687.33</b>	<b>1,012.44</b>	<b>34,433.13</b>	<b>30.08</b>	<b>169.60</b>	<b>75.11</b>	<b>37,407.69</b>
Additions	-	57.08	547.69	8.52	23.07	-	636.36
Disposals	-	(1.57)	(265.74)	(1.10)	(11.52)	(0.34)	(280.27)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>1,687.33</b>	<b>1,067.95</b>	<b>34,715.08</b>	<b>37.50</b>	<b>181.15</b>	<b>74.77</b>	<b>37,763.78</b>

Accumulated Depreciation and Impairment	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	-	515.44	8,935.46	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	-	-	(9.78)	-	-	(2.87)	(12.65)
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>611.64</b>	<b>11,125.30</b>	<b>24.89</b>	<b>153.10</b>	<b>15.05</b>	<b>11,929.99</b>
Depreciation expense	-	69.31	1,858.97	1.86	27.91	15.14	1,973.19
Eliminated on disposals / Impairment	-	(1.57)	(145.26)	(1.10)	(11.54)	-	(159.47)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>679.38</b>	<b>12,839.01</b>	<b>25.65</b>	<b>169.47</b>	<b>30.19</b>	<b>13,743.71</b>
<b>Carrying amount at 31<sup>st</sup> March, 2023</b>	<b>1,687.33</b>	<b>388.57</b>	<b>21,876.07</b>	<b>11.85</b>	<b>11.68</b>	<b>44.58</b>	<b>24,020.06</b>
Carrying amount at 31 <sup>st</sup> March, 2022	1,687.33	400.80	23,307.83	5.19	16.50	60.06	25,477.71

### Notes:

- i) For Property, plant and equipment (PPE) given as securities against working capital facility refer Note no.18A.

Capital work-in-progress movement	Total
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>147.00</b>
Additions during the year	2,565.43
Capitalised during the year	(38.79)
<b>Balance at March 31, 2022</b>	<b>2,673.64</b>
Additions during the year	7,726.50
Capitalised during the year	(145.57)
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>10,254.57</b>

### Note:

- i) 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 ₹ 3,504.36 lakhs as of March 2023 (31<sup>st</sup> March 2022: ₹ 2,211.41 lakhs) and capital advance of ₹ 439.89 lakhs (31<sup>st</sup> March 2022: Nil)
- ii) CPP is converted from FO engine to Gas based engine and amount of ₹ 6,468.98 lakhs (31<sup>st</sup> March 2022: ₹ 4.73 lakhs) has already been incurred towards this.



## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

- iii) During the year, the Honourable HC of Madras, while disposing the common writ petitions by various land owners including TPL ( in respect of its land of 18 acres in Manali), in its order dated 19.9.2022 quashed the decision to take over such lands from the owners under the Urban Land Ceiling Act, 1972, on grounds that the Act itself having being repealed in 1999. Accordingly, the Company's unencumbered title to the land is established".

### 3A (b) Capital work-in-progress ageing

- (i) Ageing for capital work-in-progress as at March 31, 2023 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	7,838.44	2,416.13	-	-	10,254.57
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7,838.44</b>	<b>2,416.13</b>	<b>-</b>	<b>-</b>	<b>10,254.57</b>

- (ii) 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	-	-	-	-	-
<b>Total</b>	<b>2,673.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,673.64</b>

### 3B Investment Property

Freehold Land #	-	20.68
	-	20.68

#Land was sold for value of ₹ 120 lakhs during the year.

#### Freehold Land

Rental Income (A)	-	-
Direct operating expenses, that generated rental income. (B)	-	-
Direct operating expenses, that did not generated rental income. (C )	<b>1.93</b>	<b>8.98</b>
<b>Profit/(Loss) arising from Investment properties before depreciation and Indirect expenses (A)-(B)-(C )</b>	<b>(1.93)</b>	<b>(8.98)</b>
Depreciation (D)	-	-
<b>Profit/(Loss) arising from Investment properties after depreciation and Indirect expenses (A)-(B)-(C )-(D)</b>	<b>(1.93)</b>	<b>(8.98)</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>3C Right of Use-Asset</b>		
Right-of-Use Asset*	<u>1,158.57</u>	<u>1,248.70</u>
	<b>1,158.57</b>	<b>1,248.70</b>

Gross Block	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1 <sup>st</sup> April, 2021	690.55	-	690.55
- Additions	-	604.02	604.02
- Disposals	-	-	0.00
Opening balance as at 1 <sup>st</sup> April, 2022	690.55	604.02	1,294.57
- Additions	-	-	-
- Disposals	-	-	-
Balance at 31 <sup>st</sup> March, 2023	690.55	604.02	1,294.57

Accumulated Depreciation	Leasehold Land*	Leasehold Building	Total
Opening balance as at 1 <sup>st</sup> April, 2021	17.26	-	17.26
- Depreciation expense	23.02	5.59	28.61
- Disposals	-	-	-
Opening balance as at 1 <sup>st</sup> April, 2022	40.28	5.59	45.87
- Depreciation expense	23.02	67.11	90.13
- Disposals	-	-	-
Balance at 31 <sup>st</sup> March, 2023	63.30	72.71	136.00
Net book value as on 31 <sup>st</sup> March, 2023	627.25	531.31	1,158.57
Net book value as on 31 <sup>st</sup> March, 2022	650.27	598.43	1,248.70

\*Refer note no: 34 that deals with the dispute that is on going with Government of Tamilnadu with regard to lease rental for the land

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>4 Investments</b>		
<b>Non-current investments:</b>		
<b>Investments at Cost:</b>		
<b>(A) Other Investments: Unquoted</b>		
(a) Ushdev Engitech Limited 22,463 (31 <sup>st</sup> March 2022: 22,463) Equity Shares of ₹10 each fully paid up.	2.24	2.24
(b) Watsun Infrabuild Private Limited. 8,80,000 (31 <sup>st</sup> March 2022: 880,000) Equity shares of ₹10 each fully paid up	88.00	88.00
(c) OPG Power Generation Private Limited (31 <sup>st</sup> March 2022: 155,300 Equity shares of ₹10 each fully paid up).	-	17.86
(d) AM Foundation 1,600 (31 <sup>st</sup> March 2022: 1,600) Equity shares of ₹ 10 each fully paid up.	0.16	0.16
(e) IL&FS Financial Services Limited (31 <sup>st</sup> March 2022: 3,600) Units of ₹ 1/- each fully paid.	-	0.04
(f) Nagai Power Private Limited 133,440 (31 <sup>st</sup> March 2022: 133,440) Equity shares of ₹10 each fully paid up.	13.35	13.35
(g) Dalavaipuram Renewables Private Limited 58,00,548 (31 <sup>st</sup> March 2022: NIL) Equity shares of ₹10 each fully paid up.	580.05	0.00
<b>Total - Other investments (A)</b>	<u>683.81</u>	<u>121.65</u>
<b>(B) Other Investments: Unquoted - Fair value through profit and loss (FVTPL)</b>		
SEPC Power (Private) Limited 1,00,000 (31 <sup>st</sup> March 2022: 100,000) Equity shares of ₹10 each fully paid up.	16.93	16.93
<b>Total - Other investments (B)</b>	<u>16.93</u>	<u>16.93</u>
<b>Aggregate amount of unquoted investments (A+B)</b>	<u>700.74</u>	<u>138.58</u>
<b>5 Other financial assets</b>		
Security deposits*	<u>1,405.10</u>	2,048.65
	<u>1,405.10</u>	<u>2048.65</u>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>6 Other Non-Current assets</b>		
Capital advances	553.67	433.85
Others*	13.34	17.27
	<u>567.01</u>	<u>451.12</u>

\* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant and Leased Premises.

<b>7 Inventories</b>		
- Raw materials	9,419.75	5,358.24
- Work-in-progress	-	1,050.57
- Finished goods	4,771.91	1,500.59
- Goods in transit - Traded Goods	-	4,428.60
- Stores and spares	2,601.98	1,920.14
	<u>16,793.64</u>	<u>14,258.14</u>

i) Finished goods are valued at lower of cost and net realisable value and raw material, Stores and spares, Work-in-progress are valued at weighted average cost

ii) Inventories are given as securities against working capital facilities from banks (refer Note no.18A).

<b>8 Trade receivables</b>		
Considered good - Secured	-	-
Considered good - Unsecured	13,886.42	11,205.54
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	33.73	77.78
Impairment Allowance (Allowance for doubtful debts)	(33.73)	(77.78)
	<u>13,886.42</u>	<u>11,205.54</u>

Trade receivables are given as securities against working capital facilities from banks (refer Note no.18A).

### 8(A) Ageing for trade receivables – Non-Current outstanding as at March 31, 2023 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	13,864.47	22.74	-	30.42	2.52	-	13,920.15
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>13,864.47</b>	<b>22.74</b>	<b>-</b>	<b>30.42</b>	<b>2.52</b>	<b>-</b>	<b>13,920.15</b>
Less: Allowance for expected credit loss							(33.73)
<b>Total Trade Receivables</b>							<b>13,886.42</b>

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

**8(B) 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					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(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	-	-	-	-	-	-	-
<b>Total</b>	<b>10,952.00</b>	<b>283.32</b>	<b>13.00</b>	<b>30.00</b>	<b>2.00</b>	<b>3.00</b>	<b>11,283.32</b>
Less: Allowance for expected credit loss							(77.78)
<b>Total Trade Receivables</b>							<b>11,205.54</b>

	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>

**9(A) Cash and Cash equivalents**

Balances with Banks

- In current accounts	<b>13,052.64</b>	12,251.03
- Cash on hand	<b>1.86</b>	0.37
<b>Total (A)</b>	<b>13,054.50</b>	12,251.40

**9(B) Bank balances other than above**

Unspent CSR account	<b>78.88</b>	22.33
Margin money deposits	<b>2,578.51</b>	785.68
Unclaimed dividend account (Refer note 20)	<b>352.79</b>	207.74
Other Fixed deposits #	<b>21,267.80</b>	23,439.47
<b>Total (B)</b>	<b>24,277.98</b>	24,455.22
<b>Total Cash and Cash equivalents (A+B)</b>	<b>37,332.48</b>	36,706.62

# represents deposits with original maturity more than three months but less than twelve months.

**10 Other Financial Assets**

Security deposits	<b>70.25</b>	71.38
Interest accrued on Deposits	<b>664.60</b>	649.14
	<b>734.85</b>	722.20

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	<b>As at 31<sup>st</sup> March, 2023</b>	As at 31 <sup>st</sup> March, 2022
<b>11(A) Other Current assets</b>		
Advances given to Suppliers	1,534.86	263.04
Prepaid expenses	563.69	655.99
Balances with Government Authorities		
(i) GST Input Tax Credit	412.05	1,016.71
(ii) Balances with Customs, Sales tax and Excise Authorities	28.23	39.43
Others*	3.92	4.50
	<u>2,542.76</u>	<u>1,979.67</u>

\* Refers to unamortised portion of deposits paid for usage of Effluent Treatment Plant and Leased Premises.

<b>11(B) Current Tax Assets (Net)</b>		
Advance income tax (net of provision)	1,204.36	1,062.98
	<u>1,204.36</u>	<u>1,062.98</u>

<b>12 Asset held for Sale:</b>		
Plant & Machinery	81.27	100.00
	<u>81.27</u>	<u>100.00</u>

<b>13 Equity Share Capital</b>		
<b>Authorised Share capital :</b>		
200,000,000 (as at 31 <sup>st</sup> March 2022: 200,000,000) fully paid equity shares of ₹10 each.	20,000.00	20,000.00
<b>Issued</b>		
89,976,899 (as at 31 <sup>st</sup> March 2022: 89,976,899) equity shares of ₹10 each.	8,997.69	8,997.69
<b>Subscribed and fully paid up</b>		
89,971,474 (as at 31 <sup>st</sup> March 2022: 89,971,474) equity shares of ₹10 each.	<u>8,997.15</u>	<u>8,997.15</u>
	<u>8,997.15</u>	<u>8,997.15</u>

**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.

	<b>Number of shares</b>	<b>Amount</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>	89,971,474	8,997.15
Movements	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	89,971,474	8,997.15
Movements	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	89,971,474	8,997.15

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

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

**13.03 Details of shareholdings by the Promoters of the Group**

Promoter Name	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		% Change in the year
	No. of shares held	% of holding	No. of shares held	% of holding	
<b>Fully paid-up equity shares</b>					
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	-
<b>Total Promoters' shareholding outstanding</b>	<b>31,078,126</b>	<b>34.54</b>	31,078,126	34.54	-

**13.04 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Group**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Fully paid-up equity shares</b>				
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
<b>Total outstanding</b>	<b>31,078,126</b>	<b>34.54</b>	31,078,126	34.54

	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022

**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	51,103.46	44,384.16

**II. Other Comprehensive income**

D. Remeasurement of Defined Benefit Liabilities	(397.74)	(231.19)
E. Exchange Gain / (Loss) arising on translation of foreign operations	2,341.77	1,167.36
	<b>73,547.40</b>	<b>65,820.24</b>

**A. General reserve**

Balance at beginning of year	15,888.35	15,888.35
Movements	-	-
<b>Balance at end of year</b>	<b>15,888.35</b>	<b>15,888.35</b>

**B. Securities premium**

Balance at beginning of year	4,611.57	4,611.57
Movements	-	-
<b>Balance at end of year</b>	<b>4,611.57</b>	<b>4,611.57</b>

**C. Surplus in Statement of Profit and Loss**

Balance at beginning of year	44,384.16	29,096.57
(Add): Profit for the year	9,418.44	17,536.99
Less: Dividend (₹3.00 per share - 2021-22) (₹2.50 per share - 2020-21)	(2,699.14)	(2,249.40)
<b>Closing balance</b>	<b>51,103.46</b>	<b>44,384.16</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>D. Re-measurement of Defined Benefit Plan</b>		
Balance at beginning of year	(231.19)	(264.87)
Movements	<u>(166.55)</u>	<u>33.68</u>
<b>Closing balance</b>	<u>(397.74)</u>	<u>(231.19)</u>
<b>E. Exchange Gain / (Loss) arising on translation of foreign operations</b>		
Balance at beginning of year	1,167.36	753.45
Movements	<u>1,174.41</u>	<u>413.91</u>
<b>Closing balance</b>	<u>2,341.77</u>	<u>1,167.36</u>

### (B) Nature and purpose of reserves

- a. **General Reserve:** This Reserve is created by an appropriation from one component of equity generally surplus in statement of Profit and Loss (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 in earlier years 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:** It represent different between actuarial assumption on interest income on Plan asset and actuals, besides movement in plan liabilities due to changes in actuarial assumptions including experience adjustments.
  - 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.

### 15(A) Financial liabilities - (Non-Current)

Lease Liabilities	<u>1,329.28</u>	<u>1,295.26</u>
	<u>1,329.28</u>	<u>1,295.26</u>

- a) The above includes ₹ 850.32 lakhs of future lease commitment in respect of lease hold land from Government of Tamilnadu estimated on the basis of increase in guideline value (as indicated in the earlier lease agreement which expired as at 12<sup>th</sup> June 2020) accounted in compliance with Ind AS 116 - Leases, pending approval of application for renewal of lease submitted by the Company.
- b) Discounting borrowing rate adopted for fair valuation of future lease liabilities :-
  - Lease hold Land - 11% pa
  - Lease hold buildings - 10% pa



## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>15(B) Other financial liabilities (Non-Current)</b>		
Security deposit#	162.98	58.76
Other payables*	16.93	16.93
	<u>179.91</u>	<u>75.69</u>
*Other payable represents advance received against sale of equity interests (100000 equity shares) in SEPC Power (Private) Limited upon completion of power project.		
#Includes deposits received amounting to ₹ 71.00 lakhs (as at 31 <sup>st</sup> March, 2022 : Nil) pertaining to non-current assets held for sale .		
<b>16 Provisions (Non-Current)</b>		
<b>Provision for:</b>		
- Compensated absences	460.34	408.63
- Provision for Litigated claims and statutory dues (Refer to note 33A)	4,864.54	4,522.10
	<u>5,324.88</u>	<u>4,930.73</u>
<b>17 Deferred tax balances (Non-Current)</b>		
<b>(a) Deferred tax liabilities in relation to :</b>		
- Property, plant and equipment	2,799.43	2,820.83
	<u>2,799.43</u>	<u>2,820.83</u>
<b>(b) Deferred tax assets in relation to :</b>		
- Provision for Employee benefits allowed on payment basis	161.90	142.55
- Allowance for doubtful debts	8.49	19.58
- Expenses allowable on payment basis	1,266.96	1,174.62
- Provision for Lease Assets / (Liability) - Ind AS 116	69.18	(37.94)
	<u>1,506.53</u>	<u>1,298.81</u>
<b>(c) Deferred Tax Liability (net) (A+B)</b>	<u>1,292.90</u>	<u>1,522.02</u>
Opening	1,522.02	1,914.58
For the year	(229.12)	(392.56)
For the period based on effective tax rate method	(229.12)	(392.56)
Closing	<u>1,292.90</u>	<u>1,522.02</u>
<b>(d) Deferred tax liabilities (net)</b>	<u>1,292.90</u>	<u>1,522.02</u>
	<b>Year ended 31<sup>st</sup> March, 2023</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>
<b>17 (A) Reconciliation between book and taxable profits</b>		
Profit before Income Taxes	12,424.35	23,642.26
Indian statutory income tax rate	25.17%	25.17%
Computed Expected Tax Expense	3,127.21	5,950.76
<b>Tax effect of adjustments :</b>		
- Tax Effect of non deductible expenses	107.82	474.31
- Income Tax Expense	3,235.03	6,425.07
- Income Tax Expense for the year	3,235.03	6,425.07
- Tax Provisions relating to earlier years	-	72.76
Deferred tax	<u>(229.12)</u>	<u>(392.56)</u>
<b>Total income tax expense</b>	<u>3,005.91</u>	<u>6,105.27</u>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>17 (B) Tax expense recognised in Other Comprehensive Income</b>		
Deferred tax charge		
- (Gain)/Loss on remeasurement of net defined benefit plans	(56.02)	11.33
	<u>(56.02)</u>	<u>11.33</u>
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>18(A) Borrowings (Current)</b>		
<b>Secured Borrowings</b>		
a. Loans repayable on demand		
(i) From banks	4,691.76	4,221.67
b. Other Loans (Short term advances against Deposits)	1,500.00	-
	<u>6,191.76</u>	<u>4,221.67</u>
i) Working capital loans are secured by hypothecation of inventories both at factory and in transit, book debts and other receivables, both present and future. This are 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.		
ii) The above loans carry varying rates of interests with the maximum rate of interest being 10.55% (As at 31 <sup>st</sup> March 2022: 10.65%) per annum. The weighted average rate of interest of these loans is 9.22% (2021-22: 9.66%) per annum.		
iii) Other short tem advances against deposits are obtained for workings capital purpose which carry rate of interests being 6.30%.		
<b>18(B) Lease liabilities (Current)</b>		
Lease Liabilities	104.14	104.14
	<u>104.14</u>	<u>104.14</u>
a) The above includes ₹ 13.51 lakhs of future lease commitment in respect of lease hold land from Government of Tamilnadu estimated on the basis of increase in guideline value (as indicated in the earlier lease agreement which expired as at 12 <sup>th</sup> June 2020) accounted in compliance with Ind AS 116 - Leases, pending approval of application for renewal of lease submitted by the Company.		
b) Discounting borrowing rate adopted for fair valuation of future lease liabilities :-		
- Lease hold Land - 11% pa		
- Lease hold buildings - 10% pa		
<b>19 Trade payables</b>		
(i) Dues to Micro and Small Enterprises (Refer note 33B)	271.51	384.29
(ii) Dues to other than Micro and Small Enterprises	8,997.43	5,793.10
(iii) Dues to related parties	1.53	1.53
	<u>9,270.47</u>	<u>6,178.92</u>

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

**19(A) Ageing for trade payables outstanding as at March 31, 2023 is as follows:**

Particulars	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
<b>Trade payables</b>						
(i) MSME*	128.92	142.59	-	-	-	271.51
(ii) Others	4,977.80	4,018.16	1.00	-	2.00	8,998.96
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables</b>	<b>5,106.72</b>	<b>4,160.76</b>	<b>1.00</b>	<b>-</b>	<b>2.00</b>	<b>9,270.47</b>

\*The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**19(B) Ageing for trade payables outstanding as at March 31, 2022 is as follows:**

Particulars	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
<b>Trade payables</b>						
(i) MSME*	384.29	-	-	-	-	384.29
(ii) Others	2,629.97	3,154.66	1.00	7.00	2.00	5,794.63
(iii) Disputed dues – MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables</b>	<b>3,014.26</b>	<b>3,154.66</b>	<b>1.00</b>	<b>7.00</b>	<b>2.00</b>	<b>6,178.92</b>

\*The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>20 Other Financial Liabilities (Current)</b>		
Interest accrued	5.75	5.85
Unclaimed dividends *	352.79	207.74
Deposits	14.25	14.25
Other Expenses	1,932.84	1,917.00
Others #	18.38	16.59
	<b>2,324.01</b>	<b>2,161.43</b>
	<b>Nil</b>	<b>Nil</b>

\* Amount to be credited to Investor Education and Protection Fund

# Represents payable to TPL Employee's Co-operative Thrift and Credit Society Ltd

**21 Provisions (Current)**

Provision for:

(a) Employee Benefits		
(i) Gratuity	237.59	53.77
(ii) Compensated absences	182.93	157.78
(iii) Ex-gratia	236.84	223.13
(b) Provision for taxation (net of advance )	8.90	5.28
(c) Provision for Litigated claims and statutory dues (Refer to note 33A)	710.04	824.70
	<b>1,376.36</b>	<b>1,264.67</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>22 Other Current Liabilities</b>		
Other Payables		
- Statutory remittances due	296.62	1,257.21
- Advances from Customers*	<u>446.94</u>	<u>265.10</u>
	<u>743.56</u>	<u>1,522.31</u>

\*Includes advances received amounting to ₹ 185.24 lakhs (as at 31<sup>st</sup> March, 2022 : Nil) pertaining to non-current assets held for sale.

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>23. Revenue from operations</b>		
Sale of products	214,659.54	180,214.53
Sale of services	3.11	1.97
Other operating revenues	<u>362.46</u>	<u>341.74</u>
<b>Total Revenue from Operations</b>	<u>215,025.11</u>	<u>180,558.24</u>
<b>Sale of services comprise</b>		
Others	<u>3.11</u>	<u>1.97</u>
<b>Total - Sale of Services</b>	<u>3.11</u>	<u>1.97</u>
<b>Other operating revenue comprises</b>		
Scrap sales	<u>362.46</u>	<u>341.74</u>
<b>Total - Other operating revenue</b>	<u>362.46</u>	<u>341.74</u>
<b>Basis on which the entity identifies the fulfilment of performance obligations</b>		
Upon Shipment (Ex-works)	91,598.09	36,255.55
Upon Delivery (FOR Sales)	123,061.45	143,958.98

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

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

Gross Revenue	222,052.90	188,475.28
Less : Discounts	<u>7,027.79</u>	<u>7,917.04</u>
	<u>215,025.11</u>	<u>180,558.24</u>

### Disaggregation of Revenue

#### a) Revenue by Product Lines

- LAB	168,356.52	142,980.94
- Caustic Soda Lye	18,663.20	17,442.11
- Chlorine	22,631.27	14,399.02
- Propylene Oxide	25.15	640.61
- Others	<u>4,983.39</u>	<u>4,751.86</u>
	<u>214,659.54</u>	<u>180,214.53</u>

#### b) Revenue by Geographical Region

- India	214,659.54	180,214.53
- Others	-	-
	<u>214,659.54</u>	<u>180,214.53</u>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Revenue by timing of transfer of goods/services</b>		
At a point in time		
(i) Product line	214,659.54	180,214.53
(ii) Others	365.57	343.71
Over a period of time	-	-
	<u>215,025.11</u>	<u>180,558.24</u>
<b>24. Other income</b>		
Interest		
- From bank deposits	1,248.99	1,097.43
- From others	634.06	611.50
Profit on sale of assets	200.09	-
Insurance claim received	14.91	16.21
Provision no longer required written back	249.50	-
Others	138.06	75.24
	<u>2,485.61</u>	<u>1,805.38</u>
<b>25. Cost of materials consumed</b>		
Opening stock	9,786.84	9,786.84
Add: Purchases	118,078.78	84,510.09
	<u>127,865.62</u>	<u>94,296.93</u>
Less: Closing Stock	9,419.75	9,786.84
<b>Cost of material consumed</b>	<u>122,874.47</u>	<u>84,510.09</u>
<b>Material consumed comprises:</b>		
- Kerosene	70,469.47	44,104.16
- Benzene	28,048.89	26,156.67
- Normal Paraffin	8,222.60	480.67
- Propylene	9,760.57	8,545.60
- Salt	3,213.34	2,112.12
- others	3,159.59	3,110.87
	<u>122,874.47</u>	<u>84,510.09</u>
<b>26. Purchase of Stock-in-trade</b>		
Linear Alkyl Benzene	4,428.60	-
	<u>4,428.60</u>	<u>-</u>
<b>27. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Inventories at the end of the year</b>		
- Finished goods	4,771.91	1,500.59
- Work-in-progress	-	1,050.57
	<u>4,771.91</u>	<u>2,551.16</u>
<b>Inventories at the beginning of the year</b>		
- Finished goods	1,500.59	965.50
- Work-in-progress	1,050.57	1,751.87
	<u>2,551.16</u>	<u>2,717.37</u>
	<u>(2,220.75)</u>	<u>166.21</u>

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>28. Employee benefits expense</b>		
Salaries and wages	3,698.07	3,170.23
Contributions to provident and other funds	301.40	274.96
Staff welfare expenses	591.91	660.78
	<u>4,591.38</u>	<u>4,105.97</u>
<b>29. Finance costs</b>		
Interest Expense on Borrowings	354.68	182.19
Interest Expense on Lease liability	138.17	82.42
Other Borrowing Costs*	184.46	213.85
Other interest costs #	5.09	102.64
	<u>682.40</u>	<u>581.11</u>
*Includes charges incurred towards commitment charges, transaction charges and other bank charges.		
# Includes charges incurred towards Interest on customs duty, Interest on Security Deposit and interest payable under the income tax.		
<b>30. Depreciation /Amortization</b>		
Depreciation on property, plant and equipment (owned assets)	2,039.55	2,334.15
Depreciation on Right of Use-Assets	90.13	28.61
	<u>2,129.68</u>	<u>2,362.76</u>
<b>31. Other expenses</b>		
Consumption of stores and spare parts	3,819.02	4,606.75
Utilities consumed	1,096.00	1,092.96
Power and fuel	43,896.43	35,285.67
Renewable Energy Purchase Obligation (RPO)	547.89	554.18
Rent including lease rentals (Refer Note No.43)	12.08	111.89
Repairs to buildings	610.38	496.60
Repairs to machinery	3,188.47	3,004.36
Payment to Auditors:		
- Towards audit fee	30.00	30.00
- For other services	1.58	8.61
Insurance	582.33	490.71
Rates and Taxes	141.17	208.38
Freight and forwarding	2,773.45	2,940.80
Net loss on foreign currency transactions (other than considered as finance cost)	-	0.15
Loss on fixed assets sold/scrapped	-	12.60
Bad debts written off	-	5.00
Referral Charges	13,413.38	16,252.70
Corporate Social Responsibility expense (Refer Note below)	300.00	191.69
Directors Remuneration*	44.00	40.00
Miscellaneous expenses	2,144.41	1,662.16
	<u>72,600.60</u>	<u>66,995.21</u>

\*Subject to approval at the AGM.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
a) Amount required to be spent by the Group during the year	300.00	191.69
b) Amount of expenditure incurred		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	114.36	45.93
c) Shortfall at the end of the year*	185.64	145.76
d) Total of previous years shortfall	78.88	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)	13.31	80.16
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 ₹ 185.64 lakh of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31<sup>st</sup> March, 2023 (31<sup>st</sup> March, 2022: ₹ 145.76 lakh). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the Group within 30 days from end of financial year.

### 32 Additional Disclosures:

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. Details of differences between quarterly returns or statements filed by the Company with such banks and other books of accounts on the respective dates are given below:

Particulars	Amount as per book of account	Amount as per Return submitted to Banks	Reported excess/ (shortage)	Remarks
	(A)	(B)	C= B-A	
<b>Trade Receivables</b>				
As at 30 <sup>th</sup> June 2022	13,719.38	12,417.61	(1,301.77)	
As at 30 <sup>th</sup> September 2022	16,893.01	16,562.03	(330.97)	
As at 31 <sup>st</sup> December 2022	14,626.81	14,256.48	(370.33)	
As at 31 <sup>st</sup> March 2023	13,886.42	13,874.64	(11.78)	
<b>Trade Payables</b>				
As at 30 <sup>th</sup> June 2022	6,772.74	4,085.11	(2,687.63)	Timing difference between accounts and data submitted to the bank
As at 30 <sup>th</sup> September 2022	6,777.01	5,514.48	(1,262.52)	
As at 31 <sup>st</sup> December 2022	5,969.28	5,243.17	(726.11)	
As at 31 <sup>st</sup> March 2023	9,257.71	8,186.41	(1,071.30)	
<b>Inventories</b>				
As at 30 <sup>th</sup> June 2022	13,008.23	10,557.47	(2,450.76)	
As at 30 <sup>th</sup> September 2022	12,263.01	11,799.16	(463.84)	
As at 31 <sup>st</sup> December 2022	14,573.44	14,063.54	(509.90)	
As at 31 <sup>st</sup> March 2023	16,793.55	16,321.60	(471.95)	

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>33(A) Provison for litigated claims and statutory dues</b>		
Opening Balance	5,346.80	3,687.98
Additions*	227.78	1,658.82
Reversals/Utilised	-	-
<b>Closing Balance</b>	<b>5,574.58</b>	<b>5,346.80</b>
Non-Current Provision for Litigated claims and statutory dues (Refer to note 16)	4,864.54	4,522.10
Current Provision for Litigated claims (Refer to note 21)	710.04	824.70
	<b>5,574.58</b>	<b>5,346.80</b>

\*Provision made for litigations relating Electricity generation tax (principal amount), RPO and Interest on income tax demand.

	As at 31 <sup>st</sup> March, 20223	As at 31 <sup>st</sup> March, 2022
<b>33(B) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
a) The principal amount remaining unpaid to any supplier at the end of the year	271.51	384.29
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	-	-

### 34 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	
	2022-23	2021-22
Contribution to provident fund recognised in profit and loss	161.29	139.16

#### 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.



## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Change in Defined Benefit Obligation (DBO) during the year:</b>		
Present value DBO at the beginning of the year	1,250.34	1,265.43
Service cost	79.30	68.30
Interest cost	76.52	74.80
Remeasurement(gain)/loss	178.68	(20.77)
Actuarial (gain)/loss arising from experience adjustments	-	-
Benefits paid	<u>(200.97)</u>	<u>(137.42)</u>
<b>Present value DBO at the end of the year</b>	<b><u>1,383.87</u></b>	<b><u>1,250.34</u></b>
<b>B. Change in fair value of plan assets during the year:</b>		
Fair value of plan assets as at beginning of the year	1,196.57	1,125.00
Expected return on planned assets	76.86	69.62
Contributions	111.67	114.09
Benefits paid	(194.93)	(136.37)
Re-measurement gain/(loss)	<u>(43.89)</u>	<u>24.23</u>
<b>Fair value of plan asset at the end of the year</b>	<b><u>1,146.29</u></b>	<b><u>1,196.57</u></b>
<b>C. Amount recognised in the balance sheet</b>		
Present value DBO at the end of the year	1,383.87	1,250.34
Fair value of the plan assets at the end of the year	1,146.29	1,196.57
<b>(Liability) / Asset recognised in the Balance sheet - net</b>	<b><u>(237.59)</u></b>	<b><u>(53.77)</u></b>
<b>D. Components of employer expenses:</b>		
Current service cost	79.30	68.30
Interest cost/ (income) on net defined benefit obligation	<u>(0.34)</u>	<u>5.18</u>
<b>Expense recognised in Statement of Profit and Loss</b>	<b><u>78.96</u></b>	<b><u>73.48</u></b>
<b>E. Re-measurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	43.89	(24.23)
Actuarial loss arising from changes in financial assumptions	(29.42)	(22.09)
Actuarial loss arising from changes in experience adjustments	<u>208.10</u>	<u>1.31</u>
<b>Re-measurements Expense/(Income) recognised as other comprehensive income</b>	<b><u>222.57</u></b>	<b><u>(45.01)</u></b>
<b>Total defined benefit cost recognised (D+E)</b>	<b><u>301.53</u></b>	<b><u>28.47</u></b>
	<b>Year ended</b>	
	<b>31<sup>st</sup> March, 2023</b>	
<b>F. Net defined benefit liability (asset) reconciliation:</b>		
1. Net Defined Benefit Liability/(Asset) as at 31-Mar-2022	53.77	
2. Net Defined Benefit Cost for the period	301.53	
- Amount recognised in P&L account	78.96	
- Amount recognised as OCI	222.57	
3. Benefit payments made directly by the Group	(6.04)	
4. Actual contributions by the Group	<u>(111.67)</u>	
<b>Net Defined Benefit Liability/(Asset) as at 31-Mar-2023 - (1+2+3+4)</b>	<b><u>237.59</u></b>	

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### G. Major categories of plan assets:

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March, 2022
1. Insurer-managed funds	1,146.29	1,196.57
	<u>1,146.29</u>	<u>1,196.57</u>

### H. Expected cash flows for following year:

	As at 31 <sup>st</sup> March 2023
Expected total benefit payments	
Year 1	247.52
Year 2 to Year 5	879.98
Year 6 to Year 10	398.06
Year 11 to Year 15	247.34
More than 15 Years	249.26
Liability Duration in years (Weighted by discounted cash flows)	<u>5</u>

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March, 2022
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### I. ASSUMPTIONS

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

Discount rate	7.15%	6.66%
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 Morality modified ULT.

### J. Sensitivity analysis - DBO at the end of the year

i. Discount +1%	1,383.88	1,199.43
ii. Discount -1%	1,328.61	1,306.58
iii. Escalation +1%	1,444.50	1,305.98
iv. Escalation -1%	1,327.88	1,199.08
v. Attrition : 25% increase	1,391.96	1,253.73
vi. Attrition : 25% decrease	1,373.52	1,245.77

### 35. Contingent Liabilities and commitments (to the extent not provided for) (Ind AS 37)

#### A. Contingent liabilities:

##### a) Claims against the Company not acknowledged as debt

i) Sales Tax	1,634.15	1,731.25
ii) Excise Duty	70.85	70.85
iii) Service Tax	102.47	102.47
iv) Income Tax	2,007.38	2,065.06

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.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March, 2022
v) Cross Subsidy Charge under Group Captive Scheme	444.95	6,130.48

The demand from TANGEDCO for ₹ 61.30 crores towards cross subsidy surcharge for alleged non-compliance under Rule 3 of the Electricity Rules, 2005 during the period 2014-15 to 2016-17 in respect of the Company's participation in Group Captive Scheme for procurement of power from private power producers is unlikely to fructify in the wake of one such private power producer having established compliance under the above said Rules as communicated by TANGEDCO vide their letter dated 13.05.2022 and thereby qualifying to be categorized as captive generating plant. TANGEDCO's response to the Company's representation for withdrawal of the above said demand for reasons stated above is awaited.

### B. Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	5,183.16	480.93
(b) Other commitments		
(i) towards Green Belt/CER-Corporate Environment responsibility	23.93	21.77

### C. Lease arrangements with the Government of Tamilnadu

The agreement entered with the Government of Tamilnadu in respect of leasehold land on which Propylene Oxide plant is operating expired on 12<sup>th</sup> June 2020. Application for renewal of the lease for further period has been filed with the relevant authorities. In the meanwhile, the Company received a demand for payment of arrears of lease rent for the period 1<sup>st</sup> July 1990- 30<sup>th</sup> June 2020 to the tune of ₹ 9,224.33 lakhs from the Vattachiyer, Tiruvottiyur. Despite representation made by the Company in this regard, in the absence of any response from the authorities as to the basis on which the above demand was raised, the management is of the view that the demand is arbitrary and devoid of any merit. The Company continues to make payment of the lease rent at contracted rates as per the earlier agreement with Government of Tamilnadu, in terms of the extant Government guidelines for lease of land for industrial purposes. Pending execution of the renewed lease agreement from 13<sup>th</sup> June 2020, the company has recognised Right of use of Assets (ROUA) on the indicative increase in lease rentals for a period of 30 years.

### 36. Details on derivative instruments and unhedged foreign currency exposures

- (i) Outstanding forward exchange contracts entered into by the Group as on 31<sup>st</sup> March, 2023 : 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	EUR	3,378	301,958.00
	USD	(41,536)	(31.48)

\*Figures in brackets are in respect of previous year

37. 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.,

### 38. 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

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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 31<sup>st</sup> March 2023. The covenants are restricted to working capital facilities offered by the bankers.

Categories of financial instruments	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. Financial assets</b>		
(i) Measured at Fair value through profit or loss (FVTPL):		
- Investments in equity instruments under Group Captive Scheme	700.74	138.58
(ii) Measured at Amortised cost		
- Cash and bank balances	37,332.48	36,706.62
- Security Deposits	1,405.10	2,048.65
- Other financial assets	14,621.27	11,927.74
(iii) Measured at Cost		
- Investments in Equity instruments in subsidiaries	-	-
	<b>54,059.59</b>	<b>50,821.59</b>
<b>B. Financial liabilities</b>		
<b>Measured at amortised cost</b>		
- Trade payables	9,270.47	6,178.92
- Borrowings	6,191.76	4,221.67
- Lease Liabilities	1,433.42	1,399.40
- Other financial liabilities	2,503.91	2,237.12
	<b>19,399.57</b>	<b>14,037.11</b>

### 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 31<sup>st</sup> March, 2023 is as follows:

	Total	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in equity instruments	700.74	-	-	700.74
	(138.58)	-	-	(138.58)

\*Figures in brackets are in respect of previous year

### (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.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

Risk	Exposure arising from	Measurement	Management
<b>a. Credit risk</b>	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>b. Market risk</b>			
<b>i. Foreign exchange</b>	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
<b>ii. Interest rate</b>	Borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
<b>c. Liquidity risk</b>	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: 31<sup>st</sup> March 2023.

### 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.

#### (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

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

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 nor 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 meet 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 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> year	Due in 3 <sup>rd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Total
<b>Year Ended 31-Mar-2023</b>					
<b><u>Non-derivative financial liabilities</u></b>					
- Trade payables	9,270.47	-	-	-	9,270.47
- Borrowings	6,191.76	-	-	-	6,191.76
- Lease liabilities	172.37	174.14	574.99	511.92	1,433.42
- Other financial liabilities	2,486.98	16.93	-	-	2,503.91
<b>Total</b>	<b>18,121.59</b>	<b>191.07</b>	<b>574.99</b>	<b>511.92</b>	<b>19,399.57</b>

	Due in 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> year	Due in 3 <sup>rd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Total
<b>Year Ended 31-Mar-2022</b>					
<b><u>Non-derivative financial liabilities</u></b>					
- Trade payables	6,178.92	-	-	-	6,178.92
- Borrowings	4,221.67	-	-	-	4,221.67
- Lease liabilities	129.21	121.53	321.50	827.16	1,399.40
- Other financial liabilities	2,161.43	75.69	-	-	2,237.12
<b>Total</b>	<b>12,691.23</b>	<b>197.22</b>	<b>321.50</b>	<b>827.16</b>	<b>14,037.11</b>

### 39. Disclosure in respect of Related Parties pursuant to Ind AS 24

#### a) List of Related Parties:

##### A) Entities having Joint control of TPL

- Southern Petrochemical Industries Corporation Limited (SPIC)
- Tamilnadu Industrial Development Corporation Limited (TIDCO)

##### B) Associates of Joint Venturers

- Manali Petrochemicals Limited
- Tuticorin Alkali Chemicals and Fertilizers Ltd.,
- AMCHEM Speciality Chemical Pvt. Ltd., Singapore

##### C) Private company in which a Director or his relative is a Director or Member

- AM Foundation

##### D) Key Management Personnel

- Shri. KT Vijayagopal, Whole Time Director (Finance) & Chief Financial Officer
- Shri. D Senth Kumar, Whole Time Director (Operations)

**Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

All amounts are in ₹ Lakh unless otherwise stated

**b) During the year the following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Lakh)

Sl.	Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>1</b>	<b>Dividend paid</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	457.03	380.86
	b) Tamilnadu Industrial Development Corporation Limited (TIDCO)	475.31	396.09
<b>2</b>	<b>Sale of Goods</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	2.75	62.52
	b) Manali Petrochemicals limited	23,138.99	21,997.49
<b>3</b>	<b>Sale of services</b>		
	a) Manali Petrochemicals limited	35.40	39.95
<b>4</b>	<b>Purchase of goods</b>		
	a) Manali Petrochemicals limited	11,737.78	10,277.61
	b) Tuticorin Alkali Chemicals and Fertilizers Limited	30.66	27.26
<b>5</b>	<b>Services Availed</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	3.90	-
	b) Manali Petrochemicals limited - Effluent Line Usage	197.37	15.73
	c) AMCHEM Speciality Chemicals Pvt Ltd, Singapore	403.36	297.68
	d) AM Foundation	25.31	80.16
<b>6</b>	<b>Reimbursement of expenses</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	-
	b) Manali Petrochemicals limited	7.19	3.89
<b>7</b>	<b>Remuneration to Key Personnel is given below:</b>		
	a) Short term benefits	176.57	143.37
	b) Other benefits	8.88	6.30

**c) Outstanding Balances:**

Sl.	Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
<b>1</b>	<b>Trade Payables</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	0.74	0.74
	b) Manali Petrochemicals limited	97.25	42.91
<b>2</b>	<b>Trade Receivables</b>		
	a) Southern Petrochemical Industries Corporation Limited (SPIC)	-	0.01
	b) Manali Petrochemicals limited	1,722.06	2,094.76
<b>3</b>	<b>Deposits held with</b>		
	a) Manali Petrochemicals limited	115.46	128.79

- i) 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.

## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

40. 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 <sup>#</sup>		Share in TCI <sup>@</sup>	
	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
<b>Parent</b>								
Tamilnadu Petroproducts Limited	83.28%	76,772	94.83%	8,932	100.00%	(167)	84.07%	8,765
<b>Subsidiaries - Foreign</b>								
1 Certus Investments and Trading Limited, Mauritius	15.18%	13,991	4.58%	432	100.00%	1,174	15.41%	1,606
2 Certus Investments and Trading Limited, Singapore	1.55%	1,427	0.59%	55	-	-	0.53%	55
<b>Total</b>	<b>100%</b>	<b>92,190</b>	<b>100%</b>	<b>9,418</b>	<b>100%</b>	<b>1,008</b>	<b>100%</b>	<b>10,426</b>

\* Total Assets - Total Liabilities, # Other Comprehensive Income, @ Total Comprehensive Income.

### 41. 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.

### 42. Additional Regulatory Information required under Schedule III of Companies Act 2013

- (a) There are no transactions during the year in respect of following disclosure requirements under amended Schedule III:
- Crypto Currency or Virtual Currency
  - Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
  - Relating to borrowed funds:
    - Wilful defaulter
    - Current maturity of long-term borrowings
  - 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.
  - 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.

### 43. 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.

### 44. Earnings per share

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Profit after taxation (₹ In lakh)	9,418.44	17,536.99
Weighted number of equity shares outstanding	89,971,474	89,971,474
Basic and diluted earnings per share- (Face value – ₹ 10/- per share ) (in ₹)	10.47	19.49

### 45. Events after the reporting period

The Board of Directors have recommended a dividend of ₹ 1.50/- per share 15 (%) on 8,99,71,474 equity shares of ₹10/- each for the Financial Year 2022-23 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.





## Notes forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

All amounts are in ₹ Lakh unless otherwise stated

### 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 23<sup>rd</sup> May, 2023.

### 47. Previous Year's figures

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure.

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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**

**Sriraam Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) & CFO

DIN:02341353

**D Senth Kumar**

Whole-Time Director (Operations)

DIN:00202578

**Sangeetha Sekar**

Company Secretary

M.No. A31391

Place : Chennai

Date : 23<sup>rd</sup> May, 2023

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**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	
	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2023	
	₹ in lakh*	In USD (In Million)	₹ in lakh*	In USD (In Million)
Capital	16,787.87	20.42	1,541.85	1.88
Reserves	(1,255.42)	(1.53)	(114.53)	(0.14)
Total assets	15,546.16	18.91	1,435.26	1.75
Total liabilities	13.71	0.02	7.94	0.01
Investments	1,541.85	1.88	-	-
Turnover (including other income)	497.94	0.61	556.06	0.68
Profit / (Loss) before tax	394.22	0.56	54.78	0.08
Provision for taxation	13.37	0.02	6.15	0.01
Profit / (Loss) after tax	380.85	0.54	48.63	0.07
% of Shareholding	100%		100%	

\* Translated at exchange rate prevailing as on 31<sup>st</sup> March, 2023

1 USD = ₹ 82.2169

@ 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**

**Sriram Alevoor M**

Partner

M.No. 221354

**KT Vijayagopal**

Whole-Time Director (Finance) & CFO

DIN:02341353

**D Senthikumar**

Whole-Time Director (Operations)

DIN:00202578

**Sangeetha Sekar**

Company Secretary

M.No. A31391

Place : Chennai

Date : 23<sup>rd</sup> May, 2023







## FOR THE KIND ATTENTION OF SHAREHOLDERS

### For participation in AGM

- You can attend the AGM using your remote e-voting credentials.
- Once you login, 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 4:15 PM to 4.45 PM on the AGM day (26<sup>th</sup> September 2023).

- Please use Laptop/Desktop/iPad 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 Audio and 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.
- To register as a speaker at the meeting, please visit <https://investors.cameoindia.com>, the web portal of Cameo Corporate Services Limited, Registrar & Share Transfer Agent.
- Speaker Registration will be open from 9:00 AM on 18<sup>th</sup> September 2023 to 5:00 PM on 22<sup>nd</sup> September 2023.
- 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 login credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made thereunder.
- 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 2022-23 will not be available after 5:00 PM on 27<sup>th</sup> September 2023.

**Detailed information on the above are available in Pages 8 to 9 which may kindly be referred to. For any further details please contact the RTA**



## **TAMILNADU PETROPRODUCTS LIMITED**

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Manali, Chennai – 600 068

CIN:L23200TN1984PLC010931

E Mail: [secy-legal@tnpetro.com](mailto:secy-legal@tnpetro.com)

Website: [www.tnpetro.com](http://www.tnpetro.com)