Tamilnadu Petroproducts Limited

E-mail:secy-legal@tnpetro.com

SECY/189/2020

20th July, 2020

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

Listing Department,
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P J Tower,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 500777

Dear Sirs,

Sub: Disclosure of material impact of CoVID–19 pandemic
Ref: E-mail from NSE dated 08-07-2020

With reference to the E-mail cited, we wish to state that in terms of the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 a detailed note on the impact of the COVID-19 pandemic situation on the business of the Company was provided in the Audited Financial Results for the quarter and year ended 31st March 2020, submitted on 15th June 2020. The Company has also intimated the Stock Exchanges about the plants shutdown and restart from time to time.

Further to the above and as per the e-mail of NSE dated 8th July 2020 a further update note on the impact is enclosed for information which may be taken on record.

Thanking you,
Yours faithfully,
For Tamilnadu Petroproducts Limited

K Priya
Company Secretary
Encl.: As stated

Tamilnadu Petroproducts Limited

Note on material impact of COVID-19

a. Impact of the CoVID-19 pandemic on the business of the Company

The Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25th March 2020 to contain spread of COVID-I9 virus has posed many challenges. In compliance with the said directions, the operations of the plants of TPL were shut down on 25th March 2020. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of required manpower, closure/lock down production facilities, sales and profitability.

b. Restart and carrying on of operations

As intimated to the Stock Exchanges from time to time, operations of the Plants restarted in phases from the 2nd week of April 2020, duly following the Government guidelines. The facilities are being run adhering to the Standard Operating Procedures prescribed by Government from time to time and also the usual safety measures. Deployment of manpower is restricted to the stipulations of the Government and other guidelines such as social distancing, wearing of masks, temperature check, restriction on visitors, provision for hand-wash with sanitizers and disinfecting the plant areas are duly followed. Non-technical people are encouraged to work from home wherever possible.

c. Present impact of the pandemic on the operations

The sale of LAB being input for surfactant/disinfectant products was not materially impacted, but the off-take of caustic soda and Propylene Oxide, being industrial inputs have been significantly lower due to the end-use industries remaining shutdown for longer periods. The demand for these products are yet to recuperate fully and it is not certain how long the situation would continue. During the initial period of the lockdown, some issues were faced in the movement of goods, affecting delivery of products to customers, which eased subsequently.

As regards the supply chain, the Company during initial period of the lockdown, faced issues in procurement of key raw materials but the same have been sorted out and at present things are under control.

The Company has entered into contract for supply of its products to various customers. While the contract with detergent makers have not been affected, as stated earlier, in the case of industrial chemicals like, caustic soda, chlorine, propylene oxide, etc., off-take being dependent on the performance of the end-use industries like automotive, textile, etc. some of the customers have reduced their schedules, citing force majeure conditions. Hence the capacity utilization has been relatively lower.

The Company has not felt any impact on the capital and financial resources, at present. Also the liquidity position and the ability to service debt and other financing arrangements (which are only short term) have not been affected. However, due to the initial shut-down and lower sales, profitability, especially that of the HCD and PO divisions has been affected significantly.

As explained in the Note to the Audited Financial Results, the Company assessed recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventory and investments as at balance sheet date. It has been estimated the net carrying values of the said assets will be recovered at the values stated in the Financial Statements and hence no provisioning was deemed necessary. The Company also has evaluated the internal controls including internal controls with reference to financial statements which have been found to be operating effectively given that there have been no dilution of such controls due to factors caused by COVID 19 situation. The Internal Auditors and the Statutory Auditors too have tested and confirmed the same.



d. Estimation of the future impact of CoVID-19 on its operations

At present normalcy has not returned and there are no confirmed or reliable information as to how long it would take for the pandemic situation to subside. So, as explained in the Note to the Audited Results, it is not possible to reliably estimate of the future financial or operational effect of the situation on the Company's business. The impact assessment is a continuing process given the uncertainties associated with nature and duration of the current situation. The eventual impact may differ from what has been stated above. The Company will continue to closely monitor any material changes in the economic conditions and take appropriate actions as may be required. Company would continue to provide further updates, through the periodical financial results.

