



SECY/34th AGM/2019

6th August, 2019

**The Manager,
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

**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

Dear Sir,

Sub: Proceedings of the 34th Annual General Meeting of the Company

The 34th Annual General Meeting (AGM) of Tamilnadu Petroproducts Limited was held on Monday, 5th August 2019 at 3:00 pm at Rajah Annamalai Mandram, Esplanade Road (Opp. to High Court), Chennai – 600108.

The meeting was chaired by Mr. Ashwin C Muthiah, Vice Chairman and all the other Directors attended the meeting except Mr. N Muruganandam, IAS, Chairman and Dr. Aneesh Sekhar. S, IAS, Director who have intimated their inability to attend the meeting due to pre-occupation. The Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee were present at the meeting. The Auditors and Secretarial Auditors were also present at the meeting.

The meeting commenced at 3:00 PM and the necessary quorum was present throughout the meeting.

The Vice Chairman welcomed the shareholders and with the consent of the Members present, the Notice of the Meeting and the Financial Statements and other Reports were taken as read. The Vice Chairman then delivered his speech (copy enclosed).

The Vice Chairman thereafter proceeded to transact the business set out in the Agenda of the meeting. The Members were informed about the e-Voting facility made available prior to the meeting to vote on the resolutions and the facility available for those who have not availed the e-voting to cast their votes by ballot at the venue.



Regd. Office & Factory :

Post Box No. 9, Manali Express Highway, Manali, Chennai - 600 068. India.

Tel. : (0091) - 44 - 25945500 to 09 Telefax : 044-25945588

Website : www.tnpetro.com CIN : L23200TN1984PLC010931

TPL GSTIN : 33AAACT1295M1Z6



Four ballot boxes duly locked by the Scrutinizer were kept at the venue and Ballot papers were distributed to the Members.

Vice Chairman then invited queries from the Members and the same were answered by Vice Chairman and Whole-time Directors.

The following items were transacted as ordinary resolution at the meeting:

1. Adoption of Audited Standalone and Consolidated Financial Statements and other related Reports for the year 2018-19.
2. Declaration of a dividend for the year 2018-19.
3. Reappointment of Mr Ramesh Chand Meena, IAS (DIN:08009394) as a Director who retires by rotation.
4. Fixing of remuneration for Auditors till the end of their present term ending 2021-22.
5. Appointment of Mr N Muruganandam, IAS (DIN:00540135) as a Director of the Company.
6. Appointment of Dr Aneesh Sekhar. S, IAS (DIN:07887010) as a Director of the Company.
7. Appointment of Dr N Sundaradevan, IAS (Retd.) (DIN:00223399) as an Independent Director of the Company.
8. Appointment of Lt. Col. (Retd.) Shankar Chatapuram Swaminathan, (DIN:08397818) as an Independent Director of the Company.
9. Appointment of Mr. Govindarajan Dattatreyan Sharma (DIN: 08060285) as an Independent Director of the Company.
10. Appointment of Mr. Debendranath Sarangi, IAS (Retd.) (DIN: 01408349) as an Independent Director of the Company.
15. Ratification of the remuneration to the Cost Auditor for the year 2018-19.
16. Approval for the material related party transactions with Manali Petrochemicals Limited

The following items was transacted as a Special Resolution at the Meeting

11. Reappointment of Mr. Dhananjay N Mungale (DIN: 00007563) as an Independent Director for the second term.
12. Reappointment of Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director for the second term.
13. Reappointment and approval of remuneration of Mr. D Senthikumar (DIN: 00202578) as the Wholetime Director (Operations).
14. Reappointment and approval of remuneration of Mr. KT Vijayagopal (DIN: 02341353) as the Wholetime Director (Finance).



After completion of the casting of votes by the Members, the meeting concluded around 4.20 PM with a vote of thanks to the Chair.

M/s B Chandra & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for both e-voting and polling at the venue and their Report is awaited. The results will be announced to the Stock Exchanges, uploaded in the Website of the Company and CDSL on receipt of the report.

This is for your information please.

Thanking you,
Yours faithfully,

For Tamilnadu Petroproducts Limited



K Priya

Company Secretary

Encl: As stated

Ladies and Gentlemen,

It gives me a great pleasure to welcome you all to the 34th Annual General Meeting of your Company, on my behalf and on behalf of my colleagues on the Board.

The Annual Audited Financial Statements and other Reports for the year 2018-19 have been with you for some time now and with your permission, I shall consider the same as read.

Economic Scenario

The year 2018–19 started with a healthy 8.2 percent growth in the first quarter on the back of domestic strength but later subsided and it has been reported that the growth was only 6.8% against 7.2% in the previous year. The Report of the World Bank differs and mentions that the Indian GDP growth was 7.2%. In any case, India has been the fastest growing economy, in spite of the slippages. As per the Economic Survey released by the Government, the downfall had been across all sectors namely, agriculture, industrial and even services.

India's foreign exchange reserves has crossed US\$ 405 billion as of March 2019 according to the data from the RBI. India is ranked 77th in the World Bank's Ease of Doing Business Index 2018, moving up by 23 places, and the improvement has been phenomenal in the past few years.

The Indian rupee depreciated due to crude price increases, widening the Current Account Deficit. Though the fiscal deficit had been under control, the overall economic activities slowed down.

The scenario was no different at the global level,

registering 0.20% decline in the output from 3.8% in 2017 to 3.6% in 2018. Besides higher fuel prices, trade tensions and tariff war between the USA and China impacted almost all major economies.

Performance of the Company

You would be pleased to note that during the year under review, your Company registered a growth of about 15% in net revenue, despite the negative economic situation in the country as well as world-over.

The net revenue for the year under review was about Rs.1242crore Vis a Vis Rs.1082 crore in the previous year. It may also be noted that the growth was achieved, notwithstanding the huge variations in the crude prices and LAB Plant shut down for about 21 days in April 2018 for periodical maintenance. Both Linear Alkyl Benzene (LAB) and Chlor Alkali Divisions continued to be battered by uncontrolled imports into India, but these divisions managed to earn better margins through prudent inventory management, improved plant efficiency and other cost control measures.

I am happy to inform that during the year your Company completed the project for conversion of the erstwhile Ephichlorhydrin (ECH) division to make Propylene Oxide (PO). With this a loss making and non operational facility has been turned around to regain value for all the stakeholders.

Economic Outlook

As per the World Economic Outlook released by the World Bank in April 2019, the slowdown of Global economy is expected to continue and more than two

thirds of the countries are projected to face decline in Calendar Year 2019. The overall output growth for 2019 is estimated at 3.3%, about 8% lower than 2018. It has been stated that the second half of the year would muster better growth and the year 2020 at 3.6% might go back to the 2018 level.

India's growth for 2019 has been pegged at 7.2%, followed by 7.5% in 2020. The new Government has set a target to make India a US Dollar 5 trillion economy by 2025 and various steps have been outlined in the Budget to achieve this goal. Corporate Sector has been praised as the wealth and job creators for the nation. The Ease of Doing Business ranking has also been improving significantly and it is hoped that the business environment would prosper in the coming years. India is expected to be the third largest consumer economy and its consumption may triple to US \$ 4 trillion by 2025 owing to shift in consumer behaviour, expenditure pattern and improved disposable income. However, poor monsoon, the resultant water scarcity and grim world outlook may hamper the growth prospects.

Business Prospects

Your Company has established itself as a major player in the LAB market, despite stiff competition from overseas suppliers. TPL has been able to sustain its market share across India with a predominant role in southern part of India. The projected growth in consumption augurs well for the LAB activities as it caters to the consumables goods manufacturers.

Due to regulatory changes in the Europe and other countries, the erstwhile caustic soda capacities

with old technologies have been shut down and it may take some more time for the facilities to come up with new technology. This has brought down the import volumes into India, helping the Chlor Alkalis Division to improve its production as well as productivity.

The newly commissioned PO manufacturing facility has brought more opportunities to the Company, though availability of water could be an impediment to achieve higher capacity utilization.

As mentioned earlier in my address, India's march towards becoming a USD 5 trillion economy will touch upon each of our lives. Alongside India's strong political leadership, it is an opportunity for businesses like ours to be part of this growth journey. It will result in significant spending across the value chain – from infrastructure to manufacturing to consumer goods to household needs. I am sure this eco-system of growth and prosperity will catapult India to a stronger and one of the most attractive economies in the world. Let me assure you that your Company is prepared and will wholeheartedly participate in this growth journey and contribute to the nation's progress.

Dividend

Your Company had been one of the high-dividend paying companies for many years, but due to difficult business conditions and cash losses dividend could not be declared for some years. The operations have improved through various concerted actions and your Company's performance has improved significantly in the last couple of years.

It may be recalled that for the year 2017-18 a dividend of 5% was declared only as a gesture and reward to the shareholders for their unstinted support to the Company during tougher times. Though the Company is meeting all its long term requirements only out of internal generations and so may need to plough back the earnings, it has been viewed that the dividend rate could be increased further and accordingly your Directors have recommended a dividend of 10% for the year 2018-19.

Acknowledgement

Before I conclude, I would like to place on record my deepest appreciation of the tireless effort of all my colleagues past and present and the members on the Board for their able guidance and unwavering support over the years in lending their shoulder to build this organisation. I would also like to thank the Central and State governments, Financial Institutions, Banks and other statutory authorities for their continued support over the years. I also extend my gratitude to our vendors, esteemed customers and all other stakeholders for their continued support over the years. I also acknowledge the efforts, commitments, hard work and dedication of the employees of your Company to revive the business operations. And finally, a special word of thanks to you, our valued shareholders for your unstinted support and encouragement to us at all times.

We continue to remain committed to our shareholders value creation and thank you for your understanding and support.

Thank you Ladies and Gentlemen

*This does not purport to be the proceedings of the
34th Annual General Meeting of the Company.*



TAMILNADU PETROPRODUCTS LIMITED

CIN: L23200TN1984PLC010931

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CHAIRMAN'S SPEECH

**34th Annual General Meeting
on 5th August 2019**