



Tamilnadu Petroproducts Limited

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Phone No. 044-69185588

SECY/36th AGM/2021

30th September 2022

**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 Sirs:

Sub: Proceedings of the 37th Annual General Meeting of the Company

The 37th Annual General Meeting (AGM) of Tamilnadu Petroproducts Limited was held on Thursday, 29th September 2022 at 3:00 PM (IST) through Video Conference (“VC”) / Other Audio-Visual Means (“OAVM”). The meeting was held through the WebEx Platform facilitated by M/s Central Depository Services (India) Limited. The meeting was held in due compliance with the stipulations of the relevant Circulars of the MCA and SEBI.

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

The meeting was chaired by Mr.S.Krishnan, IAS, (DIN: 03439632) Chairman, and all the other Directors, including the Independent Directors attended the Meeting except Mr. Debendranath Sarangi (DIN: 01408349), Ms.Jayashree Muralidharan IAS, (DIN: 03048710) and Ms.R.Bhuvanewari (DIN: 06360681) who have intimated their inability to attend the meeting due to pre-occupation. Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholder’s Relationship Committee as also the Statutory Auditors and Secretarial Auditors were present at the meeting.

The Chairman called the meeting to order and welcomed the shareholders. The Notice of the Meeting and the Financial Statements were taken as read.

The Chairman then delivered his speech (copy enclosed).

The 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 remote e-voting to cast their votes during the meeting, which was open from the scheduled time of the meeting.



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Website : www.tnpetro.com CIN : L23200TN1984PLC010931

TPL GSTIN : 33AAACT1295M1Z6

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

- a. Adoption of Audited Standalone and Consolidated Financial Statements and other related Reports for the year 2021-22.
- b. Declaration of dividend for the year 2021-22.
- c. Reappointment of Mr. Ashwin C Muthiah, (DIN 00255679) as a Director retiring by rotation.
- d. Appointment of Auditors of the Company and fixing remuneration.
- e. Appointment of Mr. S. Krishnan, IAS, (DIN 03439632) as a Director of the Company under Section 160 of the Companies Act, 2013, not liable to retire by rotation.
- f. Appointment of Ms. Jayashree Muralidharan, IAS, (DIN 03048710) as a Director of the Company under Section 160 of the Companies Act, 2013, liable to retire by rotation.
- g. Ratification of the remuneration to the Cost Auditors for the year 2021-22.
- h. Prior approval for material-related party transactions, during October 2022 to September 2023.
- i. Approval of payment of remuneration to the Non-Executive Directors for the year 2021-22.
- j. Approval of renewal of appointment and increase in remuneration of Mr.D Senthikumar, (DIN 002025780), as the Whole-time Director (Operations).
- k. Approval of renewal of appointment and increase in remuneration of Mr. KT Vijayagopal (DIN 02341353), as the Whole-time Director (Finance).

The registered Speaker Shareholders had not joined the meeting. Chairman thanked the Members and other participants for their presence and declared the meeting as closed. The e-voting was kept open for a further five minutes to facilitate the Members to vote.

The Report of M/s B Chandra & Associates, Practicing Company Secretaries, the Scrutinizers for both remote e-voting and e-voting during the Meeting is awaited. The results will be announced to the Stock Exchanges, uploaded on the website of the Company and CDSL on receipt of the same.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For **Tamilnadu Petroproducts Limited**

Company Secretary
Encl.: As stated





TAMILNADU PETROPRODUCTS LIMITED
37th Annual General Meeting
29th September 2022 at 3.00 PM

Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 37th Annual General Meeting of your Company, on my behalf and behalf of my colleagues on the Board. Similar to the previous two years, this AGM is being hosted on a digital platform, bringing together the Members from far-off places to participate in the proceedings safely and conveniently.

The Annual Audited Financial Statements and other Reports for the year 2021-22 have already been circulated and I hope you have had the opportunity to have a look at the performance of the Company during the year under review.

Economic Scenario

When we met last year, the second wave of the COVID-19 pandemic was receding but subsequently, fresh waves engulfed the world with new variants. Of course, the impact had not been as severe on earlier occasions, mainly due to the vaccination programmes. WHO has recently declared that the end of the pandemic is in sight, but at the same time has cautioned governments to have plans for future surges, including the securing of supplies, equipment, and additional health workers.

When economies across the globe were returning to normalcy, the conflict between Russia and Ukraine in late Feb 2022, triggered geopolitical tensions and global risks. This led to a severe spike in crude prices, with the price of oil per barrel reaching a 15-year high, to more than 120 USD/bbl, as



against the average of USD 70 per barrel in 2021. Against this backdrop, since March 2022 inflation has peaked and forex reserves of several countries have also dwindled, due to which we are witnessing recession and economic downturn across the globe.

As per RBI's June 2022 Bulletin India's GDP growth rate was 8.7% for the year under review recovering from the previous year's negative growth. This indicates better momentum and increased economic activity.

Though India is primarily a domestic demand-driven economy, Forex reserves have been on the decline due to the weakening Rupee & high crude prices. Exports to developed economies have been impacted due to a slowdown in their spending.

Like other Petrochemical manufacturers, your company too has been witnessing margin erosions since Mar 2022, due to very high energy prices and the increased input costs which could not be passed on, so as to retain the market share.

Performance during the year

During the year under review, despite the intense second wave of the Pandemic & the consequent lockdowns imposed, overall demand for detergents remained robust. With rise in shipping costs, the price of imported LAB continued to be high. On account of this domestic market LAB prices held ground, contributing to improved realizations. Continuation of Anti-dumping



duty on LAB imports from nearby countries was another favorable factor for sustained higher prices.

Caustic Lye market and prices were also encouraging during the entire year ensuring stable realizations. In the case of the Propylene Oxide plant, we have achieved the highest ever production, recording full capacity utilization. These positive factors contributed to an increase in PBT by about 36% compared to FY 2020-21.

However, as stated previously, the onset of the Russia-Ukraine conflict in the last week of Feb 2022, a fresh outbreak of the pandemic and the reported lockdowns in some countries have impacted the input costs as well as demand, resulting in relatively lower margins.

Economic Outlook

International agencies have predicted a fall in the global output growth and uncertain times ahead both in 2022 and 2023. Global leading indicators point to weakening momentum and global purchasing indices are sliding and nearing contractionary territory. As per reports, mild recessions are expected to occur in the US and Europe in 2022 and into early 2023. To tackle inflation, the US Federal reserve system has already begun an aggressive monetary policy tightening. While European economies have been impacted, news reports suggest that China may escape recession but will experience weak growth in 2022 due to stricter COVID prevention measures, real estate crisis, and weakening external growth. Only a modest recovery is expected in 2023. As per



IMF- World Economic Outlook- Jul 2022, the forecast for global GDP growth is 3.2 % in 2022 and 2.9 % in 2023.

As per RBI's August 2022 Bulletin, India's real GDP growth for 2022-23, is projected at 7.2%, to be the best globally.

Prospects and Plans for TPL

Global LAB demand is set to grow at 4% CAGR through the next decade, in line with UNICEF's urge for countries to reach Sustainable Development Goal (SDG), which targets universal and equitable water, sanitation, and hygiene for all by 2030. With India emerging as the fastest-growing major economy in the world, demand for detergent products is expected to be robust thanks to multiple factors such as a doubling of the working population in the next decade, increased per capita income & improved spending on hygiene elements.

Your Company continues to be an important player in the Indian LAB market over the past 3 decades. We remain a key player of the Southern LAB market and also have a reasonable presence in other parts of the country. Due to the issues explained earlier, sustaining the profitability levels could be a real challenge. Imports, which were subdued during most part of the previous two years, has reached the pre-pandemic level and so has limited the opportunities for the Company to pass on the entire cost increases to the customers. Withdrawal of Anti-dumping duty on LAB imports from major exporting



countries like China and Singapore from April 2022 has added further pressure on the pricing front.

I am proud to announce that your company is the first LAB manufacturer in the world to get BIS certification in Mar 2022. However, the extension of time for the mandatory BIS certification to supply to the Indian market is another adverse factor, due to which imports are expected to continue to unsettle the domestic LAB market in India.

Notwithstanding these short & medium-term adverse factors, considering the projected growth for LAB market in India, your Company is working on augmenting the capacity to target 145 KTPA. Action is also in progress to revamp the HCD Unit capacity & to modernize it with energy-efficient bipolar electrolyzers. The projects await regulatory clearances and will be completed within 24 months once the approvals are in place.

Dividend

After a gap of five years, dividend payments restarted from FY 2017-18 and the rate has been increased year on year with due alignment with the financial performance and conditions. The Directors are of the view that the payout shall be sustainable even during difficult times. However, taking into consideration the significantly higher profits, your Directors have considered it apt to recommend an increased dividend of 30% for the year 2021-22 which is 20% more than the previous year's payout.

Acknowledgment



I would like to place on record my sincere appreciation for the contributions of all my colleagues on the Board, past, and present, and for their able guidance and steadfast support over the years. I would also like to thank the Central and State governments, Financial Institutions, Banks, our vendors, esteemed customers, and other stakeholders.

Let me acknowledge the hard work and dedication of the employees of your Company to sustain and improve its operations. Their commitment and support to make the most of the opportunities have been instrumental in achieving exemplary performance and it needs a special mention.

I wish to thank you, our valued shareholders for your unstinted support and encouragement to us at all times. I on behalf of the Board wish to assure you that through this support, our efforts to enhance value for all stakeholders would continue with due momentum.

Hope you stay safe and healthy and wish you all a great year ahead.

Thank you all Ladies and Gentlemen
