



SECY/33<sup>rd</sup> AGM/2018-19

8<sup>th</sup> August, 2018

**The Manager,  
Listing Department,  
BSE Limited**  
Corporate Relationship  
Department  
1<sup>st</sup> 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, 5<sup>th</sup> Floor,  
Plot No.C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East)  
**Mumbai – 400 051**  
**Scrip ID: TNPETRO**

Dear Sir,

**Sub: Proceedings of the 33<sup>rd</sup> Annual General Meeting of the Company**

The 33<sup>rd</sup> Annual General Meeting (AGM) of Tamilnadu Petroproducts Limited was held on Tuesday, 7<sup>th</sup> August 2018 at 11:00 a.m. at Rajah Annamalai Mandram, Esplanade Road (Opp. to High Court), Chennai – 600108.

The meeting was chaired by Mr. K Gnanadesikan, IAS, Chairman and all the other Directors attended the meeting except Mr. Dhananjay N Mungale, Director who had intimated his 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 11:00 AM and the necessary quorum was present throughout the meeting.

The 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 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 e-voting to cast their votes by ballot at the venue.



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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](http://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.

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

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 2017-18.
2. Declaration of a dividend for the year 2017-18.
3. Reappointment of Mr Ashwin C Muthiah (DIN:00255679) as a Director who retires by rotation.
4. Fixing remuneration to the Auditors of the Company for the year 2018-19.
5. Approval for appointment of Mr K Gnanadesikan I.A.S (DIN:00111798) as a Director under Section 160 of the Companies Act, 2013.
6. Approval for appointment of Mr Ramesh Chand Meena I.A.S (DIN:08009394) as a Director under Section 160 of the Companies Act, 2013.
7. Approval for appointment of Mr S Visakan I.A.S (DIN:06578414) as a Director under Section 160 of the Companies Act, 2013.
9. Ratification of the remuneration to the Cost Auditor for the year 2017-18.

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

8. Approval for increase in the remuneration of Mr D Senthikumar (DIN:00202578), Whole-Time Director (Operations) with effect from 1<sup>st</sup> April 2018.

After completion of the casting of votes by the Members, the meeting concluded around 12.45 PM with a vote of thanks to the Chair.

The Report of the Scrutinizer is awaited and the same will be submitted upon receipt.

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 33<sup>rd</sup> Annual General Meeting of your Company on my own behalf and on behalf of my colleagues on the Board.

The Annual Audited Financial Statements and other Reports of the Company for the year 2017-18 have been with you for some time now and with your permission, I shall consider the same as read.

### Economic Overview

The year 2017-18 witnessed slowdown in the first half as the businesses were adjusting to the new indirect tax regime, viz., Goods and Services Tax, implemented from the 1<sup>st</sup> of July 2017. Additionally, the banking sector suffering from protracted corporate debt overhang and increased Non Performing Assets (NPAs) dampened the private investments. The impacts were mitigated to some extent by the increased infrastructure investment by the Government and surge in private spending stimulated by the implementation of pay hikes for the government employees. From the 3<sup>rd</sup> quarter, signs of improvements could be seen, leaving behind the concerns of the impending GST implementation. In summary, the 2<sup>nd</sup> half of the year witnessed positive growth, but the overall GDP growth at 6.5% was the lowest in recent times, below the three year average of 7.3%. The slowdown in growth rate could also be attributed to the subdued growth both in agriculture and industrial sectors. At the sectoral level, agriculture, industry and services had growth rate of 3%, 4.8% and 8.3% respectively during 2017-18.

The contrast between the year under review (FY 2017-18) and the preceding year was that, 2017-18 had a slow beginning but improvements were seen in the later half. In 2016-17 the first two quarters witnessed sound growth but ended with subdued performance, attributed to the demonetization effected in November 2016.

### Performance of the Company

Though the overall economy witnessed slowdown, your Company registered a growth of about 18% in net revenue. The net revenue from operations for the year was Rs.1048.90 crore vis a vis Rs. 888.85 crore in the previous year.

I am happy to inform that Linear Alkyl Benzene (LAB) production in 2017-18 was the highest in the history of your Company. In spite of the crude prices continuing to be volatile, through better strategy and inventory management, your Company could achieve higher margins from LAB.

As regards the Chlor Alkali Division producing Caustic Soda, cheaper imports had been a major challenge for the past several years. However during the year under review, the European Union moving out of mercury cell technology reduced the imports into India, providing the domestic players an opportunity to earn reasonable prices for their products. This, coupled with improved plant efficiency helped in better performance of this division also.

With both the divisions registering impressive growth, profit before exceptional items and taxes for the year was Rs. 62.69 crore against Rs. 16.71 crore in the previous year, higher by about 2.75 times. The net profit for the year recorded a four-fold increase from Rs. 9.29 crore in 2016-17 to Rs. 46.71 crore in 2017-18.

### Economic Outlook

As the global economic activities continue to strengthen, overall growth is forecast at 3.9% during 2018 as per the World Economic Outlook released by the International Monetary Fund's (IMF). The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.5% during 2017. With the focus on rural economy in the budget for 2018-19, it is expected that the private consumption would improve in the coming years though services are expected to play a pivotal role in the Indian economic development.

Infrastructure spending increases, partly to improve public services and the various other measures taken by the Government including for addressing balance sheet weaknesses of the banks are expected to play a key role in the revival of the economy. This is evidenced by the enhanced tax collections and speeded up recovery process through the Insolvency and Bankruptcy Code.

Over the medium term, the GST is expected to propel the economic activities and fiscal sustainability by bringing the informal activities into the formal sector and expanding the tax base. The recent recapitalization package for public sector banks announced by the Government is expected to help rebuild the banking sector balance sheets, support credit to the private sector, and boost investment. The global trade recovery is also expected to encourage exports from India, though the tariff wars between major economic powers and the weakening of rupee could spell fresh troubles for the domestic production and consumption.



### **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 the South. Demand for detergents is expected to go up in the coming years with more rural and semi-urban households moving to higher use of detergents which would help the Company in further improving its LAB business.

Normal Paraffin (NP) de-bottlenecking project would be made fully operational in 2019-20. With the demand for LAB looking up, options to further increase the existing capacity and/or look at setting up new facilities in other locations including overseas are also explored.

The EU change over from mercury cell technology for chlor alkaline production could take a few more years to materialize and hence the threat from imports are expected to subside in the short term. Your Company plans to capitalize the opportunity by regaining its position in the Caustic market and explore new avenues to sustain and stabilize the improved performance.

The conversion of ECH facility to produce Propylene Oxide project is expected to be operational during the year 2018-19 upon which the caustic production would be further augmented and reap the benefits through higher production.

### **Dividend**

Your Company could not consider dividend pay-out for the past few years due to cash losses and has now turned around through concerted actions to improve productivity

and accomplish cost reductions. Now the time has come for further consolidation and taking up actions to augment the production through debottlenecking, expansion, etc. mentioned earlier, which would require extra capital outlay. While it might be desirable to preserve the resources for these proposals, your Directors have recommended a dividend of 5% for the year 2017-18, mainly to resume dividend payments and also reward the shareholders in a small way for their endurance and continued support.

### **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. And 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  
33<sup>rd</sup> Annual General Meeting of the Company*



## **TAMILNADU PETROPRODUCTS LIMITED**

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## **Chairman's Speech**

**33<sup>rd</sup> Annual General Meeting  
on 7<sup>th</sup> August 2018**