



Tamilnadu Petroproducts Limited

Email: secy-legal@tnpetro.com

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30th March 2021

The General Manager
Listing Department
BSE Limited
Corporate Relations Department
1st 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, 5th Floor
Plot No: C/1 'C' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051
Scrip ID / Symbol: TNPETRO

Dear Sir,

Sub: Company Updates- Board approval for new projects

The Board of Directors of the Company at the meeting held on 29th March 2021, has approved the following proposals

a) Augmentation of capacity of Linear Alkyl Benzene (LAB) Plant

The capacity would be increased from the existing 120 KTA of which about 90% is utilized at present, to 145 KTA at an estimated cost of Rs. 240 crore. Post regulatory approvals, the project is expected to be completed in about 24 months.

b) Modernization of HCD Plant

The Caustic Soda unit of the HCD plant is proposed to be revamped at an estimated cost of Rs. 165 crore by replacing the mono-polar membrane technology with a more advanced world-class bipolar membrane technology. The per day capacity is expected to be increased from 150 TPD to 250 TPD and would be completed in about 18 months of statutory clearances. At present the average capacity utilization of the HCD plant is about 90%.

c) Setting up a Propylene Recovery Unit

The project with an initial capacity of about 21 KTPA would be implemented at an estimated cost of about Rs. 30 crore and cater to the feedstock requirements of the PO Plant. The surplus production would be sold in the domestic or global market, based on market conditions. The implementation period would be 12-18 months upon receipt of regulatory approvals.

The aforesaid projects are aimed to improve the share of TPL in the domestic market for LAB and Caustic Soda, demand for which is expected to grow by about 4% per annum in the coming years.



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





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A significant portion of the funding requirements of above plans would be met from internal accruals and the remaining through borrowing. The ratio of borrowing would be decided based on the cash flow during the implementation period, which as indicated above is spread over 12 to 24 months post regulatory approvals.

A media release on the above is also attached.

We request you to kindly take the above on record.

For **Tamilnadu Petroproducts Limited**

J. Meenakshi

Meenakshi Jayaraman
Company Secretary
Encl.: As stated



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TPL to invest Rs.435 crore to expand production facilities

30 March 2021/Chennai:

Chennai based Tamilnadu Petroproducts Limited (TPL), a member of the Petrochemicals arm of AM International Group is embarking on wide-ranging expansion and modernisation plans, which include:

- ❖ Capacity augmentation of LAB division,
- ❖ Revamp of caustic soda facilities and
- ❖ Setting up a Propylene Recovery Unit (PRU)

Under the above plans, the LAB capacity would be increased from 120,000 TPA to 145,000 TPA at an estimated cost of about Rs. 240 crore. The project would be commissioned in about 24 months, post regulatory approvals.

For the HCD, the Company will invest Rs. 165 crore to modernise the caustic soda and chlorine unit by replacing the mono-polar membrane technology with a more advanced world-class bipolar membrane technology. On completion in about 18 months after approvals, the production capacity for Caustic Soda will go up to 250 tonnes per day from the current 150 tonnes. At the present price levels, additional revenue of about 70% is expected from the project, with improved/higher value addition.

The Propylene Recovery Unit (PRU), first of its kind in India by a private sector player in the non-refining sector would involve an outlay of about Rs. 30 crore. This will be set up in the same PO manufacturing complex, saving significant trucking and energy costs. Propylene, a bulk chemical intermediate, is the raw material for Propylene Oxide and is derived from LPG. TPL is in advanced talks with various domestic and international vendors for LPG for this project. The project, technology of which has been developed in-house by the company's R&D team of engineers and environmental scientists, will be implemented in about 12-18 months, post approvals.

In adherence to the Group philosophy of optimum leverage, a significant part of the expansion will be funded via internal resources and the remaining through other sources.

Mr. Ashwin Muthiah, Vice-Chairman, TPL & Founding Chairman, AM International said, "TPL will be the first Indian non-refining company in the private sector to build a propylene recovery unit plant. It shows our commitment to bring manufacturing efficiencies by continuous upgrading and introducing state-of-art technology solutions. It is in line with our group philosophy to maximise margins by introducing process efficiency and value additions.



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Post COVID-19, in line with the government's vision of Atmanirbhar Bharat, building domestic capabilities will be a crucial goal for us. The expansion is in line with our group, AM International's vision of ensuring our manufacturing assets meet the best environmental, health and safety standards."

Mr M Ravi, Group CEO, Petrochemicals, AM International said, "The projects would make the country self-reliant in this segment by meeting the domestic demand. It is our way of ensuring that our manufacturing prowess supports the "Vocal for Local" mission."

TPL is a three-decade old Liner Alkaline Benzene (LAB) manufacturer and has facilities for production of Heavy Chemicals and Propylene Oxide also.

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Template of the company + website address

For Media queries:

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