



# Tamilnadu Petroproducts Limited

SECY/36<sup>th</sup> AGM/2021

E-mail: [secy-legal@tnpetro.com](mailto:secy-legal@tnpetro.com)  
16<sup>th</sup> September 2021

**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 Sirs:

**Sub: Proceedings of the 36<sup>th</sup> Annual General Meeting of the Company**

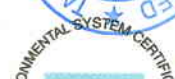
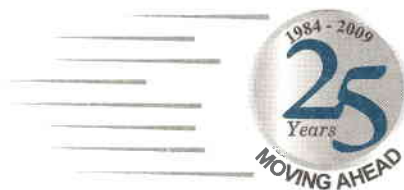
The 36<sup>th</sup> Annual General Meeting (AGM) of Tamilnadu Petroproducts Limited was held on Wednesday, 15<sup>th</sup> September 2021 at 2:00 PM (IST) through Video Conference (“VC”) / Other Audio-Visual Means (“OAVM”). The meeting was held through the WebEx Platform facilitated by M/s Central Depository 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 2:00 PM and the necessary quorum was present throughout the meeting.

Mr. N. Muruganandam, IAS, (DIN: 00540135) Chairman, could not be present due to other Government engagements and Mr. Ashwin C Muthiah, (DIN:00255679) Vice Chairman was elected by the Members present as Chairman of the meeting. All the other Directors, including the Independent Directors attended the Meeting except Mr. C S Shankar (DIN: 08397818) and Mr. Dhananjay N Mungale (DIN: 00007563) who had 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 Vice Chairman called the meeting to order and welcomed the shareholders. The Notice of the Meeting and the Financial Statements 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 e-voting during the meeting which was open from the scheduled time of the meeting.



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TPL GSTIN : 33AACT1295M126

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As proposed in the Notice of the meeting, the following items were transacted at the meeting by way of ordinary resolutions:

- a. Adoption of Audited Standalone and Consolidated Financial Statements and other related Reports for the year 2020-21.
- b. Declaration of dividend for the year 2020-21.
- c. Reappointment of Mr. KT Vijayagopal, (DIN 02341353) as a Director retiring by rotation.
- d. Appointment of Mr. N. Muruganandam, IAS, (DIN 00540135) as a Director of the Company under Section 160 of the Companies Act, 2013, not liable to retire by rotation.
- e. Appointment of Mr. Pankaj Kumar Bansal, IAS, (DIN 05197128) as a Director of the Company under Section 160 of the Companies Act, 2013, liable to retire by rotation.
- f. Appointment of Ms. R. Bhuvaneshwari, (DIN 06360681) 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 2020-21.
- h. Approval for transactions with Manali Petrochemicals Limited, a related party, under Regulation 23 (4) of the SEBI (LODR) Regulations, 2015.

The shareholder who had registered was invited to speak and Vice Chairman responded to the views and suggestions of the Member.

After completing the above, Vice Chairman thanked the Members and other participants for their presence. The meeting was declared as closed around 2:30 PM and the facility to vote was made available for a further five minutes.

M/s B Chandra & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizers for both remote e-voting and e-voting during the meeting. Their report is awaited and the results will be announced to the Stock Exchanges and uploaded on the Website of the Company and CDSL on receipt of the report.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,  
For **Tamilnadu Petroproducts Limited**

*J. Meenakshi*

**Meenakshi Jayaraman**  
**Company Secretary**  
Encl.: As stated





**TAMILNADU PETROPRODUCTS LIMITED**

**36<sup>th</sup> Annual General Meeting**

**15<sup>th</sup> September 2021 at 2 PM**

**Speech by**

**Mr. Ashwin C Muthiah**

**Vice- Chairman**

***Ladies and Gentlemen,***

It gives me great pleasure to welcome you all to the 36<sup>th</sup> Annual General Meeting of your Company, on my behalf and behalf of my colleagues on the Board. As in last year, we are meeting virtually, 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 2020-21 have already been circulated to you and with your permission, I shall consider the same as read.

**Economic Scenario**

When we met last year, the first wave of the pandemic appeared to be receding and confidence was slowly building up. However, the 2<sup>nd</sup> wave had been more severe, and people were to some extent caught unawares. As in the past, we saw resiliency and this time could manage with moderate restrictions on economic activities. However, during the initial phase of this wave, afflictions had been more, than during the first wave.

In this backdrop, the year witnessed the worst ever collapse of economies across the globe. Except for China, world output contracted in all countries including the advanced economies. As per the World Economic Outlook report, the reduction in output in 2020 was 3.6%.



During the fiscal 2020-21, India recorded reduction of 8%, with the first quarter logging the most severe fall of more than 24%. Headline inflation remained high for the most part of the year, driven by supply chain disruptions due to the pandemic and spike in key food prices. However, with the easing of restrictions, a revival was seen from the second quarter. In fact, as per the Government reports, V-shaped recovery could be seen.

On the positive side, an all-time high was achieved in the forex reserves and first time in 17 years, current account surplus was recorded. The exchange rates also, by and large, remained stable, of course, the RBI intervening from time to time to ensure this.

The manufacturing sector recovered more quickly but the service sector, mainly tourism and related activities is still facing difficulties. It has affected the marginalized sections of the population, prompting the Governments to increase their social sector expenditure in the form of free rations, doles, and other aids, to rescue the have-nots from further harm.

According to the Economic Survey 2020-21, at the onset of the COVID-19 pandemic, India focused on saving lives and livelihoods by its willingness to take short-term pain for long-term gain. Since the uncertainty was high, the policy focus was to minimize losses, in the worst-case scenario, it is stated.

### **Performance during the year**

As you may recall, consequent to the nation-wide complete lockdown, the operations of your Company were shut down in the last week of March 2020. Plants were restarted in phases in April 2020, but scaling up took some more time. During the first quarter of the year, being a major input for hygiene,er hygieniidetuumc6ls.



In the subsequent months, due to changes in the global economic scenario and the logistic issues in international movements, the imports into India were lower than normal. This aided the Company to realize reasonable value addition for its products.

In the light of these, despite the overall economic conditions in the country remaining poor, your Company managed to double the gross and net earnings. However, the top-line was lower than the preceding year on account of lower crude prices and loss of production attributable to the lockdowns and restrictions. It is a good sign that the trend has continued during the current year.

### **Economic Outlook**

According to the World Economic Outlook July 2021 update, the global economy is projected to grow by 6.0 percent in 2021 and 4.9 percent in 2022. Though the 2021 global forecast is unchanged from the April 2021 WEO, prospects for emerging markets and developing economies have been marked down, especially for Emerging Asia, which is a cause for concern.

In January 2021 the WEO had estimated Indian GDP contraction of 8% in Fiscal 2020 against 4.2% growth in Fiscal 2019. In the July 2021 update, growth for 2021 is set at 9.5% and 8.5% for 2022. However, growth prospects have been downgraded by 3% from the earlier estimates, following the severe second COVID wave during March-May, and the expected slow recovery in confidence from that setback.

The RBI in its August 2021 Bulletin has retained the GDP growth for 2021-22 at 9.5%. It had, in July 2021 reduced the forecast by 2% over the previous estimates of 11.5%, citing loss of momentum in recovery due to the second wave. According to the Bulletin, with the ebbing of the second wave, domestic economic activity is starting to



recover. Looking ahead, agricultural production and rural demand are expected to remain resilient, but urban demand is likely to mend with a lag. Elevated levels of global commodity prices and financial market volatility have been cited as the main downside risks to achieve the above estimate.

It may be pertinent to note that as per the WEO, the economic recovery is not assured even in countries where infections are currently very low, so long as the virus circulates elsewhere and possibilities of transmissions remaining. With the pandemic continuing in some parts and not getting fully eradicated, it would be a major impediment in achieving the estimated growth not only in India but also at the global level.

It may also be relevant that experts have warned of a third wave. It is expected that this would pass off quickly and without much damage, thanks to the concerted efforts of the Governments to have most of the population inoculated against the virus. However, reports of new variants emerging and uncertainties about the efficacy of the vaccine against these strains are a cause of concern. In sum, it would be difficult to have a definitive view of the future at least for some more time.

### **Business Prospects**

Your Company, an important player in the Indian LAB market for more than 3 decades, had been impacted by the unabated import of the products during normal times. In recent months imports have come down and the demand has increased, providing avenues for best ever realizations. Sustaining the profitability levels would be a real challenge as imports into India may bounce back once normalcy returns. However, your Company, over the past three decades has established itself as a reliable supplier of LAB to major companies. It plays a key role in the southern part of India and has a reasonable presence in the other parts of the country.



Due to the high cost of key inputs including energy and limitations in feedstock quality, the cost of production of LAB, as well as the Chloro Alkalis in India is relatively higher compared to the international peers, located especially in the Middle East region. This could be a dampener for your Company to become more competitive and face the tough competition from the overseas players.

Demand for LAB, an essential chemical intermediate for detergents and cleaning products, has been witnessing continuous growth. New impetus is seen in the demand, due to improved hygiene awareness on account of the pandemic, resulting in increased consumption of detergents and other cleaning substances.

Encouraged by the higher demand, which is expected to be sustained in the short and medium terms, your Company has taken up a project to augment the capacity of the LAB plant. The HCD Unit will also be revamped, and capacity augmented to achieve economy of scale and compete with the modern plants.

### **Dividend**

Your Company restarted dividend payments from FY 2017-18 after a gap of five years and in line with the performance, the rate has been increased year on year. You would be pleased to note that the dividend recommended for the year 2020-21 at 25%, is higher by 66% versus the previous year.

### **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 all other stakeholders.





I also acknowledge the hard work and dedication of the employees of your Company to sustain and improve its operations. Their commitment and support during the difficult times have been instrumental in achieving exemplary performance and need 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 that through this support, our efforts to enhance the value for all the stakeholders would be continued with more momentum.

I request all of you to stay safe and adhere to the guidelines to meet the impending healthcare challenges.

*Thank you*

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