



Tamilnadu Petroproducts Limited

Email: secy-legal@tnpetro.com

Secy / 31st AGM / 2016

26th September, 2016

The Manager
Listing Department
BSE Limited
Corporate Relationship Department
1st Floor, News Trading Ring
Rotunda Building, P J Tower
Dalal Street, Fort
Mumbai – 400 001

The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza,
5th Floor, Plot No: C/1, 'G' Block
'G' Block
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

Scrip Code: 500777

Scrip ID: TNPETRO

Dear Sir/Madam,

Sub: Proceedings of the 31st Annual General Meeting of the Company
Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The 31st Annual General Meeting (AGM) of Tamilnadu Petroproducts Limited was held on Thursday, 22nd September 2016 at 10:30 a.m. at Tamil Isai Sangam, Rajah Annamalai Mandram, Esplanade Road (Near High Court), Chennai – 600108. The AGM was attended by 6102 Members/Proxies.

The meeting was chaired by Mr. Ashwin C Muthiah, Vice Chairman and all the other Directors including the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee attended the meeting. The Auditors and Secretarial Auditors were also present at the meeting.

The meeting commenced at 10:30 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 that pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company had provided electronic voting facility (e-Voting) to the Members entitled to cast their vote on the resolutions prior to the meeting. The remote e-Voting process was carried out by the Company between 19th September 2016 to 21st September 2016 with record date for determining shareholders being 15th September 2016.

Besides the above, the Company also made available the facility to vote by way of ballot/poll at the AGM venue to those members who had not exercised their voting rights through e-voting.




Regd. Office & Factory:
 Post Box No.9, Manali Express Highway, Manali, Chennai - 600 068. India.
 Tel : (0091) - 44 - 25941350, 60 / 70 / 80, 25941501 to 10, Telefax : 044-25941139
 Grams : 'PETROPRODUCTS', Website : www.tnpetro.com
 CIN : L23200TN1984PLC010931





Tamilnadu Petroproducts Limited

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 the Chairman, Whole-time Directors and other executives.

The following items of business were transacted during the meeting:

ORDINARY BUSINESS:

S.No	Details of Agenda	Resolution Required	Mode of Voting
1	Adoption of Audited Standalone and Consolidated Financial Statements and other related Reports for the year 2015-16.	Ordinary Resolution	E-Voting/Poll at AGM
2	Re-election of Mr T K Arun (DIN: 02163427) as a Director of the Company.	Ordinary Resolution	E-Voting/Poll at AGM
3	Re-appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, Chennai as the Auditors of the Company to hold office from the conclusion of 31 st AGM till the conclusion of 32 nd AGM on a remuneration of Rs.26 lakh.	Ordinary Resolution	E-Voting/Poll at AGM

SPECIAL BUSINESS:

S.No	Details of Agenda	Resolution Required	Mode of Voting
4	Approval for appointment of Mr D Senthikumar (DIN: 00202578) as a Director of the Company.	Ordinary Resolution	E-Voting/Poll at AGM
5	Approval for appointment and remuneration of Mr D Senthikumar (DIN: 00202578) as the Whole-time Director (Operations) of the Company.	Special Resolution	E-Voting/Poll at AGM
6	Approval for appointment of Mr K T Vijayagopal (DIN: 02341353) as a Director of the Company.	Ordinary Resolution	E-Voting/Poll at AGM
7	Approval for appointment and remuneration of Mr K T Vijayagopal (DIN: 02341353) as the Whole-time Director (Finance) of the Company.	Special Resolution	E-Voting/Poll at AGM
8	Ratification of the remuneration of Rs.2 lakh to the Cost Auditors M/s. Krishnaswamy & Co, Cost Accountants, Chennai for the year 2015-16.	Ordinary Resolution	E-Voting/Poll at AGM

After completion of the casting of votes by the Members, the meeting concluded around 11:45 AM with a vote of thanks to the Chair.



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Mrs. CS B Chandra, Practising Company Secretary, the Scrutinizer for both e-voting and polling at the venue submitted her consolidated Report on 23rd September 2016 informing that all the above resolutions have been duly passed with the requisite majority. The results have been announced to the Stock Exchanges, uploaded in the Website of the Company and CDSL.

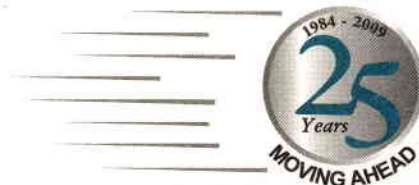
This is for your information please.

Thanking you,

Yours faithfully,

For Tamilnadu Petroproducts Limited

D Hem Senthil Raj
Company Secretary & Compliance Officer
M.No: F8366



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average 11 per cent annually during FY16 - FY18. Besides the above, simultaneous efforts to increase the tax-to-GDP ratios, through the timely implementation of GST (goods and services tax) as well as complementary measures to improve tax administration and compliance can generate additional fiscal space in the years ahead. It is further anticipated that the Government Initiatives such as Make in India, Skill Development and Digital India programmes would improve the overall performance of the economy paving way for higher personal spend and consumer demands which are expected to benefit the company.

Your Company continues to be affected by the unabated imports of LAB and Caustic Soda into the country for the past few years. To understand the issue better it may be noted that the import of LAB during the year 2015-16 were around 3.20 lakh tonnes compared to 2.20 lakh tonnes during the previous year.

Similarly, the Caustic Soda imports went up sharply during the current year further affecting the margins. Chlorine price realization showed signs of improvement towards the end of the year under review and it is expected to be sustained due to forward integration by some major caustic manufacturers.

Your Company has taken several steps to mitigate the risks of fluctuating LAB prices by lower dependency on the spot market through higher contracted volumes to major customers. This has helped in stabilizing the plant to operate at a higher level thereby providing better economies of scale. Your company is also focusing on increasing the NP capacity to cut down its imports and capacity augmentation proposal which is under implementation. Your Company has completed Phase I of NP revamp

which has resulted in increased feed rate and marginal production of NP Phase II is underway.

The HCD Plant continues to incur losses on account of higher cost of production and lower capacity utilisation. Your Company in order to sustain and grow its domestic operations continues its focus on production efficiency through increased capacity utilisation for better value addition of both LAB and HCD Plant.

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.

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 31st Annual General Meeting of the Company

Chairman's Speech

31st Annual General Meeting

at
Tamil Isai Sangam,
Rajah Annamalai Mandram

On
22nd September 2016

Speech by
Mr. Ashwin C. Muthiah
Vice Chairman



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Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 31st 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 2015-16 has been with you for some time now and with your permission, I will consider the same as read.

Before looking into the Company's performance during the year under review, I would like to share my thoughts on the economic conditions which had some impact on the performance of your Company.

Economic Outlook

The Indian economy has really gained momentum during the year 2015-16. The economy grew by 7.9 per cent in the last quarter to consolidate India's position as the fastest growing major economy with a high GDP growth rate of 7.6 per cent for the year under review. This annual GDP growth has inculcated some confidence in the minds of investors. As per the latest report of World Bank, it is expected that the Indian economy will continue to post robust growth in the coming years. The recommendations made under the seventh pay commission will also help expand the economy's growth in terms of individual consumption which will also give good boost to the industry.

As per the latest annual forecast, it is expected that the real Gross Value Added at basic price (GVA) to increase by 7.6 per cent in 2016-17. 'Industry' growth forecast has been placed at 7.6 per cent. In terms of subjective probabilities assigned to growth projections, the real GVA

growth in 2016-17 will be in the range of 7.5-7.9 per cent.

Enthusied by the impressive numbers for 2015-16, as against 7.3 per cent in previous fiscal, the industry expects that better monsoon and further reforms will help expand the economy at a faster pace. According to the Central Statistics Office (CSO) data, the growth in manufacturing sectors during the fourth quarter accelerated to 9.3 per cent, up from 5.5 per cent in the previous fiscal. The core sector data in April too indicated momentum in the economic activity as it grew at a rate of 8.5 per cent in the month, the highest in the last four years.

The Governments' commitment to stick to the fiscal discipline (3.5% in FY 2017) in the Union Budget 2016-17 created space for the RBI to cut interest rates further. The RBI is targeting a 5% inflation rate by end of FY 2017 which would depend on normal monsoon, level of international crude oil prices and exchange rate. A higher inflation could play spoil sport in realizing the various financial goals.

In spite of the above, the Petrochemical manufacturing sector still witnessing a slow growth due to various factors mainly the rising threat from Middle East and Asian competitive capacities.

The controlled inflation, better domestic demand, increase in investments and lower oil prices, *inter alia*, made the Indian Economy a promising one. The year also witnessed growth of private final consumption, which augurs well for the manufacturing sector. However the fall in crude prices had some adverse impact on the operations of your Company.

Performance of the Company

The total revenue from operations for the year was Rs. 700.63 crores against Rs. 949.87 crore in the previous year. The turnover was lower mainly on account of crude prices coming down from USD 58 per barrel during 2014-15 to USD 39 per barrel during the year under review and Plant shutdown for about 2 months in the last 2 quarters, on account of flooding.

In spite of the above your Company posted an operating profit of Rs. 12.76 crores during the year under review against the loss of Rs. 17.55 crores during the previous financial year, aided by increased demand for LAB and improved production and productivity.

During the year under review, the performance of Linear Alkyl Benzene (LAB) business improved, but the Heavy Chemicals Division (HCD) unit continued to suffer losses due to lower caustic soda and chlorine prices.

Your company continues to be a major contributor in the LAB market, despite ever increasing LAB imports year on year. Your company offers its best service to its customers and continues to be a leader in the domestic market.

Business Outlook

India being one of the world's fastest growing economies has retained the position of seventh largest economy in the world in terms of GDP at current prices and third in terms of purchasing power parity. The World Bank in its report pegged India's economic growth rate at 7.5 per cent for the next year (CY17). Going forward, acceleration in real GDP growth would be driven largely by higher gross fixed capital formation, which is expected to grow at an