

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2022

28th 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
Stock Code: 500268

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051
Stock Code: MANALIPETC

Dear Sir,

Sub: Intimation under Regulation 30 - Proceedings of the Annual General Meeting held on 28th September 2022

The 36th Annual General Meeting of the Company was held today, 28th September 2022 through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The meeting was held through the WebEx Platform facilitated by 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 was chaired by Mr. Ashwin C Muthiah, Chairman and all the Directors including Chairpersons of the Audit Committee, Stakeholders Relationship Committee and the Nomination and Remuneration Committee attended the meeting, The Statutory Auditors and the Secretarial Auditor were also present.

The meeting commenced at 2:30 PM (IST) and the necessary quorum was present throughout the meeting. Chairman welcomed the shareholders and then addressed the Members (Copy of Chairman's speech enclosed).

Chairman thereafter proceeded to transact the businesses set out in the Agenda of the meeting. With the consent of the Members present the Notice of the Meeting and the Financial Statements were taken as read.

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, through electronic means.



Factories :

Plant - 1 : Ponneri High Road, Manali, Chennai - 600 068

Plant - 2 : Sathangadu Village, Manali, Chennai - 600 068

Phone : 044 - 2594 1025 Fax : 044 - 2594 1199

E-mail: companysecretary@manalipetro.com



Manali Petrochemicals Limited

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

1. Adoption of the Audited Stand Alone and Consolidated Financial Statements and other related Reports for the year 2021-22.
2. Declaration of a dividend for the year 2021-22.
3. Re-election of Mr. M Karthikeyan (DIN: 08747186), as a Director of the Company liable to retire by rotation.
4. Appointment of Auditors of the Company and fixing their remuneration.
 - I. Ratification of remuneration to Auditors for FY 2021-22.
 - II. Appointment of Auditors to hold office till the 41st AGM and fixing their remuneration.
5. Ratification of the remuneration to the Cost Auditors for the year 2022-23.
6. Prior approval under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for transactions with Tamilnadu Petroproducts Limited, Chennai, a Related Party.

The shareholders who had registered to speak at the meeting were invited to share their queries. Out of the six persons registered, three participated in the discussions. The queries were clarified by Chairman and the Managing Director.

Meeting was declared as closed around 3:20 PM and the facility to vote was made available for a further ten 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, 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 Manali Petrochemicals Limited

R Kothandaraman
Company Secretary
Encl.: As stated



Ladies and Gentlemen,

I am happy to be with you for the 36th Annual General Meeting of your Company. I am glad that as in the last two years, Members spread across the globe are able to participate in the meeting being held through electronic mode.

I hope you have had the opportunity to review the Annual Report as circulated and take note of the operational and financial performance of your Company during the year 2021-22.

ECONOMIC OVERVIEW

During the year 2020 economies across the globe went through the biggest crisis in more than a century, triggered by the COVID-19 pandemic. Reports of the International Monetary Fund, IMF have brought out that more than 90 per cent of the countries suffered contraction of economic activities and the world economy had shrunk by about 3% in the year 2020.

Against this backdrop, the year under review recorded a tentative recovery and according to the IMF, world economy witnessed a baseline growth of 6.1% in 2021 vis a vis the decline of 3.1% in the preceding year.

IMF's April 2022 data indicate that during the year under review, Indian GDP had a growth of 8.9% against the diminution of 6.6% in the preceding year. The country has been one of the very few large economies to register better growth over the previous year.

During the year, India managed to bring under control the impact of the pandemic through its countrywide vaccination programme and averted repeat of the catastrophic situation of the previous year.

Purchasing Manager's Index, PMI for manufacturing was above the 50 benchmark throughout the year except in June 2021, and peaked at 57.6 in November 2021. However, during the first quarter of the fiscal, due to asynchronous localized lockdowns across the regions in India triggered by a fresh wave of the pandemic, economic activities slowed down, and recovered in the subsequent quarters.

The GDP-PPP of India improved to about \$ 9,300 billion in the year 2021, against \$ 8,537 billion in the preceding year, which had fallen by about 6.6%. It may be pertinent to note that the actual GDP-PPP in 2021 was higher than the pre-pandemic period in 2019 by about 1.8%.

PERFORMANCE OF THE COMPANY

During the year, your Company's overall performance of sales and profitability had been historically the best ever. Though there were some setbacks in the first quarter, thanks to better product prices during the second and third quarters, the results improved significantly. However, due to imports bouncing back to the pre-pandemic levels, and on account of the Russia-Ukraine conflict and slowdown of Chinese economy, tough

competition has re-emerged from the last quarter of FY21-22 which is continuing in the current fiscal.

During the year under review, Notedome Limited UK , the subsidiary recorded lower sales and profits vis a vis the previous year, mainly on account of issues relating to availability and higher cost of the raw materials.

ECONOMIC OUTLOOK

IMF, in its recent Report has forecast a gloomy and more uncertain economic outlook for the year 2022. The Report points out that global output contracted in April - July, owing to downturns in China and Russia, and US consumer spending lower than expectations. The world economy, already weakened by the pandemic has been hit by several new shocks such as surging inflation worldwide which has triggered tighter financial conditions. A worse-than-anticipated slowdown in China resulting from COVID- 19 outbreaks and the resultant lockdowns and the extended negative spill overs from the conflict in Ukraine have been stated to be the other factors responsible for the condition worsening further.

As per the revised forecast of IMF, Global growth is estimated to slow from 6.1 percent in the last year to 3.2 percent in 2022. This is 0.4 percent lower than the April 2022 estimates, signifying the difficult times ahead.

Food and energy prices have been going up across the world, squeezing the ability of consumers to save or spend for other purposes. The Report has added that in the year 2023 global output would grow by just 2.9 percent as disinflationary monetary policy is expected to puncture the recovery process.

For India, IMF has pegged GDP growth at 7.4% for FY 2022-23 but it is expected to moderate to 6.1% in the year following.

Reserve Bank of India, in its August 2022 bulletin has explained that Indian economy too has been impacted by the global events. Being an Emerging Market Economy, EME, India is facing rapid tightening of external financial conditions, capital outflows, currency depreciations and reserve losses simultaneously.

In spite of the above concerns, RBI has stated that decline in external debt to GDP ratio, net international investment position to GDP ratio and debt service ratio during 2021-22 have provided resilience against external shocks. In this backdrop, India is expected to be amongst the fastest growing economies during 2022-23, which has been endorsed by IMF also.

The Bulletin explains that volatility in global financial markets is impinging upon domestic financial markets, including the currency market, thereby leading to imported inflation. RBI has cautioned that though consumer price inflation has eased from its surge in April 2022, it remains uncomfortably high and above the upper threshold of the target of 6%. It is expected to remain above the upper threshold in Q2 and Q3.

Sustained high inflation could destabilise inflation expectations and restrict growth in the medium term. So, focus is now on to control the inflation for which various measures are being taken, including the Repo Rate increases. It may be pertinent to note that Repo Rate remained at 4% for about 2 years since May 2020 but has already seen three increases in this fiscal to become 5.4% in August 2022. This could affect credit appetite in the near term, impairing business activities.

Notwithstanding the said negative factors, corporate data for Q₁ of the current year indicate that sales and demand conditions and profitability of manufacturing sector remained buoyant. So, India appears to be better placed than most of the other countries to face the current crisis.

The Department of Economic Affairs under the Ministry of Finance in its Economic Review for July 2022 has stated that the sustained decline in the price of crude oil into August since June, the decline in inflation rate below 7.0 per cent and the impressive growth in India's tax revenue collection in the current financial year have combined to contribute to a significant easing of concerns over growth and inflation in the current financial year. However, since geopolitical environment continues to be tense and troubled, risks still remain.

The Review has opined that it is not necessarily the right thing to project either optimism or pessimism too far ahead in these uncertain times. For now, India looks better placed on the growth-inflation-external balance triangle for 2022-23 than it did two months ago, the Review has concluded.

PROSPECTS AND FUTURE PLANS

Your Company remains a major player in the Indian PU market, being the only producer of Propylene Glycol and the largest Polyol maker. With the Chinese economy struggling, Indian markets have become the easy target for exporters. So, as stated earlier, imports have reached the pre-pandemic levels and product prices have nosedived, compared to the previous two years. Decline in domestic demand for products coupled with higher foreign supplies has created huge gap in demand-supply for the products of your Company. On the other hand, the input costs have been on the rise and so the margins have been coming down significantly. With its experience and standing for over three decades, your Company is confident of sailing through these tougher conditions.

The PG capacity augmentation project has been behind schedule due to hold-up of regulatory clearances. As informed earlier, production in the first Phase would commence in 18-21 months of receipt of all the required approvals.

Your Company has entered into Agreement with Econic, UK for setting up a pilot plant to evaluate the technology for Polyol manufacture with alternate feedstock. Upon successful completion of the trials, which may

take a couple of years to conclude, commercial production and scaling up would be planned.

In addition to the above, several other initiatives have been taken up with inhouse technology to improve value addition and also expand the product portfolio, aimed to strengthen the Company's market base in the years to come.

Strategies for further expansion through brown field projects are being pursued in India and abroad. Surplus cash has been reserved for such growth plans.

I wish to assure that your Company would continue its unstinted efforts to continuously enhance its customer centric approach towards product customization and to upgrade safety and environmental standards for the betterment of the community at large.

CSR Activities

Your Company believes that in any society inclusive growth of all its segments is of paramount importance. As a responsible corporate citizen, your company would continue its care for the society through such activities. Towards this, provision of safe drinking water and sanitation facilities for the needy had been the initial focus which now has been extended to health care initiatives.

As part of its plans to make available primary health care to the marginalized sections of the local residents near them, the Company through AM Foundation has set up a Primary Health Care Clinic in Manali in July 2021. You would be happy to note that the Clinic has received good response and during the past one year of its inauguration, on an average, monthly about one thousand people have been visiting the facility for primary medical care. Encouraged by the patronage, it is proposed to expand the activity to five more villages. In addition to these, proposals for creating health and hygiene awareness among the younger generation, especially the teenage girls, have been taken up for the schools and colleges in the area.

The Company has also implemented green-belt development under the social afforestation plan of the local body.

DIVIDEND

The Company has maintained an unbroken dividend track record since 2006 and your Directors believe that it would be essential to sustain the dividend in the years to come.

The profitability for the past two years has been exceptional due to various external factors, which could be used to its advantage by the Company to record best ever performances. Though the Indian economic condition seems to be relatively stable and resilient, as explained above the global cues do not provide any assurance for sustained performance in the near

future. So, it has become essential to preserve the resources to meet exigencies and also for the growth plans.

Aside such concerns, your Directors have viewed that the shareholders are entitled to be rewarded for the unparalleled performance during the year. In the light of this, they have recommended increased dividend for the year 2021-22 at the rate of 50%, which is 20% more than the 30% paid for FY 2020-21.

I am happy that the dividend for the year would also be the best ever, matching the historically highest financial performance of the Company.

ACKNOWLEDGEMENT

I wish to place on record my sincere thanks to our vendors, esteemed customers, banks, the Central and State Governments for their continued support over the years. I warmly acknowledge the commitment and dedication of the employees of your Company in achieving the Company's goals. Their ability to rise to the occasion and make the most of the opportunities to the best advantage of the Company need a special mention.

I express my deep appreciation to you, the Shareholders, for your support to us at all times. I extend my wholehearted appreciation for the guidance and support of my colleagues on the Board. Finally, on behalf of the Board, I wish to reaffirm our commitment to creating shared value with all our stakeholders.

Thank you, Ladies and Gentlemen.

Note: This does not purport to be the proceedings of the Annual General Meeting
