

Ref: MPL / Sect1 / BSE & NSE / E-2 & E-3 / 2023

25th September 2023

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 25th September 2023

The 37th Annual General Meeting of the Company was held today, 25th September 2023 through Video Conferencing/Other Audio-Visual Means (VC/OAVM). The meeting was held through the WebEx Platform facilitated by Central Depository Services (India) Limited 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 the Chairperson 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 2:00 PM (IST) and the necessary quorum was present throughout the meeting. The chairman welcomed the shareholders and then addressed the Members (Copy of the 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 - 25941199

E-mail: companysecretary@manalipetro.com

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

- i) Adoption of the Audited Financial Statements of the Company and other related Reports for the year ended 2022-23.
- ii) Declaration of dividend for the year 2022-23.
- iii) Re-election of Mr. Ashwin C Muthiah (DIN: 00255679), as a Director of the Company liable to retire by rotation.
- iv) Ratification of the remuneration to the Cost Auditors for the year 2023-24.
- v) 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 shareholder who had registered to speak at the meeting was invited to share his queries and he participated in the discussions. The queries were clarified by the Chairman and the Wholetime Director & CFO.

The meeting was declared as closed around 2:35 PM and the facility to vote was made available for a further fifteen 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 Swaminathan

Company Secretary

Encl.: As stated



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Dear Shareholders, Good afternoon,

It gives me immense pleasure to extend a warm welcome to all of you at the 37th Annual General Meeting of Manali Petrochemicals Limited.

On behalf of my colleagues on the Board, I thank you for attending this AGM.

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 2022-23.

ECONOMIC OVERVIEW AND PERFORMANCE OF THE COMPANY

As we all know, the COVID-19 crisis is behind us, and the Global economies have started opening up. The World Health Organization (WHO) announced in May 2023 that it no longer considers COVID-19 a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist.

Inflation remained high and continued to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. This measure is helpful in the long run but comes with short-term challenges.

As per the data released by the National Statistics Office, India, higher-than-expected growth in the fourth quarter led gross domestic product (GDP) to an upward revision in overall economic growth in FY23 to 7.2 % from 7 % estimated earlier, the provisional GDP estimates.

The GDP-PPP improved to about 10,000 billion in 2023 from 9,300 billion in the preceding year, about an increase of 8.12% from the previous financial year.

In the petrochemical sector, the quantum of production of Major Petrochemicals declined to 406.57 lakh tonnes during 2022-23 (up to March 2023) as compared to 446.89 lakh tonnes during the corresponding period of the previous year, recording a decrease of 9.02% as indicated in the report of Ministry of Chemical & Fertilizers Department of Chemicals & Petrochemicals Economic Division.

PERFORMANCE DURING THE YEAR

During the year, your Company's overall sales and profitability performance was lower than the previous year.

I would like to bring it to your attention that the previous two years were exceptional and have been historically the best. The year under review has achieved performance in line with pre-pandemic levels.

Our margins are continuously impacted by escalating global commodity prices triggered by persistent geopolitical complexities.

During the year, PG expansion has reached a significant milestone where your Company has secured the environmental clearance from the Ministry and is in the process of completing other formalities/clearances.



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During the year under review, your Company acquired Penn Globe Limited, UK, and its two subsidiaries through its overseas step-down subsidiary, AMCHEM Speciality Chemicals Private Limited, Singapore. Notedome Limited, UK recorded higher sales and profits as compared to the previous year.

PennWhite does not use any hazardous chemicals, and there is almost no risk of regulation. Additionally, low capital expenditure is required to expand and set up new facilities. With the advantage of the lower manufacturing costs in India and under the Made in India strategy, a subsidiary for PennWhite can be set up where the availability of raw materials through your Company is an additional beneficial factor apart from other synergies.

PennWhite products have a wide range of applications, from bakeries to construction to recycling to surface coatings and wastewater treatment. Food and Textiles are also major sectors in India. Foam Control supports environmentally focused business activities such as water treatment and plastic recycling. Our goal is to balance our portfolio between commodities & specialties, which we have constantly been trying to do through organic speciality growth in India and acquisitions, Notedome being one such. Your Company has gone a step further through the PennWhite acquisition to make the second speciality offering. Our objective is to have 80% from the Commodities business and the remaining from Speciality, and another key factor is to create an innovation and sustainability-driven ecosystem.

ECONOMIC OUTLOOK

Reports of the International Monetary Fund (IMF) suggest that Global growth is projected to fall from 3.5 % in 2022 to 3.0 % in both 2023 and 2024 on an annual average basis. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing and other factors offsetting stronger services activity. The growth outlook is broadly stable for 2023 and 2024 in emerging markets and developing economies, although with notable shifts across regions.

Following several years of significant investment in production capacity in China, a substantial disturbance is hitting the chemical market as increased global capacity meets weakening demand.

The global oversupply of petrochemicals is expected to hit a record 218 million tonnes in 2023. China is continuing to add capacity, with almost 140 million tonnes scheduled to come on stream in 2023, well in excess of previous years.

Against the backdrop of a contracting macroeconomic outlook and a strong US dollar, chemical market participants have to contend with unprecedented uncertainty within the industry.

Businesses are being required to adapt, incorporating flexibility into operating models to maximize short-term opportunities and remodeling to succeed in an uncertain business landscape.



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As pollution control and other environmental regulations become stringent in India, Chemical manufacturers, as an alternate option, are looking to diversify their production capabilities into other segments, mainly "Speciality." The specialty chemicals market has been growing exponentially, and the industry in India is projected to grow at a CAGR of more than 12 % from 2020 to 2025. The global anti-foaming market is expected to hit \$10 billion by 2030, with a CAGR of 5.2% from now to 2030. Due to the rapid expansion of the Food and Agriculture industries, it is expected that the Indian agriculture industry will reach about Rs.142 million by 2027 and exhibit a growth of about 12.3% during FY 2022-27. Both domestic and overseas manufacturers have better opportunities to tap the market from end-user sectors such as Automobile, Food, Construction, etc., It will likely to boost the industry's growth in India and subsequently outpace the rest of the world in the coming years. Considering India's favorable ecosystem, the Indian specialty market has significant growth opportunities. In order to have sustainable growth for the industry in India, a key focus to be made on capital investments, acquisitions, research & development, etc. Budget allocation, corporate spending, governance, and investor confidence will be crucial in business decisions.

Reserve Bank of India, in its August 2023 bulletin, mentioned that with industrial production and trade weakening, the global recovery is slowing after a robust first-quarter performance. In this stressed global environment, the Indian economy is gathering momentum in the second quarter of 2023-24. Domestic drivers such as private consumption and fixed investment offset the drag from the contraction in exports. However, inflationary risks persist amidst volatile international food and energy prices, lingering geopolitical tensions, and weather-related uncertainties.

Considering all these factors, real GDP growth for 2023-24 is projected at 6.5 %, with risks broadly balanced. Real GDP growth for Q1 FY 2024-25 is projected at 6.6%.

The Department of Economic Affairs under the Ministry of Finance, in the Monthly Economic Review for July 2023, has stated that the robustness of domestic investment is the result of the Government's continued emphasis on capital expenditure that reflects the long-term strategy of investing in productive assets and improving the business sentiment in the economy. Increased capital expenditure, infrastructure investments, and productive capacity have a large multiplier impact on growth and employment. Strong investment activity is expected to drive growth in the coming years.

However, global uncertainty and domestic disruptions may keep inflationary pressures elevated for the coming months, warranting greater vigilance by the Government and the RBI.

PROSPECTS AND FUTURE PLANS

Your Company remains a major player in the Indian PU & PG market. With the Chinese economy facing uncertainty, Indian markets have become an 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. Dampened demand for products coupled with larger foreign supplies has created a considerable gap in demand-supply for your



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Company's products. On the other hand, the input costs have been rising, so the margins have been shrinking significantly. With its experience and standing for over three decades, your Company is confident of sailing through the more challenging conditions through operational efficiency, product innovations, and ESG-driven manufacturing strategy.

We have also taken up several pilot projects with in-house technology to improve value addition and expand the product portfolio, which will strengthen the Company's market base in the future.

Enhancing operational efficiency and consistently pursuing green and cost-effective raw material alternatives remain pivotal objectives, enabling us to achieve improved performance in the future. We remain focused on improving operational efficiencies and optimization measures coupled with synergies from our subsidiary entities.

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

Your Company would continue its unstinted efforts to continuously enhance our customer-centric approach towards product customization and upgrade safety and environmental standards for the betterment of the community.

CSR Activities

Your Company believes that in any society, inclusive growth of all its segments is of paramount importance. The Company has undertaken various projects to provide safe drinking water and sanitation facilities to communities around its manufacturing plants.

As part of its plans to provide health care to the marginalized sections of the local residents, your Company, through AM Foundation, set up four Preventive Health care centres with Lab facility in and around the plant location and ensured accessibility for the community. During the year under review, more than 20,000 patients benefited from these PHCCs. Various medical camps were organised, including diabetics, skin and eye tests. Your Company has also extended support on the construction of Sanitation Blocks services to over 2,000 students.

As part of the Hygiene program, around 26,000 children in 108 Educational Institutions have been trained, about 6,900 students were issued Sustainable Hygiene Kits, and 19,000 personal hygiene kits were distributed till March 2023.

Your Company has also implemented green belt development under the social afforestation plan of the local body. As a responsible corporate citizen, your Company would continue to contribute to society through such activities.

DIVIDEND

Your Company has consistently paid dividends since 2006, and your Directors believe it would be essential to sustain the dividend in the coming years.

Taking into account the business, project plans, and other factors, including conserving resources for future growth and considering the profitability for the year under review,



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which is in line with pre-pandemic levels, your directors have recommended a dividend of 15%, totalling Rs. 12.90 crores, subject to tax which is in line with the percentage of dividend during the pre-pandemic period.

ACKNOWLEDGEMENT

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

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