MANALI PETROCHEMICALS

Manali Petrochemicals Limited
SPIC House, 88, Mount Road, Guindy, Chennai - 600 032
Telefax : 044 - 2235 1098 Website : www.manalipetro.com
CIN : L24294TN1986PLC013087

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2020
23rd September 2020

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 Sirs:

Sub: Company Updates - Board approval for expansion of Propylene Glycol capacity

The Board of Directors of the Company has approved the proposal for increasing the capacity of Propylene Glycol (PG) from the existing 22,000 TPA to 70,000 TPA by addition of 48,000 TPA, at an estimated cost of about Rs. 150 crore, to be implemented in two phases.

In the first phase 24,000 TPA would be added at a cost of around Rs. 60 crore, to be met through internal resources. Subject to receipt of regulatory approvals, the project is expected to be completed in 18-21 months.

It may be noted that MPL is the only domestic manufacturer of PG which is widely used in Pharmaceutical / Food & Flavours and also for industrial applications. Subject to market conditions, the present capacity is utilized by MPL in full.

The demand for PG in India is about 1 lakh TPA which is estimated to grow by 5% annually. Since the current shortfall is met through imports, addition of the above new capacity is expected to increase the domestic market share of MPL and improve its operations.

A media release on the above is also attached.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited

RAMADAS KOTHANDARAMAN Digitally signed by RAMADAS KOTHANDARAMAN
Date: 2020.09.23 11:32:57 +05'30'

R Kothandaraman
Company Secretary
Encl.: As stated

MANALI PETROCHEMICALS LIMITED Chennai 600 032

Manali Petrochemicals Limited
SPIC House, 88, Mount Road, Guindy, Chennai - 600 032
Telefax : 044 - 2235 1098 Website : www.manalipetro.com
CIN : L24294TN1986PLC013087

Media Release

**** Manali Petrochemicals Limited (MPL) to triple Propylene Glycol (PG) production in two equal phases to 70,000 MT**

**** Initiative in tune with country's dream of an Atmanirbhar Bharat and need for Import substitution**

Chennai, September 23, 2020

Manali Petrochemicals Limited (MPL) a member of the AM International Group, today announced that it has finalised plans to triple its annual production capacity for Propylene Glycol (PG) from 22,000 MT to 70,000 MT in two phases at an investment of about Rs 150 crore. The capacity is proposed to be expanded initially to 46,000 MT to be completed in 18-21 months and then by another 24,000 MT thereafter. The entire project will be handled in-house by redesigning the current facilities to ensure cost-effectiveness and the most prudent budgetary practices.

On completion of the project, the Company, the only domestic manufacturer of the product, will meet a substantial part of the country's annual demand of about 100,000 MT of PG. Currently, a significant quantum is imported, which accounts for more than 75% of the entire country's demand for PG. The substitution of imports will save significant import bills and will also propel India towards self-sufficiency in PG production capability.

The primary focus of the project will be to supply to two sectors - pharmaceutical and food. The growth in demand expected in future in these two sectors will help MPL meet its sales target post the expansion. The revamp will also ensure environment-friendly practices.

It has been the philosophy of the AM group to be low on leverage. Keeping in line with this goal, MPL's expansion will be fully funded via internal resources without recourse to any external borrowing.

Mr Ashwin Muthiah, Chairman of AM International said “In the post COVID19 times, our business strategy is aligned towards the nation's dream of an "Atmanirbhar Bharat" through the 'Make In India initiative. The investments are in tune with our credo of creating sustainable businesses which are future proof. We are building our plants through indigenous technology and investing in our home-grown R&D efforts with a clear focus on self-reliance and world-class domestic production.”

Mr M Ravi, Group CEO, Petrochemicals and MD-MPL said “We want our products to not only solve an inherent demand gap but be a good import substitute for the country, saving precious foreign exchange.

For editorial queries, please contact:
Mr.Udaya Kumar - email: udaya.kumar@ketchumsampark.com |
MB : +91 99406 37802