

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2021

28th September 2021

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: Annual General Meeting updates

The 35th Annual General Meeting of the Company was held today, 28th September 2021 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 attended the meeting. Chairpersons of the Audit Committee, Stakeholders Relationship Committee and the Nomination and Remuneration Committee attended the meeting, besides the Statutory Auditors and the Secretarial Auditor. The meeting commenced at 1:30 PM (IST) 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 were taken as read.

The Chairman then addressed the Members (Copy of Chairman's speech enclosed).

The Chairman thereafter proceeded to transact the businesses 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 those who have not availed the remote e-voting to cast their votes during the meeting, through electronic means.

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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 2020-21.
2. Declaration of a dividend for the year 2020-21.
3. Re-election of Mr. Ashwin C Muthiah (DIN: 00255679), as a Director of the Company liable to retire by rotation.
4. Ratification of the remuneration to the Cost Auditor for the year 2020-21.
5. Appointment of Ms. Vandana Garg, IAS (DIN: 09205529), as a Director of the Company under Section 160 of the Companies Act, 2013, liable to retire by rotation.
6. 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 four persons registered, three were present and participated in the discussions. The queries were clarified by the Chairman, Managing Director and other executives.

The meeting was declared as closed around 2:15 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, uploaded on the Website of the Company and CDSL on receipt of the report.

This is for your information, please.

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 35th Annual General Meeting of your Company. As in the last year, we are meeting virtually, and I am glad that Members spread across the globe are taking part in the event.

I hope you have had the opportunity to review the Annual Report and consider the operational and financial performance of your Company for the year 2020-21. With your permission, I shall consider the Financial Statements as read.

ECONOMIC OVERVIEW AND PERFORMANCE OF THE COMPANY

Economic progress during the year under review has been the worst ever in the recent past, recording steep fall across the globe. According to the International Monetary Fund - IMF, this is the 2nd time in the last 60 years, negative growth was seen, the other being in 2009. However, the decline in the year 2020 at 3.27% has been nearly twice, compared to 1.6% in 2009.

As per the IMF estimates, during the year under review, Indian GDP had negative growth of 7.3%, yet continued to be the fifth largest economy for a 2nd consecutive year. In terms of Purchasing Power Parity, called the GDP-PPP, we continue to occupy the 3rd position since 2009.

From the Purchasing Manager's Index, PMI, it may be observed that the situation was grim in the first four months of the fiscal. However, the index improved significantly in the subsequent months, peaking in October 2020, but falling slightly thereafter. It is also interesting to note that the year recorded both the lowest and highest index in the last 10 years, in April and October 2020, respectively.

Like the PMI index, your Company also recorded both dismal and best quarterly performances during the year. As you may recall, your Company's operations were shut down in the last week of March 2020, and restarted from April 2020 in phases, commencing with the PG plant.

Since most of the user industries for Polyol, the Company's major product remained closed, turnover in the first quarter was very low, resulting in first ever quarterly loss in the last sixteen years. However, the performance improved in the following months, and best ever profits were recorded.

Changes in the global economic scenario and logistic issues in international movements brought down the import volumes into India. Aided by such unusual circumstances, product prices and value addition improved significantly, paving way for higher profits for your Company.



During the year there was no stoppage of production at the subsidiary, Notedome Limited UK. However, with most of the customers spread across globally, sales and profits were impacted due to restricted cross-border movements.

ECONOMIC OUTLOOK

The Organization for Economic Co-operation and Development (OECD) in the Interim Forecast released this month has projected global growth of 5.7% in 2021 and 4.5% in 2022. According to the Report, global GDP has surpassed its pre-pandemic level, thanks to the strong policy support, deployment of effective vaccines and resumption of many economic activities. It has been cautioned that sizable uncertainties remained in achieving the projected growth. Increasing commodity prices and logistics costs could dampen the estimates. Faster progress in vaccine deployment or sharper rundown of household savings would be required to keep the growth momentum, it has been stated.

Almost all the forecasts have predicted highest growth rate for India in 2021 and 2022 at 9.7% and 7.5% respectively. The growth in the first quarter of 2021-22 is estimated at 20.1%, favoured by the very low base in the corresponding period of the previous year. However, the total GDP remained below the pre-pandemic levels.

The Reserve Bank of India, in its September 2021 bulletin has pointed out that the GST collections have remained above Rs. 1 lakh crore since April 2021 except in June 2021. So, it has been inferred that the economy has withstood the impact of the second wave to a reasonable extent. RBI has summarized that the prospects are brightening for the economy and aggregate demand is gaining firmer ground. It is a good sign that core industries mirror improvement in industrial activity and services sector indicators point towards sustained recovery.

The Monthly Economic Review report for August 2021 issued by the Department of Economic Affairs has stated that the devastating second wave of COVID-19 in the first quarter of Fiscal 2021-22 moderated the economic recovery momentum that India has been witnessing since the second half of FY 2020-21. The asynchronous onset of the second wave across states and its greater intensity necessitated localized lockdowns and mobility restrictions resulting in sequential slackening of economic activity in the first quarter of FY 2021-22.



The situation seems to have come under control, but the worst does not appear to have been over. Experts have cautioned against a potential third wave in the oncoming festive months. To meet the challenges, pandemic control and management measures would be of paramount importance. The daily vaccination rates have been going up and RBI has asserted about preparedness for the future outbreak on a war-alert status. However, the possible reemergence of the virus with new variants and doubts about the efficacy of vaccines add an element of uncertainty in sustaining the present positive outlook.

PROSPECTS AND FUTURE PLANS

Your Company remains a major player in the Indian PU market. The imports into India have been lower during the past few quarters, helping the Company to get better prices.

However, in normal market conditions aggressive dumping of both Polyols and Propylene Glycol by multi nationals from their low-cost production centers would continue to be a big challenge.

The PG capacity augmentation project is awaiting some statutory clearances, which have been delayed due to the pandemic. As informed earlier, the production would commence in 18-21 months of receipt of approvals.

Your Company is exploring options for Polyol manufacture with alternate feedstock using a greener technology and working closely with an international technology provider for this. The explorations for further expansion through brown field projects are continuing in India and abroad. To remain a debt free Company, internal funds have been reserved for such developmental activities.

I wish to reiterate that our unstinted efforts to continuously enhance our customer centric approach towards product customization and to upgrade safety and environmental standards for the betterment of the community at large, will continue.

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 for provision of safe drinking water and sanitation facilities for the needy. So far, a total of about Rs. 6 crore has been spent on these proposals, including Rs. 1 crore in the year under review.



You would be happy to note that a Primary Health Care Clinic has been set up in Manali, to provide basic medical care to the marginalized sections of the people residing in the area. This Centre is an Out Patient facility where free medical treatments, dispensations and first aid are provided for minor and common illness with target beneficiaries of about 3,500 families.

The Company has also taken up green-belt development under the social afforestation plan of the local body. As a responsible corporate citizen, your company would continue to contribute its mite to the society through such activities.

DIVIDEND

Your Directors have recommended a dividend of 30%, doubling it from the previous year's 15%. As you would be aware, the Company has maintained a dividend track record for 16 years and believes that it would be important to sustain the dividend in the years to come.

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, face the challenges during the difficult conditions and bring out the best ever performance need a special mention - without which we would not have recorded the all-time best results.

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
