

Ref: MPL / Sect1 / BSE & NSE / E-2 & E-3 / 2024

18th September 2024

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 18th September 2024

The 38th Annual General Meeting of the Company was held today, 18th September 2024 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.



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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 2023-24.
- ii) Declaration of dividend for the year 2023-24.
- iii) Re-election of Ms. R Bhuvaneshwari (DIN: 06360681), as a Director of the Company liable to retire by rotation.
- iv) Ratification of the remuneration to the Cost Auditors for the year 2024-25.
- v) Prior approval under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the purchase and sale of goods, services and other transactions with Tamilnadu Petroproducts Limited, Chennai, a Related Party for an aggregate value of Rs. 425 crore excluding applicable taxes.

The following item was transacted as special resolution at the meeting:

- vi) Appointment of Ms. Latha Ramanathan (DIN: 07099052) as an Independent Director of the Company for a period of five years w.e.f., 5th August 2024.

The shareholders who had registered to speak at the meeting were invited to share their queries and they participated in the discussions. The queries were clarified by the Chairman and the Wholtime Director (Operations).

The meeting was declared as closed around 3:00 PM (IST) 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 great pleasure to extend a warm welcome to all of you at the 38th 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 2023-24.

ECONOMIC OVERVIEW AND PERFORMANCE OF THE COMPANY

India's economy has been on a strong growth trajectory in recent years against the backdrop of subdued global economic activity and multiple headwinds, the Indian economy expanded at a robust pace in 2023-24, with real GDP growth accelerating to 7.6 per cent from 7.0 per cent in the previous year – the third successive year of 7 per cent or above growth., the country is emerging as the fifth-largest economy in the world by nominal GDP and the third-largest by purchasing power parity (PPP) in 2024. The GDP-PPP improved to about 13,100 Billion from 12,179 billion in the preceding year, about 7.15 % growth

The chemical sector has been a significant contributor to India's economic growth and Petrochemical industry have demonstrated resilience and adaptability in the face of global challenges. One of key indicators for the industry is Commitment to sustainability initiatives and integration of renewable energy sources.

PERFORMANCE DURING THE YEAR

During the year, your Company's overall sales and profitability performance showed a decline than the previous year. The total income for the year under review on standalone basis was INR 822 crore, and INR 1061 crore on Consolidated basis. Unlike the previous year, market conditions both international and domestic were unfavorable throughout the review period. Your Company's sales volumes and values reduced on account of increase in cheaper imports in the market during second half of the year, which was an industrywide phenomenon.

In addition, Chennai and other parts have been affected significantly on account of Cyclone Michaung and this has disrupted the operations of the Company during December 2023 and January 2024.

Your company's proactive mitigation measures and learning from earlier flood situations have helped resume our operations with the available resources in a phased manner, despite the fact that there were other infrastructure hurdles on account of flooding. Your employees and other stakeholders have supported whole-heartedly in ensuring resumption of activities. Your Company lodged claim with insurance company as part of business and operation loss, which are under assessment. In the meantime, your company had received an ad hoc amount of Rs. 3 crore and following up with insurance company to



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expedite their assessment process.

Our margins are continuously impacted by escalating global commodity prices due to continuing geopolitical complexities.

BUSINESS UPDATES:

Your Company specializes in the manufacture of Commodity and Speciality Chemicals. Your Company is the sole domestic producer of Propylene Glycol and the first and largest Indian manufacturer of Propylene Oxide, a key input for these derivative products.

To reduce reliance on Propylene Oxide, the Company is exploring to produce polyester polyol, which does not require Propylene Oxide as a feedstock. A part of this plant was commissioned in January 2024, and the polyester polyol produced is being used for captive consumption. The second phase of this plant is under technical evaluation and is expected to be commissioned by end of this fiscal year.

Your Company has also developed and launched a new fire-resistant product (PIR) that is gaining popularity in both continuous and discontinuous panel segments. Additionally, your Company has successfully created an alternative to the phased-out blowing agent, maintaining its market share in the Thermoware segments.

Apart from innovative and other measures, your Company is also actively pursuing cost reduction strategies, including the use of renewable energy, implementing energy conservation measures through new-generation technologies in utilities, and focusing on product development differentiation with low-carbon product manufacturing. Your company has also implemented several initiatives to conserve and reuse water, including the installation of sewage treatment plants to recycle effluent water back into the plant's processes. Additionally, your company planted 14,500 saplings during the fiscal year, in compliance with the recent mandate issued by the Ministry of Environment, Forest, and Climate Change (MoEF & CC).

By adopting green energy and low-carbon practices such as utilizing renewable energy from third-party power sources, group captive power, and switching to regasified liquefied natural gas (RLNG) in one of our plants, your company reduced carbon dioxide emissions by approximately 30,000 metric tons during the fiscal year. These efforts may take time to realize the full benefits. The complex geopolitical landscape has created challenges for manufacturers globally in securing raw materials for production. Acquiring subsidiaries presents a range of strengths and opportunities, including leadership in innovation, diversification, and alignment with sustainability goals. However, these benefits must be navigated amidst heightened competition and geopolitical uncertainties, necessitating careful strategic planning and adaptability. Your company has demonstrated resilience and adaptability in this challenging market environment and conditions.



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Pursuant to the environmental clearance for PG expansion project, the construction of the project have started for the first phase of 32,000 TPA during the year and project is expected to be commissioned in the second quarter of FY 2025-26.

As of now, your Company has two Wholly Owned Subsidiaries (WOS) and 4 (Four) Step Down Subsidiaries (SDS), the financials of all these subsidiaries have been consolidated as applicable and the financial and other relevant information have been furnished in the Annual Report 2023-24.

Notedome, one of your Company's operating subsidiary in UK, is a System House with more than 30 years' experience, manufacturing Neuthane Polyurethane Cast Elastomers catering to customers across 45 countries, have started new products and exploring new markets including focus on developing bio-based solutions, as part of its business plan. The overall demand for the products is tepid due to fewer new projects. However, Notedome continues to focus on technology & innovations through R&D efforts and is in the process of strengthening its resources and infrastructure to the growing demand. As part of group sustainable strategic objectives, Notedome will pursue with energy optimization strategies to drive cost savings and promote the use of renewable green energy, to the extent possible.

Your company's another operating overseas subsidiary viz., Penn White Ltd, UK, as part of its product development, is focusing more on its core business in bringing new markets and innovative products through its R&D initiatives so as to be more competitive in certain sectors and applications. Considering the growing demand for food and wastewater treatment, the overall demand for the products is promising and there is a growing emphasis on sustainability.

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.

During the year, PennWhite have formed a wholly owned subsidiary in India viz., PennWhite India Private Limited to be engaged in the speciality business. Through this PWL, UK will make its footprint in Asian markets in the years to come.

As part of corporate restructuring, some of the non-operating overseas subsidiaries have been liquidated and their respective assets and liabilities have been transferred with other operating subsidiaries, in accordance with the host country law. These restructuring does not have any financial implications at the Group.

The overseas operating subsidiaries have started generating good results, despite geopolitical and other challenging market conditions. The financial benefit and other synergies from overseas operating entities, will benefit the Company in the long run and enhance the stakeholders value over a period of time.

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CHANGE IN DIRECTORSHIPS:

On behalf of the shareholders, I would like to thank Ms. Sashikala Srikanth and Mr. G Chellakrishna, for their invaluable contribution and services rendered to the Company during their tenure as Independent Directors. They have completed their second term of independent directorship during August 2024.

I also take this opportunity to welcome Ms Latha Ramanathan, who have joined the Board as an additional director under Independent category. Ms Latha Ramanathan, is a Chartered Accountant with about 34 years of post-qualification experience including two decades of rich experience with the Big 4 Consulting firms, KPMG, PwC, and Deloitte, where she held Partner (Executive/Senior Director) positions, apart from her other portfolio and position.

Let me brief you the ECONOMIC OUTLOOK

Reports of the International Monetary Fund (IMF) suggest that Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in FY 2024 and 3.3 percent in FY 2025.

Reserve Bank of India in its August 2024 bulletin mentioned that healthy balance sheets of banks and corporates, and the Government's continued thrust on infrastructure spending, point to a robust outlook. Improving world trade prospects could support external demand despite geo-political and macro issues. Taking all these factors into consideration, GDP growth for FY 2024-25 is projected at 7.2% subject to the overall inflation projected at 4.4% for FY 2024-25.

The petrochemical sector is expected to experience significant growth and transformation between 2025 and 2027, driven by various market dynamics, technological advancements, and changing consumer demands. The global petrochemicals market size was valued at USD 619.28 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 7.3% from 2024 to 2030 which would be around USD 1002.45 billion. The demand for the product is attributed to an increase in the demand for downstream products from various end-use industries such as construction, pharmaceuticals, and automotive, which are major factors driving the growth.

Sustainability trends and regulations:

- There is a growing focus on developing eco-friendly and sustainable foaming agents that have a lower environmental impact. This trend is driven by increasing consumer awareness and stricter regulations regarding the use of volatile organic compounds (VOCs) and other hazardous substances.
- The Asia-Pacific region is expected to be the fastest-growing market for foaming chemicals with around 49.9% market revenue share due to the rapid industrialization and urbanization in countries like India and China. North America and Europe are also expected to witness steady growth in the foaming chemicals

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market, driven by the increasing demand for sustainable and energy-efficient products in these regions.

- Currently, the global specialty chemicals market size was valued at USD 641.5 billion in 2023 and is anticipated to witness a compound annual growth rate (CAGR) of 5.2% from 2024 to 2030.

Overall, the economic outlook for industrial chemicals across pharmaceuticals, food, automotive, construction, footwear and refrigeration is positive, driven by growth in demand, innovation, and sustainability initiatives.

Companies in the specialty chemicals sector must remain agile and responsive to these trends to capitalize on emerging opportunities and meet the evolving needs of various industries. As the global economy continues to recover and evolve, the industrial and Speciality chemicals sector are well-positioned for sustained growth and development.

India's chemical sector is well-positioned for continued growth and success, driven by strong domestic demand, favorable policies, and a commitment to sustainability and innovation. As the country continues to climb the ranks of the world's largest economies, the chemical industry is poised to play a vital role in its economic development.

Companies must remain vigilant in navigating economic uncertainties and regulatory challenges to capitalize on the opportunities presented in this dynamic market.

PROSPECTS AND FUTURE PLANS

Your Company remains a major player in the Indian PU & PG market. So, as stated earlier, imports have reached the pre-pandemic levels, and product prices have fallen significantly compared to the previous two years. Reduced demand for products coupled with uncontrolled imports from neighboring countries has created a considerable gap in demand-supply for your Company's products, coupled with rising input costs. With its experience and standing for over three decades, your Company is confident of sailing through these times through operational efficiency, product innovations, and ESG-driven manufacturing strategy.

Your Company 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.

As part of long-term strategy, your Company is also evaluating to expand its business in Western India in particular to speciality segments by leveraging our existing expertise, technology and resources.

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.



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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 communities, the Company, through AM Foundation, set up Preventive Health care centres with Lab facility in and around the plant location and ensured accessibility for the community. In addition, various medical camps were organised, including diabetics, skin, gynecology, cervical cancer, and eye tests. Your Company has also extended support on the construction of Sanitation Blocks services to over 2000 students.

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 and adhere to the law of the land.

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 shareholders' interests, your directors have recommended a dividend of 15%, out of its accumulated profits, aggregating to Rs. 12.90 crores, subject to rounding off and 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 Central and State 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.



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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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