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26th July 2017

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 31st Annual General Meeting of the Company was held on 25th July 2017 at 10.30 A.M. at Rajah Annamalai Mandram, 5, Esplanade Road, Chennai 600 108.

The meeting was chaired by Mr. Ashwin C Muthiah, Chairman and all the Directors including the Chairpersons of the Audit Committee and the Nomination and Remuneration Committee attended the meeting. The Auditors and the Secretarial Auditors were also present at the meeting.

The meeting commenced at 10:30 AM 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 and other Reports were taken as read. The Chairman then delivered his speech (copy 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 e-voting to cast their votes by ballot at the venue.

Four Ballot boxes duly locked by the Scrutinizer were kept at the venue and Ballot papers were distributed to the Members.

Chairman then invited queries from the Members and the same were answered by the Chairman, Managing Director and other executives.

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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 2016-17
2. Declaration of a dividend for the year 2016-17
3. Re-election of Mr. Ashwin C Muthiah (DIN 00255679) as a Director of the Company
4. Appointment of M/s Brahmayya & Co., Chartered Accountants, Chennai as the Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting subject to ratification at every AGM and on a remuneration of Rs. 10.75 lakh for the year 2017-18.
5. Appointment of Mr. C Subash Chandrabose (DIN 06586982) as a Director of the Company liable to retire by rotation.

The following items were transacted as Special Resolutions at the meeting

6. Approval for reappointment of Mr. Muthukrishnan Ravi (DIN 03605222) as the Managing Director for a further period of three years from 29th July 2017.
7. Approval for the appointment and remuneration of Mr. C Subash Chandrabose (DIN 06586982) as the Wholetime Director of the Company for a period of 3 years from 28th May 2017.

After completion of the casting of votes by the Members, the meeting concluded around 12:20 P.M. with a vote of thanks to the Chair.

Mrs. B Chandra, Practicing Company Secretary, the Scrutinizer for both e-voting and polling at the venue submitted her consolidated Report on 26th July 2017 informing that all the above resolutions have been duly passed with the requisite majority. The results have been announced to the Stock Exchanges, uploaded in the Website of the Company and CDSL.

This is for your information please.

Thanking you

Yours faithfully

For Manali Petrochemicals Limited



R Kothandaraman

Company Secretary

Encl.: as above

Established as an import substitute industry in 1986, your Company has become a major player in the domestic market. Over the years the Company has been performing well, in spite of various issues faced on account of imports and also process related matters. Your Company continues its focus on product development for better value addition. The Plant efficiency has been improved through debottlenecking of the processes and facilities.

With higher private consumption and GDP growth projected in the coming years, your Company expects that the demand would revive in the near future. It is anticipated that the market would stabilize and movement of goods would ease, paving way for better business opportunities through the introduction of the GST and other tax reforms. Your Company is hopeful of increasing the production and the economies of large scale operation would bring down the cost for better margins.

The Company has also initiated various actions for refining the operating processes to ensure that there are no challenges in this front. The Company continues its pursuit for further overseas acquisitions, to enhance stakeholder value. As in the past, the Company is keen to utilize the internal accruals for all its expansion proposals, mainly to avoid servicing cost. Hence your Board has recommended a dividend of fifty paise per share of Rs. 5/- each for the year 2016-17. It may be noted that the Company has maintained the dividend track-record for the 12th consecutive year, adopting a judicious distribution policy.

CSR Activities

Your Company believes that in any society inclusive growth of all its segments is of paramount importance. The Company has taken CSR projects in two major areas viz., provision of safe drinking water and sanitation facilities to the needy. These initiatives are implemented through AM Foundation (formerly AM Corporate Social Responsibility Foundation) promoted

jointly by the Company and other like-minded corporates. The Foundation has, through IIT, Madras has carried out surveys and selected three villages near Manali for provision of treated and safe drinking water to the inhabitants. On the sanitation front, the Foundation has signed a MoU with Greater Chennai Corporation (GCC) for provision of toilet facilities on behalf of the Company to individual households near the Plants to support the Swachh Bharat Mission. Besides the above, the Foundation has taken steps for provision of newer model and eco-friendly toilet facilities in Chennai in co-ordination with the GCC. Your Company will support these proposals through its CSR spend in the coming years.

Though not mandatory under any law, your Board, as part of its support to the society at large and the downtrodden in particular, has decided that all the unspent amounts of CSR obligations relating to the earlier years would be carried forward and spent in the coming years.

ACKNOWLEDGEMENT

I wish to place on record my sincere thanks to our vendors, esteemed customers, banks, the Tamilnadu Government and the Government of India for their continued support over the years. I also warmly acknowledge the commitment and dedication of the employees of your Company in achieving the Company's goals. I would also like to express my deep appreciation to you, the Shareholders, for your support to us at all times. I also extend my unreserved appreciation for the guidance and support of my colleagues on the Board.

Finally, on behalf of the Board, I wish to reiterate that we are committed to creating shared value with all our stakeholders.

Thank you,

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



Manali Petrochemicals Limited

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Guindy, Chennai - 600 032.

Plant - I :

Ponneri High Road,
Manali, Chennai - 600 068.

Plant - II :

Sathangadu Village,
Manali, Chennai - 600 068.

31st Annual General Meeting
at Rajah Annamalai Mandram
on 25th July 2017

Speech by

Mr. Ashwin C Muthiah

Chairman

Ladies and Gentlemen,

I am happy to welcome you all to the 31st Annual General Meeting of your Company. I hope you have had the opportunity to review the Annual Report and consider the operational and financial performance for the year 2016-17. With your permission, I shall consider the Financial Statements as read.

ECONOMIC OVERVIEW

During the year under review, there were some impediments to the growth of the Indian Economy at 6.8%, against 7.2% in the previous year, attributed mainly to the currency exchange initiative by the Central Government. However the performance was a tad higher than China's, in spite of the set back.

The Gross Fixed Capital (GFC) formation in India at about 26% of the GDP in 2016 has been going down gradually over the last few years. From Rs. 35.7 trillion in 2013, the GFC grew by 4.1% in 2014, 6.1% in 2015 and a mere 0.60% in 2016, highlighting the problems in the Indian economic scenario. However the government consumption recorded a big leap of 17% from 2.9% in the previous year, perhaps to boost the otherwise sagging economy.

At the global level it has been reported that the demand gained stronger momentum during the 2nd half of 2016, propelled primarily by a gradual global recovery in investments and end of an inventory cycle in the USA. The infrastructure and real estate growth in China and reduced drag from adjustment to lower commodity prices have also been helpful in the improved performance which indicate a continued strengthening of global manufacturing sector in 2017. The commodity prices and markets too improved globally helping recovery of inflation, though the core inflation remained much below their targets in almost all the advanced economies.

MARKET SCENARIO AND

COMPANY'S PERFORMANCE

The performance of the Company is dependent on the overall economic situation and higher private consumption. As explained above, the Indian Economic Scenario had not been contributing to growth during the year under review, affecting the earnings substantially. Since many of the smaller customers such as thermo ware producers operate in unorganized markets doing business mostly in cash, the off-take during the last two quarters of the year had been affected, resulting in lower sales and margins.

This was over and above the impact of the persistent large scale imports of Polyols into India, notwithstanding the levy of Antidumping Duty on imports from certain countries. The additional capacities established in large scale abroad by the MNC majors in the last few years have shrunk the margins of your Company further. Though the re-monetization has happened, the market demands have not revived fully, as indicated by the fall in Industrial output in the recent months. Thus while the Company had no restrictions on utilizing the capacities, the sales realizations had been poorer during the year.

The Net Revenue from operations declined slightly from Rs. 579 crore to Rs. 577 crore, but the total revenue was higher, including receipt of the insurance claim for the flood losses. However, the operating margin to gross revenue went down sharply by about Rs. 8 crore indicative of the lower product margins.

PERFORMANCE OF THE SUBSIDIARIES

The Company has a Wholly Owned Subsidiary, AMCHEM Speciality Chemicals Private Limited, Singapore, primarily to hold all the overseas assets of the Company. The WOS established AMCHEM Speciality Chemicals UK Limited as its wholly owned subsidiary, which acquired Notedome Limited, UK effective 1st October 2016.

I am pleased to inform you that the performance of Notedome, a system house with more than 3 decades of experience in Neuthane PU Cast Elastomers, servicing customers across 45 countries, has been good. It may be seen that the effect of the acquisition on the financial position and results of the Company for the year has been positive with additional post-tax profits of about Rs. 6.87 crore for the year. In addition to the benefits of higher revenue and profits of Notedome, the Company would also look at possibilities of replicating its product lines for the Indian domestic market and vice versa. This is expected to benefit both the companies in the long run to expand their respective product lines and customer bases through better value added products in their portfolios.

The Singapore WOS, besides holding the foreign assets of the Company and exploring other opportunities for expanding the overseas acquisitions, is set to take up a few more activities such as consultancy, trading, establishing system houses and the like, so that it becomes a self-sustaining model.

OUTLOOK AND FUTURE PLANS

The Indian growth prospects for the next two years look brighter than the last year, with International Monetary Fund(IMF) projecting GDP growth at 7.2% for 2017 and 7.7% for 2018. This is higher than the forecasts of 6.6% and 6.2%, for China from 6.7% in 2016. The Report of Organization for Economic Cooperation and Development (OECD) asserts that the impact of demonetization having faded quicker than expected, the Indian GDP growth would strengthen to 7.75% in FY 2018-19. It has also been stated that sizable increases in the public sector wages and pensions supporting private consumption, the structural tax reforms and improving ease of doing business are projected to revive the private investment in the near term.