MANALI PETROCHEMICALS

Manali Petrochemicals Limited
Ponneri High Road, Manali, Chennai - 600 068.
Phone : 044 - 25941025
Fax : 044-25941199

MPL / Sectl / 08 / 2014
27th August 2014

Stock Code: 500268
Ms. S Miranda,
Assistant General Manager, (Corporate Services),
Bombay Stock Exchange Limited
25th Floor, P J Towers,
Dalal Street,
Mumbai – 400 001

Fax No: 022-22723121 / 2037 / 2041
E Mail: corp.relations@bseindia.com

Stock Code: MANALIPETC
The Manager
Listing Department
National Stock Exchange of India Ltd
"Exchange Plaza", C-1 Block G
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051

Fax No:022 26598237 / 38 / 26598347 / 48
E Mail: cmlist@nse.co.in

Dear Sir,

Sub: Copies of Minutes of Annual General Meeting & Chairman Speech – reg

---

In terms of clause 31 of the Listing Agreement, please find enclosed the following:

a) Copy of the Minutes of Annual General Meeting of our Company held on 13th August 2014

b) Copy of Chairman's Speech delivered at the above AGM.

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited

R Kothandaraman
Company Secretary

Encl: as stated

Minutes of 28th Annual General Meeting of Manali Petrochemicals Limited

The Twenty Eighth Annual General Meeting (AGM) of the Company was held on Wednesday the 13th August 2014 at Rajah Annamalai Mandram, Esplanade, Chennai – 600 108 at 10.30 A.M.

Present:

Name	DIN	Designation
Mr. Ashwin C Muthiah	00255679	Chairman
Mr. T K Arun	02163427	Director
Brig. (Retd) Harish Chawla	00085415	Director
Mr. Kulbir Singh	00204829	Director
Mr. Muthukrishnan Ravi	03605222	Managing Director
Mr. G Balasubramanian	06874838	WTD (Works)

Mr. R Kothandaraman, Company Secretary was also present.

The Meeting was chaired by Mr. Ashwin C Muthiah, Chairman of the Company.

Attendance of 7,282 members including representatives of Corporate Members and 16 proxies was recorded at the venue.

At the outset, Chairman welcomed the members and the others present to the Twenty Eighth Annual General Meeting of the Company. With the requisite quorum being present, Chairman called the meeting to order. He informed the Members that the Proxy Register, Register of Directors and Key Managerial Personnel and their Shareholding and Register of Members were available for inspection by Members.

Chairman then introduced the Directors and other Executives present on the dais.

With the consent of the members, the Notice convening the 28th AGM of the Company as already circulated to the Members was taken as read. Chairman then delivered his speech.

Chairman in his speech delved on the economic overview and its impact on the operations of the Company. He explained the market scenario and the Company' s performance during the year 2013-14. Members were also apprised of the outlook and challenges faced by the Company. Chairman thanked all the stakeholders such as the Governments, customers, suppliers, banks, employees and the Directors.

Thereafter the Chairman proceeded to transact the items set out in the notice of the meeting.

With the consent of the Members present, the Audited Accounts and the Report of the Directors for the year 2013-14 were taken as read. Pursuant to Section 230 of the Companies Act, 1956 the Report of the Auditors to

Manali Petrochemicals Limited Chennai

the Members on the accounts for the year issued under Section 227 of the said Act was read by the Company Secretary.

Before taking up the items listed in the Agenda for the meeting, Chairman informed that there has been a change in the process of approval of the resolutions by the Members. He said that the Company had facilitated e-voting on the resolutions and ordered that the voting shall also be held through polling at the venue to enable the members present at the venue, who could not cast their e-votes, to participate in the process.

As advised by the Chairman, the Company Secretary explained the polling process. It was informed that pursuant to the provisions of Companies Act, 2013 and revised Clause 35B of the Listing Agreement, the Company had provided e- Voting facility to its members for the businesses proposed in the AGM Notice through CDSL platform. The E- Voting commenced on August 6, 2014 and ended on August 8, 2014. It was explained that since the Company had provided e-voting facility, as per the extant regulations voting by show of hands and demand for poll by the Members at the meeting were not relevant. However in order to provide an opportunity to the shareholders who could not exercise the e-voting, the Chairman, suo moto, ordered to conduct the voting at the venue by Poll. The process of polling at the venue was explained in detail to the Members.

It was informed that CS (Mrs.) B Chandra, Practicing Company Secretary was appointed as the Scrutinizer for both the e-voting and the poll at the venue. Members noted that after completion of the poll, the votes polled will be consolidated and the result announced in the Company' s website within 2 days. It was also informed that as per the relevant rules, the resolutions shall be deemed to have been passed as on the date of the AGM.

Chairman then invited queries from the Members on the various resolutions proposed in the Notice of the AGM.

Mr. P Thomas (C0072656), Mr. R. Ramasubramanian (IN301313/20112309), Mr. P Srinivasulu (IN30549/14710889), Mr. L V Rajarathnam (IN301356 /40001920), Mr. Ramanlal Parikh (A0066525), Mr. D Suryanarayanan (A0063944), Mr. Subramanian Pabbisetty (1203840000140012), and Mr. P R Trivedi, (P0062827) Members present in person participated in the discussions.

The Members congratulated the Directors and the Management for the continued good performance. They raised queries on the steps taken for

curtailing the imports into India, dividend payout, contingent liability, share price, advancing the date of AGM, etc.

Chairman thanked the Members for their appreciating the performance of the Company and replied to the queries. He informed that the Company has taken actions to curtail import of polyols into India within the avenues available under the extant regulations. MPL also has taken steps for increasing the exports and develop more value added products to improve the performance.

On dividend payout Chairman explained that the Board is keen to consolidate the Company' s standing and desired to sustain and maintain the dividend track record, while also ensuring adequate resources for the Company' s long term plans.

On contingent liabilities, it was informed that these are being contested before various forums and classified as such based on the expert advice and facts and circumstances of the case.

On share price Chairman informed that it is determined by the market and other external factors. He further observed that neither the Company nor its management had any role in this.

Chairman informed the Members that the suggestions to bring down the gap between the accounts approval by the Board and the AGM would be looked into.

After the discussions, the polling process commenced. The Scrutinizer examined the four ballot boxes kept at convenient places for the Members to cast their votes. Members noted that the boxes were empty and thereafter the boxes were locked by the Scrutinizer and the Keys kept with her.

The representatives of the Scrutinizer issued the ballot papers in Form MGT-12 in which all the ten items proposed in the notice of the AGM had been listed with provision to the Members for making their choice on each of the item.

Sufficient time was afforded to the Members to vote and after all those present had exercised their franchise, the Chairman declared the meeting as closed.

The process of verifying the votes polled at the venue and consolidation of the votes cast electronically was taken up by the Scrutinizer. The employees of the Company and the Registrars and Share Transfer Agent extended necessary technical and other support to the Scrutinizer and her

Manali Petrochemicals Limited Chennai

team for smooth conduct of the polling and also verification of the votes cast and related matters.

All the four ballot boxes were opened by the Scrutinizer in the presence of two witnesses after completion of the polling. The polling papers were initialed by the Scrutinizer and the validity was verified with reference to the signature and other particulars given therein. The votes cast were duly counted by the Scrutinizer and aggregated with the result of the e-voting.

The Scrutinizer submitted her Report in Form MGT-13 to the Chairman on 13th August 2014 which was duly counter signed by him.

As per the Report of the Scrutinizer a total of 70 votes were cast by the Members holding 7,70,94,526 shares on all the resolutions, including by 39 members at the venue. The report concluded that all the resolutions proposed in the Notice of the AGM have been duly passed with the requisite majority.

The results were announced on 14th August 2014 through the website of the Company and also submitted to the Stock Exchanges on the same day.

The details of the resolutions passed and the votes cast for and against the same are as follows:

Ordinary Business:

1. Adoption of Audited Financial Statements for the year 2013-14

   RESOLVED THAT the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date together with the Notes thereon, the Cash Flow Statement for the said period and the Report of the Auditors and the Directors thereon be and are hereby received, considered and adopted.

   The Resolution was passed as an Ordinary Resolution with 99.998% assent as detailed below:

Votes cast for the resolution	77093130	99.998%
Votes cast against the resolution	1396	0.002%
Total valid Votes	77094526	100.000%

2. Declaration of Dividend for the year 2013-14

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of fifty paise per equity share on 17,19,99,229 Equity Shares of Rs. 5/- each, absorbing Rs. 860 lakhs (rupees Eight hundred and sixty lakhs only), subject to rounding off, be and is hereby declared out of the profits for the year ended March 31, 2014 and the same be paid:

Manali Petrochemicals Limited Chennai

i. In respect of shares held in physical form, to those members whose names appear on the register of members on 13th August 2014 and

ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 2nd August 2014.

The Resolution was passed as an Ordinary Resolution with 99.998% assent as detailed below:

Votes cast for the resolution	77093109	99.998%
Votes cast against the resolution	1417	0.002%
Total valid Votes	77094526	100.000%

3. **Appointment of Director Retiring by Rotation**

RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the company, Mr. T K Arun (DIN: 02163427), a Director retiring by rotation being eligible and offering for re-election, be and is hereby re-appointed as a Director of the company.

The Resolution was passed as an Ordinary Resolution with 99.993% assent as detailed below:

Votes cast for the resolution	77088475	99.993%
Votes cast against the resolution	5401	0.007%
Total valid Votes	77093876	100.000%

4. **Reappointment of Auditors**

RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, and the Rules made thereunder, M/s Deloitte Haskins and Sells, Chartered Accountants, Chennai, the retiring auditors with ICAI Registration Number 008072S, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company to be held during the year 2016 on a remuneration to be fixed by the Board of Directors.

The Resolution was passed as an Ordinary Resolution with 99.993% assent as detailed below:

Votes cast for the resolution	77089025	99.993%
Votes cast against the resolution	5301	0.007%
Total valid Votes	77094326	100.000%

Manali Petrochemicals Limited Chennai

Special Business

5. Approval of appointment of Brig. (Retd.) Harish Chandra Chawla as an Independent Director of the Company

RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force)and the Articles of Association of the Company the appointment of Brig. (Retd.) Harish Chandra Chawla [DIN 00085415] as an Independent Director of the Company for a period of five years from 28th May 2014 be and is hereby approved.

The Resolution was passed as an Ordinary Resolution with 99.993% assent as detailed below:

Votes cast for the resolution	77088430	99.993%
Votes cast against the resolution	5446	0.007%
Total valid Votes	77093876	100.000%

6. Approval of appointment of Mr. Kulbir Singh as an Independent Director of the Company

RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company the appointment of Mr. Kulbir Singh, [DIN 00204829] as an Independent Director of the Company for a period of five years from 28th May 2014 be and is hereby approved.

The Resolution was passed as an Ordinary Resolution with 99.993% assent as detailed below:

Votes cast for the resolution	77088575	99.993%
Votes cast against the resolution	5301	0.007%
Total valid Votes	77093876	100.000%

7. Appointment of Mr. G. Balasubramanian as a Director of the Company

RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. G. Balasubramanian (DIN 06874838)

Manali Petrochemicals Limited Chennai

be and is hereby appointed as a Director of the Company liable to retire by rotation.

The Resolution was passed as an Ordinary Resolution with 99.994% assent as detailed below:

Votes cast for the resolution	77089175	99.994%
Votes cast against the resolution	4701	0.006%
Total valid Votes	77093876	100.000%

8. **To empower the Board to borrow moneys in excess of the paid-up capital and free reserves and also to mortgage and/or charge the assets of the Company to secure such borrowings**

RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company' s Bankers in the ordinary course of business, shall not be in excess of Rs 500 crore (Rupees five hundred crore) over and above the aggregate of the paid up share capital and free reserves of the Company, on such terms and conditions as may be agreed to between the Company and the Lenders.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and / or creating charge on the assets of the Company to secure the amount(s) borrowed/to be borrowed by the Company on such terms and conditions as may be agreed to between the Company and the Lenders.

The Resolution was passed as a Special Resolution with 99.989% assent as detailed below:

Votes cast for the resolution	77085244	99.989%
Votes cast against the resolution	8632	0.011%
Total valid Votes	77093876	100.000%

Manali Petrochemicals Limited Chennai

9. <u>Approval for appointment of Mr. Muthukrishnan Ravi as a Managing Director of the Company</u>

RESOLVED THAT pursuant to Sections 196, 197, 203 of the Companies Act, 2013, ("the Act"), Schedule V thereto, the applicable Rules, Article 93 of the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required consent of the Members is accorded for the reappointment of Mr. Muthukrishnan Ravi (DIN: 03605222) who is also the Managing Director of Tamilnadu Petroproducts Limited (TPL), as a Managing Director of the Company on the following terms and conditions:

A. Period of Appointment: 3 Years (29-07-2014 to 28-07-2017)

B. Nature of Appointment: Contractual

C. Remuneration

Mr. Muthukrishnan Ravi (DIN: 03605222) shall be paid remuneration as detailed below:

a. Basic Salary Rs. 1,90,000/- per month

b. Allowances Rs. 3,61,417/- per month

c. Annual Performance pay not exceeding Rs. 30,00,000/-

d. Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/service rules of the Company.

e. The following shall not be deemed to be remuneration to Mr. Muthukrishnan Ravi (DIN: 03605222)

- Provision of car with driver for business and personal use
- Provision of telephone at residence and mobile phone.
- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

f. The remuneration to Mr. Muthukrishnan Ravi (DIN:03605222) shall be shared between MPL and TPL equally or in such other proportion as may be decided by the Board from time to time so long as he holds a Managerial position in TPL.

Manali Petrochemicals Limited Chennai

D. Payment of minimum remuneration in the event of loss or inadequacy of profits

In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. Muthukrishnan Ravi (DIN: 03605222). The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

The Resolution was passed as a Special Resolution with 99.994% assent as detailed below:

Votes cast for the resolution	77089030	99.994%
Votes cast against the resolution	4846	0.006%
Total valid Votes	77093876	100.000%

10. **Approval for appointment of Mr. G. Balasubramanian as a Whole-time Director (Works) of the Company**

RESOLVED THAT pursuant to Sections 196 and 197 of the Companies Act, 2013, ("the Act"), Schedule V thereto, the applicable Rules, Article 146 of the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles, as may be applicable, and such other approvals as may be required approval of the Members is accorded for the appointment of Mr. G. Balasubramanian(DIN: 06874838) as the Whole-time Director (Works) of the Company for a period of three years with effect from 28-05-2014 on the following terms and conditions:

A. Period of appointment : 3 years (28-05-2014 to 27-05-2017)
B. Nature of appointment : Contractual
C. Remuneration

Mr. G. Balasubramanian (DIN: 06874838) shall be paid remuneration as detailed below:

a. Basic Salary Rs. 89,400/- per month
b. Allowances Rs. 86,532/- per month
c. Annual Performance pay not exceeding Rs. 6,00,000/-
d. Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/service rules of the Company.
e. The following shall not be deemed to be remuneration to Mr. G. Balasubramanian (DIN: 06874838)
   - Provision of car with driver for official use
   - Provision of telephone at residence and mobile phone.

Manali Petrochemicals Limited Chennai

- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

D. Payment of minimum remuneration in the event of loss or inadequacy of profits

In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. G. Balasubramanian (DIN:06874838). The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

The Resolution was passed as a Special Resolution with 99.994% assent as detailed below:

Votes cast for the resolution	77089180	99.994%
Votes cast against the resolution	4696	0.006%
Total valid Votes	77093876	100.000%

Pursuant to the provisions of Section 108, 109 and the relevant Rules, all the aforesaid resolutions are deemed to have been passed on 13th August 2014, being the date of the relevant AGM.

Sd.

CHAIRMAN

//CERTIFIED TRUE COPY//

For Manali Petrochemicals Limited

R. Kothandaraman
Company Secretary

Manali Petrochemicals Limited Chennai

year, an increase of over 7%. The profit after tax also improved marginally by about 6% and stood at Rs. 29.05 crore. Though the Company requires funds for its growth plans, a dividend of 10% has been recommended for the year, entailing an outflow of about Rs. 10 crore, including the tax pay-out.

OUTLOOK

The GDP growth forecast in the Economic Survey published by the Indian Government and the aggregate trade growth estimates of the World Trade Organization have been encouraging. These are expected to re-kindle the domestic demand in the coming years. However, the unabated import of Polyol into India is a cause for worry.

Your Company has taken steps to develop new applications for its products and widen the customer base. The focus will be to produce products with better value addition. The availability of PO for the derivative plants has been assured with the bulk storage facility at Ennore Port becoming operational. Your Company can now target higher plant utilization and achieve economies of large scale operation. Since the moratorium on new proposals at Manali has been lifted, your Company can now plan for new products and expansion. These measures are expected to improve the operational efficiencies of your Company while ensuring sustainable profitability.

ACKNOWLEDGEMENT

I would like to express my deep appreciation to you, for your support to us at all times. I also extend 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. Last but not the least, I wish to place on record my unqualified appreciation for the guidance and support of my colleagues on the Board.

Thank you.

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

MANALI PETROCHEMICALS

Manali Petrochemicals Limited

CIN : L24294TN1986PLC013087
Web : www.manalipetro.com
E-mail : companysecretary@manalipetro.com

Registered Office :
SPIC House, No. 88, Mount Road,
Guindy, Chennai - 600 032.

Principal Office & Plant - I :
Ponneri High Road,
Manali, Chennai - 600 068.

Plant - II :
Sathangadu Village,
Manali, Chennai - 600 068.

28th Annual General Meeting
at **Rajah Annamalai Mandram**
on 13th August 2014

Speech by
Mr. Ashwin C Muthiah
Chairman

Ladies and Gentlemen,

I have great pleasure in welcoming you all to the 28th Annual General Meeting of your Company. You have had the annual report and audited financial statements with you for some time now and I am sure you would have reviewed your Company's performance. With your permission, I will consider them as read.

ECONOMIC OVERVIEW

The country witnessed sub-five per cent growth in the last two consecutive years. The persistent uncertainty in the global economic situation on account of the Euro crisis and global slowdown, compounded by the domestic structural constraints and inflationary pressures led to this situation. Though this was reflective of the general trend witnessed by many economies, the effects were felt deeper in India. The average growth during the last two years was 4.6 per cent against 8.3 per cent during 2004-05 to 2011-12. This slowdown has largely affected the manufacturing sector. Despite the inflation coming down, the desired levels have not been reached yet. This is primarily on account of the food inflation.

On the brighter side, the Current Account Deficit declined to manageable levels during the last fiscal, after continuing to be very high in the previous two years. The fiscal deficit also came down for the 2nd year in a row.

Post the general elections, the financial markets have surged, bringing in new hope for better days ahead. Restoring investor confidence will greatly depend on reining in the inflation, which will guide the monetary policy. It is projected that the Indian economy is poised for better growth in 2014-15 and in the years to come.

MARKET SCENARIO

Your Company operates in the Polyurethanes (PU) market. The Indian PU market, after registering impressive growth during 2007-2012, was stagnant during the previous year but some signs of revival were witnessed during the year under review towards the end.

Your Company's products find use in various industries like automotive, refrigeration, insulation, furniture, etc. the health of which are closely tied to the overall economy. Thus, the performance of the Company is dependent on the general economic situation, making it cyclical. Additional PU capacities created elsewhere have become an important impediment for the domestic players. The dumping of Slab Stock Polyol, the major product of the Company continued and was at an all-time high during the year under review. With the new capacities abroad having been completed, the Company will have to face severe pressure from even higher levels of dumping by major MNCs into India.

COMPANY'S PERFORMANCE

The surge in imports had a severe impact on the market share and margins of the Company. However, through concerted efforts, the Company registered better revenue and also improved the profitability.

Your company recorded total revenue of Rs. 560.73 crore in FY 2013-14 against Rs. 522.42 crore in the previous