

ANNUAL REPORT

2009 – 2010



Manali Petrochemical Ltd



BOARD OF DIRECTORS

(As on 20th April 2010)

ASHWIN C. MUTHIAH	Chairman
T.K. ARUN (Nominee of TIDCO)	Director
BABU K VERGHESE	Director
G. RAGHAVENDRAN	Director
M. SIVAGNANAM	Director
N. SURYANARAYANAN	Director
G. RAMACHANDRAN	Managing Director
K.K. RAJAGOPALAN	Director (Finance)

AUDIT COMMITTEE

M. SIVAGNANAM	Chairman
T.K. ARUN (Nominee of TIDCO)	Director
G. RAGHAVENDRAN	Director

COMPANY SECRETARY

G.S. LAKSHMI NARASIMHAN

AUDITORS

M/s Deloitte Haskins & Sells,
ASV N Ramana Tower, 52, Venkatnarayana Road,
T.Nagar, Chennai - 600 017.

BANKERS

State Bank of India
State Bank of Hyderabad
State Bank of Patiala
Indian Bank
Canara Bank
Punjab National Bank
Corporation Bank
State Bank of Bikaner & Jaipur
Bank of India

REGISTERED OFFICE

SPIC HOUSE
88, Mount Road, Guindy, Chennai 600 032

PRINCIPAL OFFICE & PLANT-I

Ponneri High Road, Manali, Chennai 600 068
Phone : 25941025, 25941249, 25941253
Fax : 25941199
Email : it@manalipetro.com

PLANT - II

Sathangadu Village
Manali, Chennai 600 068
Phone : 25941698, 25941402

SECRETARIAL DEPARTMENT

Ponneri High Road, Manali, Chennai 600 068
Phone : 25943895 (Direct)
Email : companysecretary@manalipetro.com

DEPOSITORY

National Securities Depository Ltd (NSDL)
Central Depository Services (India) Ltd (CDSL)

SHARES LISTED WITH

- 1 Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
- 2 National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Confirmation of De-listing awaited from
The Calcutta Stock Exchange Association Ltd
No.7, Lyons Range, Kolkata - 700 001

REGISTRARS AND SHARE TRANSFER AGENT

M/s Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road, Chennai 600 002
Phone : 28460390 - 394 & 28460718
Fax : 28460129
E mail : investor@cameoindia.com



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Manali Petrochemical Ltd will be held at Rajah Annamalai Mandram, Esplanade (Near High Court), Chennai – 600 108, on Wednesday, the 22nd September, 2010 at 10.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr.K.K. Rajagopalan, who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of Mr.Babu K Verghese, who retires by rotation and being eligible offers himself for re-election.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, M/s. Deloitte Haskins and Sells, Chartered Accountants, Chennai, the retiring Auditors (having ICAI Registration Number 008072S), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in connection with the Company's Audit.”

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an ORDINARY RESOLUTION:
“RESOLVED THAT Mr T.K. Arun, whose period of office shall be liable to determination by retirement of Directors by rotation, be and is hereby appointed as a Director of the Company”.
7. To consider and if thought fit, to pass, with or without modifications, the following Resolutions as a SPECIAL RESOLUTION:

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the Company.
2. The proxies in order to be valid must be received by the Company at its Registered Office / Principal Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / Proxies should bring the attendance slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting and members who hold shares in the dematerialised form are requested to indicate without fail their DP ID and Client ID numbers in the attendance slips. Members are requested to bring their copies of the Annual Report with them.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 15.09.2010 to 22.09.2010 (both days inclusive).

“RESOLVED THAT pursuant to Article 146 of the Articles of Association of the Company and the provisions of Section 198, 269, 309, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications and / or re-enactments of the companies Act and / or any notification which the Central Government may issue from time to time) and subject to the approval of the Central Government, if necessary, and such other approvals as may be required and such alteration / modification, if any, that may be effected by the above mentioned bodies in that behalf, approval of the members be and is hereby accorded for the re-appointment of Mr. K.K. Rajagopalan, Whole Time Director in charge of Finance of the Company for the period from 01.10.2010 to 30.09.2011 as per current terms and conditions of remuneration and as set out in the Explanatory Statement annexed hereto”.

“RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation to Schedule XIII or any provisions of Companies Act and to Income Tax Act, Income Tax Rules or issue of any notification under the aforesaid Acts / Rules, the Board of Directors, upon recommendations of the remuneration committee be and is hereby authorised to alter and vary the terms and conditions of appointment and increase the remuneration and to sign / execute necessary agreement, deeds etc. and to take all such steps, deeds matters and things as may be considered necessary on behalf of the Company to give effect to the above resolution.

Minimum Remuneration

In the event of loss, absence or inadequacy of profits, the remuneration aforesaid shall be the minimum remuneration. Any excess over the limits prescribed under the Companies Act, 1956 shall become payable with the approval of the Central Government, wherever so required.”

5. Members are requested to furnish the details of their nomination (if not already sent) in the necessary Form to the Registered Office of the company.
6. To avoid postal delays, misplacement and fraudulent encashment of the dividend warrants, the company is extending remittance of dividend through Electronic Clearing Service (ECS) facility. Members who wish to avail this facility are requested to use the form for this purpose which is available on the company's website www.manalipetro.com and send the same to our Registrar M/s Cameo Corporate Services Ltd, Chennai.
7. National Electronic Clearing Services (NECS) has been operationalised by RBI wef Oct, 2008 enhancing the coverage given by ECS so far, NECS leverages on Core Banking Solution of member banks for centralised posting of NECS transactions. Through NECS, you as our shareholder can receive dividend



credits through electronic mode even if you are not in an ECS location. We encourage you to update the details required for NECS with your DP.

Date : 20th, April 2010
Registered Office:
SPIC HOUSE
88, Mount Road, Guindy,
Chennai - 600 032.

8. Relevant explanatory statement of material facts pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item nos: 6&7 of the notice is annexed hereto.

By Order of the Board
For **MANALI PETROCHEMICAL LTD.,**

G.S. LAKSHMI NARASIMHAN
COMPANY SECRETARY

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT FOR ITEM NOS.6 & 7
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.6

Mr T.K. Arun, was appointed as an Additional Director of the Company by the Board of Directors at the meeting held on 28th October 2009 in terms of Section 260 of the Companies Act, 1956 read with Article 97 of the Articles of Association of the Company with effect from 07-10-2009. Mr. T.K.Arun holds office upto the date of this Annual General Meeting. The company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- as required under that Section, signifying his intention to propose the appointment of Mr T.K.Arun as a Director of the Company, liable to retirement by rotation.

Mr T.K.Arun is the General Manager & Secretary of Tamil Nadu Industrial Development Corporation (TIDCO), Chennai. Mr T.K.Arun holds a Bachelor's Degree in Commerce and he is an Associate Member of the Institute of Company Secretaries of India. Mr T.K.Arun is also a Director in DLF Info Park (Chennai) Ltd., Ascends IT Park (Chennai) Ltd., Tamil Nadu Petroproducts Ltd., Transfor Infra Structure Park Ltd., Sree Maruthi Marine Industries Ltd., Cheslind Textiles Ltd., Asian Bearings Ltd., Great Sea Trawler Building Yard Mandapam Limited & Southern Petrochemical Industries Corporation Ltd.,

The Board recommends the election of Mr T.K.Arun as a Director of the Company for the approval of Members.

Mr T.K.Arun is not holding any equity shares of the Company.

Memorandum of Interest

None of the Directors are interested in the resolution except Mr T.K.Arun.

Item No.7

1. Mr K.K. Rajagopalan was appointed as a Whole Time Director in charge of Finance of the Company for a period of 5 years effective from 20.04.2000. He was reappointed as Director (Finance) for the period from 20.04.2005 to 30.09.2008. The same was approved by the Company in its Annual General Meeting held on 10.09.2005. The appointment of Mr K.K. Rajagopalan, Director (Finance), was renewed for a further period of 2 years, commencing from 01-10-2008 to 30-09-2010 and was approved by the Members in the AGM held on 20th September 2008.

The Remuneration Committee which met on 20th April 2010 decided to extend the services of Mr. K.K. Rajagopalan for a further period of one year commencing from 01-10-2010 to 30-09-

2011 at the existing remuneration package and duly approved by the Board in its meeting on 20th April, 2010. The salary package of Mr. K.K. Rajagopalan is given below:

- (1) Salary of Rs.80,000/- per month.
- (2) Performance Linked Pay of Rs.8.00 lakhs per annum.
- (3) Allowances & Perquisites shall be allowed in addition to both salary and performance linked pay. However, it shall be restricted to an amount equal to Rs.14.40 lakhs per annum.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Allowances and Perquisites shall also include:

- (a) Provident Fund
Contribution to Provident Fund will be 12% of the salary.
- (b) Superannuation Fund
Contribution to Superannuation Fund will be 15% of the salary.
- (c) Gratuity
Gratuity payable shall not exceed one-half month's salary for each completed year of service.
However, Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisites so as not to exceed the limit of Rs.14.40 lakhs per annum.

Other Payments and Provisions, which shall not be included in the computation of the ceiling on remuneration for the above revision in pay are :

- i) Encashment of Leave
As per Rules of the Company.
- ii) Car
Provision of Company's car with driver for business and personal use.
- iii) Telephone
Provision of telephone at residence.
- iv) Reimbursement of Expenses
 - i) Entertainment Expenses

Reimbursement of entertainment expenses actually incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Board.



ii) Travelling Expenses

Reimbursement of travelling expenses actually incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by the Board.

In the event of loss, absence or inadequacy of profits, in any financial year during the currency of tenure of Mr. K K Rajagopalan, Director (Finance), the remuneration aforesaid shall be the minimum remuneration payable to him.

However, any excess over the minimum remuneration prescribed under the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, shall be payable to Mr.K K Rajagopalan with the approval of the Government of India.

In this regard, as required under Part II, Section II of Schedule XIII to the Companies Act, 1956 the following information is furnished:

I. GENERAL INFORMATION

Nature of Industry : Chemical and Petrochemical (Manufacture and sale of Propylene Oxide, Propylene Glycol, Polyols etc.)

Date of commencement of commercial Production :

Propylene Oxide / Propylene Glycol Plant I – Jul. 1990 Plant II – Aug. 1990

Polyol Plant I – Dec.1990 Plant II – Sep. 1990

Financial Performance

The following are the results of the Company during the last five years, at a glance:

(Rs. In lakhs)

Financial Parameters	2005-06	2006-07	2007-08	2008-09	2009-10
Turnover (Gross)	37766.95	36433.52	36955.20	39479.94	41996.26
Net Profit after tax	3403.80	1499.05	600.94	703.18	2106.27
Amount of dividend paid	860	860	860	430	645 (Proposed)
Rate of dividend declared in %	10%	10%	10%	5%	7.50% (Proposed)

Export performance, net foreign exchange earnings and collaborations:

During 2009-10, the Company's foreign exchange earnings on account of exports on FOB basis was Rs.135.04 lakhs and expenditure in foreign currency was Rs.8091.22 lakhs inclusive of CIF value of imports.

II. INFORMATION ABOUT THE APPOINTEE:

Background details, recognition/awards:

Mr. K.K. Rajagopalan is an engineering graduate with post graduation in Management from Indian Institute of Management, Bangalore, with specialization in Finance. He served as Executive Director (Finance) in M/s.Southern Petrochemical Industries Corporation Ltd., before joining the company. He carries with him about 37 years of experience in the industry. He is also a Director in the following companies, namely M/s. Chiptest Labs Limited, M/s.Brainwave Biosolutions Ltd. & M/s.Trinity Auto Points Ltd.

Past Remuneration

Mr. K.K. Rajagopalan (Rs in lakhs)

Period	Salary	Perquisites	Retirement Benefits	Total
2007-08	24.28	5.58	3.36	33.22
2008-09	24.28	5.58	2.93	32.79
2009-10	24.37	5.59	3.05	33.01

Job profile and suitability

Mr.K.K. Rajagopalan, as Director (Finance) is responsible for finance and accounts related functions. He is responsible for mobilization and utilisation of funds and accounting functions. With the requisite knowledge and experience as detailed in the background and considering the talents and skills acquired in the course of his career in handling corporate finance, it is considered that the appointee is suitable for the assignment.

Remuneration proposed to the Appointee

Details of remuneration payable to Mr. K.K. Rajagopalan is furnished in the resolution under Item No. 7 of the Notice.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)

Taking into consideration (a) the size of the organization, (b) level of operation of the business unit, (c) the invaluable experience by the incumbent



(d) adverse business scenario faced by the Company in view of ever increasing oil prices and tight market situation, (e) efforts required to be put in by the incumbent to sustain the Company in profit making and (f) industrial norms on remuneration package to whole-time Directors in Chemical and Petrochemical Industries, it is considered that the remuneration package is very reasonable.

Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any.

Mr. K.K. Rajagopalan has no pecuniary relationship with the Company, directly or indirectly (except to the extent of the remuneration received / receivable by him from the Company and his respective holding in the Company's equity share capital).

Memorandum of Interest

Mr. K.K. Rajagopalan, Director (Finance) is holding 1650 Equity Shares of the Company

He is interested in the resolution to the extent of remuneration payable to him. None of the other Directors of the Company is interested in the above resolution.

The Board commends the resolution for the approval of Members.

Date : 20th April 2010

Registered Office:

SPIC HOUSE,

88, Mount Road, Guindy,

Chennai - 600 032.

By Order of the Board
For **MANALI PETROCHEMICAL LTD.,**

G.S. LAKSHMI NARASIMHAN
COMPANY SECRETARY

**Brief resume of the Directors seeking election / re-appointment in the
24th Annual General Meeting.**

1. **Mr. Babu K Verghese** was appointed as an Additional Director on the Board effective 29.10.2007. Mr. Babu K Verghese holds a B.Tech degree in chemical engineering and has more than 40 years of industrial experience. Formerly, he was Managing Director of M/s. Southern Petrochemical Industries Corporation Ltd. and also Deputy Chairman of Indo-Jordon Chemicals Ltd., Amman. He is currently the Director in First Leasing Company of India Ltd., Matsu Enterprises Pvt. Ltd. & K'Chira International Pvt. Ltd.

Mr. Babu K Verghese holds 300 equity shares of the company.

2. **Mr. T.K. Arun** - Please refer item No.6 under explanatory statement in page 2.

3. **Mr. K.K. Rajagopalan** - Please refer item No.7 under explanatory statement in pages 2 to 4.

DECLARATION

To

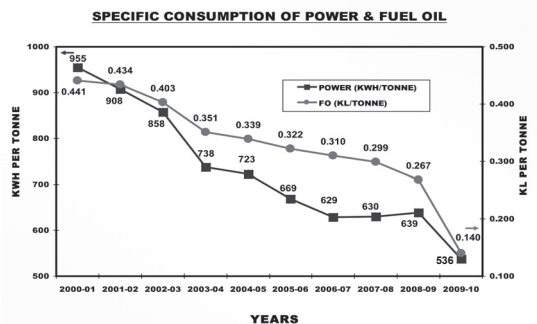
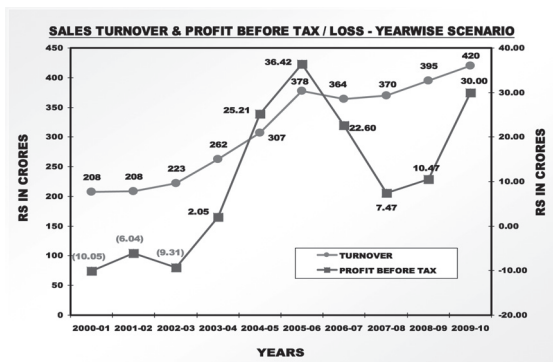
The Members of the Manali Petrochemical Ltd.

This is to declare that the Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with by all the members of the Board and Senior Management Personnel of the Company respectively.

Place : Chennai

Date : 20th April 2010

G. RAMACHANDRAN
MANAGING DIRECTOR



** For plant 1 alone



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

To
The Shareholders

The Directors present their 24th Annual Report on the business and operations of your company and the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS (Rs in Crores)

DESCRIPTION	2009-10	2008-09
Profit Before Interest and Depreciation	35.54	19.54
Interest	1.50	1.31
Depreciation	4.04	7.76
Profit Before Tax	30.00	10.47
Provision for Taxation	8.94	3.44
Profit After Tax	21.06	7.03
Cash Profit	29.01	17.14

During the year, the Company achieved a profit before tax of Rs.30.00 Crores and a profit after tax of Rs.21.06 Crores. The main contributing factors for the better profits are higher capacity utilization, higher sales backed up by a favourable domestic demand. The trend of the profits and sales turnover for the past few years are as per graph on page 4.

OPERATIONAL HIGHLIGHTS

Your company continued its efforts to reduce the cost of production and to improve the quality of the products by debottlenecking the facilities. This helped us to achieve better consumption norms. The efforts led to additional production without substantial increase in the consumption of utilities. During the year, the company achieved highest ever production and sales turnover so far recorded by the company. Ministry of Environment & Forest (MOEF), Government of India accorded permission for the expansion and based on which consent, Tamilnadu Pollution Control Board's (TNPCB) recognition for the additional capacity has also been obtained. Higher capacity utilization of plants has helped to lower specific consumption of key raw material and energy inputs.

The Bio-Mass Fired 4.2MW co-generation captive power plant successfully commissioned during the previous year, was helpful in mitigating the power restrictions during the current year. The captive power plant is being run at required capacity levels.

During the current year, the synthesis section of the propylene oxide plant of Plant-II was retrofitted to reduce the solid and liquid effluents. While doing so, the production capability also improved and the retrofit could be completed with a marginal investment of Rs.10 Crores. The plant was commissioned in March 2010 and the full benefit of the project would accrue in the next financial year. The quality improvement programme, which was taken up last year in the propylene glycol plant of Plant-II has resulted in a higher production levels. The polyol plant of our Plant-I has been debottlenecked to 25000 MTPA. The polyol plant of Plant-II is being expanded by 17000 MTPA to 25000 MTPA. By the end of the next financial year the company will have capacities of 36000 MTPA of propylene oxide, 20000 MTPA of propylene glycol and 50000 MTPA of polyol. The additional propylene oxide required beyond our internal capability of 36000 MT, will be imported.

DIVIDEND

Your Directors recommend a 7.5 % dividend i.e. Rs.0.375 for every equity share of Rs. 5/- each fully paidup, for the year 2009-10, aggregating to Rs.6.45 Crores.

MARKET SCENARIO

Though the sale of propylene glycol was sluggish in the previous year due to heavy imports into India, the sale improved with the continued growth of

unsaturated polyester industries, food & flavour industries in India. Moreover limited availability of international products in India during the period aided in increasing the sale during the year.

The sale of slab stock polyol also continued to grow. Our market share is less than 50% leaving scope for further improvement. We could not substantially improve the sale of speciality polyol in view of very stiff competition from multinational companies and restricted buying by the user industries. We hope to improve in this area significantly in the coming years.

This higher quantum of sales of both slabstock polyols and propylene glycol increased your company's sales turnover to Rs.420 Crores in the current year from Rs.395 Crores in the previous year.

FUTURE OUTLOOK AND NEW PRODUCTS

The polyurethane industries is growing continuously. We are also expanding to maintain our market share. The bulk of the growth is in the PU slab stock area. The glycol market continued to grow in the unsaturated polyester industries and food & flavour industries. The major automobile manufacturers have started expanding their capacities in India and the exports are also on the rise. Similarly, the refrigerator market is also improving significantly thus presenting a good demand for PU chemicals. Your company is hopeful of improving its market share in these areas.

OPPORTUNITIES AND THREATS

Though the concessional duty levels accorded under Free Trade Agreements are a continuing threat, expanding markets are the opportunities, which will help the company to retain its position. Since the recessionary threat in other parts of the world is slowing / receding, it is generally expected that the price levels would return to normal, improving the profitability.

RISKS AND CONCERNS

Chennai Petroleum Corporation Ltd (CPCL) is the single source of supply of propylene. This is a big risk. Any outages of the propylene recovery plant can upset the production of your company. However, the chemical terminal at several ports would probably help your company to manage any unforeseen outages effectively and ensure continuous supply of products.

ENVIRONMENT AND SAFETY

Your company continues to maintain International Quality Standards. Periodic surveillance audit was conducted by auditors during December '09. Your company is planning to go for revised quality management system as per ISO 9001 – 2008 version. Certification audit in this regard will be done in the month of May 2010. Your company continues good performance in the area of safety. Recently Unit – II has obtained safety award from Tamil Nadu Government for highest reduction in accident frequency rate for the year 2006.

CONSERVATION OF ENERGY

As required under Sec.217(1)(e) of the Companies Act, 1956 read with Rule-2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, information on conservation of energy, technology absorption, foreign exchange earnings and outgo, are as per Annexure forming part of this report.

FIXED DEPOSITS

Your company has not accepted any deposits from the public during the year under report.

INDUSTRIAL RELATIONS

As of 31st March 2010, your company had 366 employees on its rolls including engineers and technicians recruited recently through training programmes. The fresh engineers / diploma / graduate degree holders, after



training will be inducted into permanent services of the company to fill up vacancies that arise due to resignations.

PARTICULARS OF EMPLOYEES

A statement concerning employees as required by section 217 (2A) of the companies Act, 1956 is attached to this report.

DIRECTORS

Mr. B. Viswabarathy, Director resigned from the Board with effect from 7th October 2009 and Mr. T.K. Arun, General Manager & Secretary of TIDCO was nominated in his place with effect from 7th October 2009.

The Board wishes to place on record the valuable services rendered by Mr. B. Viswabarathy during his tenure as the Director of the company.

Mr N. Suryanarayanan, Chief Financial Officer, M/s Southern Petrochemical Industries Corporation Ltd., was appointed as a Director by the Members in the last AGM held on 17th September 2009.

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr Babu K Verghese and Mr. K.K. Rajagopalan, Directors shall retire by rotation and being eligible, offer themselves for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- That in the preparation of the annual accounts for the Financial year ended 31st Mar 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the accounts for the financial year ended 31st Mar, 2010 on a "going concern" basis.

CORPORATE GOVERNANCE

Your Company has complied with the requirements regarding Corporate Governance as required under Revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges, where the Company's shares are listed. A Report on the Corporate Governance in this regard is made a part

of this Annual Report and a Certificate from the Auditors of your Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

COMPULSORY DEMAT

As announced by SEBI vide its Circular Ref. No.SMDRP / POLICY / CIR-9 / 2000, dt. 16.2.2000, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 8.5.2000. 50.77% of shares of your company have been dematted compared to 50.44% previous year.

LISTING OF EQUITY SHARES

Your Company's equity shares continued to be listed on The Stock Exchange, Mumbai and National Stock Exchange Ltd., Mumbai, during the year under report.

Your Company has initiated necessary action to delist its equity shares from the Calcutta Stock Exchange Association Ltd., pursuant to the resolution passed at the Annual General Meeting held on 25.9.2004.

COST AUDIT

The Government of India has ordered the Company to conduct audit of cost accounts in respect of 'Chemicals' manufactured by the company and accorded approval for appointment of M/s. S Gopalan & Associates, Cost Accountants, appointed by the Company in this regard pursuant to Section 233B of the Companies Act, 1956, to conduct cost audit for the year 2009-2010.

AUDITORS

Your Company's statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

ADEQUACY OF INTERNAL CONTROLS

Your company has installed adequate internal control systems in combination with delegation of powers. The control system is also supported by internal audits and management reviews with documented policies and procedures.

ACKNOWLEDGEMENT

Your Directors express their grateful thanks for the assistance, co-operation and support extended to the Company by the Government of India, the Government of Tamilnadu, TIDCO, SPIC, the Promoter and the Consortium of Banks. The Directors wish to thank the shareholders for their continued and patient support.

The Directors also place on record their appreciation of the consistent good work put in by all cadres of employees.

For and on behalf of the Board

ASHWIN C MUTHIAH
CHAIRMAN

CHENNAI – 600 032

DATE : 20th April, 2010

Statement showing the particulars of Employees of the Company as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Board of Directors for the year ended 31st March 2010							
Name	Designation and Nature of Duties	Age (Years)	Qualification	Experience (Years)	Last Employment and post held	Date of Commencement of Employment	Gross Remuneration (Rs.)
G. Ramachandran*	Managing Director	58	B.Tech., MBA	36	SPIC Ltd., Senior Manager	01.08.1989	37,90,000
K.K. Rajagopalan*	Director (Finance)	59	B.E., PGDM	37	SPIC Ltd., Executive Director (Finance)	20.04.2000	33,01,333

* Not a relative of any Director of the Company. The appointment is contractual.



ANNEXURE TO DIRECTORS' REPORT

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended 31st March 2010.

A) CONSERVATION OF ENERGY

- a) Energy conservation measure taken :-
- Revamping of propylene oxide at Plant-II has augmented the capacity of the plant without substantial increase in consumption of energy.
 - Increasing the productivity of polyol plant (Plant-I) by 30% by optimizing the process parameters without increase in utility consumption.
 - Installation of gas burners in redundant oil fired boiler at Plant-II for purge gas firing.
 - Installation of high rate thickener at Plant-II.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :-
- Installation of polyol Train-2 at Plant-II.
 - Polyol heat recovery system at Plant-II.
 - Conversion of DPG column to MPG column.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :-
- Impact of energy conservation and productivity improvement measures at (a) in the order of Rs.2 Crores per annum.
 - The savings envisaged by implementing the energy conservation measures as at (b) for reduction of energy and consequent impact on the cost of production of goods to be in the order of Rs.2 Crores per annum.

FORM – A (See Rule-2)

	Year Ended 31.03.2010	Year Ended 31.03.2009
(A) Power and Fuel Consumption		
1. ELECTRICITY		
a) Purchased		
Units	38,16,938	2,01,64,314
Amount (Rs) (i.e.cost paid to TNEB)	2,58,45,231	7,50,63,074
Rate per Unit (Rs.)	6.77	3.72
M.D Charges (Rs. / KVA)	300	300
b) Own Generation		
1. Through Diesel Generator (Units)	14,09,056	34,26,622
Unit per litre of Diesel	3.10	3.02
Cost per Unit (Rs.)	10.60	11.38
2. Through Steam Turbine (Units) (NET)	2,30,42,548	43,36,785
Units per MT of Wood, net of Cogeneration	579	430
Cost per Unit (Rs.)	4.18	5.76
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil (Quantity in KL)	5,605	11,433
Amount (Rs.)	11,58,47,325	26,74,40,236
Average Rate (Rs./KL)	20,669	23,392
4. Others / Internal Generation		
Wood : Quantity (in MT)	39,795	10,074
Amount (in Rs.)	9,62,96,512	2,49,65,340
Average Rate (Rs./MT)	2,420	2,478
(B) Consumption per unit of production with standards (if any)		
Production (in MT)	52,603	42,893
Electricity in Units	536	639
Furnace Oil in KL	0.140**	0.267
Coal	-	-
Others - Wood (in MT) (++)	2,000	0.658

** Applicable for Plant I Only ++ Applicable for Plant II Only



FORM-B (See Rule 2)

B. TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

1. Specific areas in which R&D carried out by the company :

- Continued development activities for treatment of polyol.
- Formulation improvements.
- Reduction of batch timings in production of polyol.

2. Benefits derived as a result of above R&D :

- Increased Production of Polyols.
- Reduction in operating costs.
- Improved sales.
- Waste minimization.

II. Technology Absorption, Adaptation and Innovation :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Technology has already been fully absorbed.

2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:

Use of Indigenous chemicals have reduced the cost of production. By development of CFC free formulations, we continue to retain our market share, thus avoiding imports into the country.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), the following information may be furnished.

a) Technology imported :

Design and drawing have been imported for fabrication of equipment and the process know-how has been successfully absorbed.

PO / PG	: Process know-how from M/s ATOCHEM / TECHNIP of France (For Plant-I)
	Process know-how from M/s MONTEDIPE of Italy (For Plant-II)
POLYOLS	: Process know-how from M/s ARCO / TECHNIP of USA (For Plant-I)
	Process know-how from M/s PRESSINDUSTRIA of Switzerland (For Plant-II)

b) Year of Import : 1988 & 1989

c) Has technology been fully absorbed : Yes.

d) if not fully absorbed areas where this has not taken place, reasons thereof and further plans of action : Does not apply

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Efforts: Further possibilities of exporting the products are being explored.

(Rs. in lakhs)

b) i) Foreign Exchange Earnings – exports sales (FOB)	- 135.04
ii) Foreign Exchange outgo (on cash basis)	- 7,192.62



REPORT ON CORPORATE GOVERNANCE

1. MANALI PETROCHEMICAL LIMITED'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Securities and Exchange Board of India had introduced a Code of Corporate Governance for implementation by companies listed with Stock Exchanges from the year 2001-2002. The Board of Directors of your Company strongly supports the principles of corporate governance. Further the Board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. Your Company had adopted all the best practices in corporate governance much before the Code was formulated. The following are the detailed practices on Corporate Governance in your Company:

2. BOARD OF DIRECTORS:

(a) Composition of the Board: (for the financial year 2009-2010)

Director	No. of Shares held in MPL	No. of meetings attended	* No. of outside Directorship held	Total No. of Membership / Chairmanship of Committees across all companies (including MPL)	
				Member	Chairman
Mr. Ashwin C Muthiah	---	5	10	3	---
Mr. G. Raghavendran **	1350	5	---	1	---
Mr. M. Sivagnanam **	---	5	---	2	1
Mr. Babu K Verghese **	300	3	---	---	2
Mr. B. Viswabharathy (Nominee of TIDCO) **#	---	3	---	---	---
Mr. T.K. Arun (Nominee of TIDCO) **##	---	2	9	10	1
Mr. N. Suryanarayanan ###	---	4	3	---	1
Mr. G. Ramachandran	1725	5	1	---	---
Mr. K.K. Rajagopalan	1650	5	3	2	---

* (Excluding alternate directorship and directorship in private limited companies, Foreign Companies and Section 25 Companies.)

** Non-Executive and Independent Director.

Resigned with effect from 07-10-2009

Nominated by TIDCO with effect from 07-10-2009

Appointed by the members as Director with effect from 06-05-2009

Mr Ashwin C Muthiah is a Non-Executive Chairman, Mr.G. Ramachandran and Mr. K.K. Rajagopalan are Executive Directors.

All the Directors attended the last Annual General Meeting held on 17th Sep 2009.

5 Board Meetings were held during the financial year 2009-2010, as against a minimum requirement of 4 meetings.

The dates on which the meetings were held are given below:

06-05-2009, 29-07-2009, 17-09-2009, 28-10-2009 & 27-01-2010

(b) None of the Directors of the Company is a member in more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

3. AUDIT COMMITTEE:

The Audit Committee was constituted in August 1990. The Terms of Reference since 1990 had already covered most of the aspects stipulated by the SEBI Guidelines. During the year 2005-06, these were comprehensively reviewed and the Audit Committee was mandated with the same terms and reference as specified in Clause 49 of the Listing Agreements with Stock Exchanges. The



current terms of reference fully conform to the requirements of Section 292A of the companies act, 1956.

The Audit Committee is responsible for overseeing the company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings / related party transactions reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee at present comprises of non-executive independent Directors. All the members have good financial knowledge. The composition of the Audit Committee and the attendance of each Director at these meetings are given below:

S No.	Director	Chairman/Member	No.of meetings Attended
1	Mr. M. Sivagnanam	Chairman	4
2	Mr. T.K. Arun (Nominee of TIDCO) **	Member	2
3	Mr. G. Raghavendran	Member	4
4	Mr. B. Viswabarathy (Nominee of TIDCO) *	Member	2

* Resigned with effect from 07-10-2009.

** Nominated by TIDCO with effect from 07-10-2009.

Mr. G.S. Lakshmi Narasimhan, Company Secretary, acted as the Secretary to the Committee. The Managing Director, Director (Finance) and representatives from the Statutory Auditors, M/s Deloitte Haskins and Sells, Mr. S Gopalan, Cost Auditor, representative from the Internal Auditors M/s Venkatesh & Co., attended the meetings of the Committee as invitees. The Committee met four times during the year 2009-10 on 06.05.2009, 29.07.2009, 28.10.2009 and 27.01.2010.

The Audit Committee held discussions with the Statutory Auditors and Internal auditors of the company concerning the financial reports of the company, internal control systems, and scope of audit and observations of the Statutory Auditors / Internal Auditors. The audit committee also reviewed the quarterly, half-yearly and annual financial results of the company before submission to the Board, on the "Limited Review" of the quarterly accounts, matters relating to compliance of Accounting Standards, their observations arising from the internal / annual audit of the Company's accounts and other related matters.

4. REMUNERATION COMMITTEE:

A Remuneration Committee was constituted by the Board on 28th Jan 2008 with three independent Directors as members. Presently Mr. Babu K Verghese, Director is the Chairman, Mr. M. Sivagnanam and Mr. T.K.Arun, Directors are the other members. The Committee generally follows the practice in vogue since inception and will fix and review remuneration for the Managing / whole-time Directors as and when necessary. The Committee met on 6th May 2009.

The remuneration of the Whole-time / Executive Directors comprises of a Fixed Component and a performance linked pay and is fixed by the Board, based on the recommendations of the remuneration committee, subsequently approved by the Members. The remuneration of the whole-time Directors / Executive Directors is recommended and fixed taking into consideration the remuneration trend in the industry and in the region, academic background, qualification, experience and contribution of the individual.

The Executive Directors are not paid any sitting fees for any Board / Committee Meetings attended by them.

Details of remuneration paid to the Directors for the year :

The company does not pay any remuneration except sitting fees for attending the Board / Committee Meeting to Non-Executive Directors.



Sitting fees paid to Non-Executive Directors

Amount in Rs.

Name	Board Meeting	Audit Committee Meeting	* SIG & ST	**RC Meeting	Total
Mr. Ashwin C Muthiah	25,000	-	-	-	25,000
Mr. G. Raghavendran	25,000	20,000	-	-	45,000
Mr. M. Sivagnanam	25,000	20,000	48,000	2,000	95,000
Mr. Babu K Verghese	15,000	-	48,000	-	63,000
Mr. B. Viswabharathy	15,000	10,000	-	2,000	27,000
Mr. T.K. Arun	10,000	10,000	-	-	20,000
Mr. N. Suryanarayanan	20,000	-	-	-	20,000
Total	1,35,000	60,000	96,000	4,000	2,95,000

* SIG & ST - Committee for Shareholders & Investors Grievance & Share Transfer

** RC - Committee for Remuneration

Remuneration to Executive Directors

(Rs. in Lakhs)

Sl.No	Name	Salaries and Allowances	Contribution to PF & other Funds	Perquisites	Total
1	G. Ramachandran, Managing Director.	28.18	3.44	6.28	37.90
2	K.K. Rajagopalan, Director (Finance).	24.37	3.05	5.59	33.01
	Total	52.55	6.49	11.87	70.91

5. SHAREHOLDERS / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Shareholders / Investors Grievance and Share Transfer Committee consists of 3 members, comprising of 2 Non-Executive Directors and Managing Director viz;

1.	Mr. Babu K Verghese	Chairman of the committee
2.	Mr. M. Sivagnanam	Member
3.	Mr. G. Ramachandran	Member

Compliance Officer - Mr. G.S.Lakshmi Narasimhan, Company Secretary

The committee met 24 times during the year.

During the year, 197 complaints were received from the shareholders and were satisfactorily resolved. There was no pending complaint from the shareholders as of 31.03.2010.

Delivery of equity shares of the Company by all investors / shareholders is now mandatory in the dematerialised form in all Stock Exchanges.

6. DISCLOSURES

The Company has followed the guidelines of the Accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Transactions with related parties are disclosed in note No 12 of Schedule 16 (B) to the accounts in the Annual Report.

During the year under review the company has not raised any funds from public issue, rights issue, or preferential issue.

During the last three years there were no strictures or penalties imposed on the Company either by the stock exchanges or by SEBI



or any statutory authority for non-compliance on any matter related to the Capital markets.

The company has laid down procedures to inform board members about the risk assessment and its minimisation, which are periodically reviewed to ensure that risk control is exercised by the Management effectively.

The company has no specific Whistle Blower Policy. However, the Company recognises the importance of such informations and free access is available for employees at any level to report to the Management about the unethical behaviour or suspected fraud by staff / officers / suppliers / customers in violation of the company's code of conduct or any other point of concern.

7. CEO / CFO CERTIFICATION

CEO / CFO Certification by Mr.G. Ramachandran, Managing Director and Mr. K.K. Rajagopalan, Director (Finance) as required under clause 49 (V) of the Listing Agreement was placed before the Board at its meeting held on 20th April '10.

8. GENERAL BODY MEETINGS:

Location and time, where last three AGMs were held:

Year	Location	Date	Time
2008-09	Rajah Annamalai Mandram, Esplanade, (Near High Court), Chennai – 600 108	17.09.2009	10.00 AM
2007-08	Rajah Annamalai Mandram, Esplanade, (Near High Court), Chennai – 600 108	20.09.2008	10.35 AM
2006-07	Rajah Annamalai Mandram, Esplanade, (Near High Court), Chennai – 600 108	01.09.2007	10.35 AM

Details of Special Resolutions passed in the last 3 Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
17.09.2009	Yes	For the re-appointment of Mr. G. Ramachandran, Managing Director of the Company for the period from 01.09.2009 to 31.08.2012 as per current terms and conditions of remuneration.
20.09.2008	Yes	For the re-appointment of Mr. K.K. Rajagopalan, Whole time Director incharge of finance of the Company for the period from 01.10.2008 to 30.09.2010 as per current terms and conditions of remuneration.
01.09.2007	Yes	For revising the managerial remuneration payable to Mr G Ramachandran, Managing Director and Mr. K.K. Rajagopalan, Director (Finance).

No special resolution was passed through postal ballot during last year. No special resolution requiring voting by postal ballot is included in the notice convening the 24th Annual General Meeting (the ensuing meeting) of the Company.

9. Means of Communication:

The quarterly results were published in the news papers viz., Economic Times and Makkal Kural. The Company has a website namely, www.manalipetro.com wherein the quarterly / annual results are displayed apart from the Code of Conduct. Official news releases and presentations made to analysts are sent to the Stock Exchanges, where the Company's shares are listed.

10. Shareholder Information:

i) Annual General Meeting

Date : 22.09.2010
Time : 10.30 AM
Venue : Rajah Annamalai Mandram, Esplanade, Chennai – 600 108.

ii) Financial Calendar

Financial reporting for –
Quarter ending June 30, 2010 : Before 15th August 2010



Quarter ending Sept. 30, 2010 : Before 15th November 2010
 Quarter ending Dec. 31, 2010 : Before 15th February 2011
 Year ending March 31, 2011 : End of May 2011
 Annual General Meeting for the year ending March 31, 2011 : End of September 2011

iii) **Dates of Book Closure** : 15.09.2010 to 22.09.2010
 (both days inclusive)

iv) **Dividend payment date** : September/October 2010

v) **Listing on Stock Exchanges at :**

Bombay Stock Exchange Limited,
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai – 400 001.

National Stock Exchange of India Limited
 Exchange Plaza, Bandra-Kurla Complex,
 Bandra (E), Mumbai – 400 051.

The Calcutta Stock Exchange Association Ltd,
 No.7, Lyons Range, Kolkata – 700 001.
 (Confirmation of De-listing awaited)

vi) **Stock Code**

Bombay Stock Exchange Limited	500268
National Stock Exchange of India Ltd	MANALIPETC
Demat ISIN Number in NSDL and CDSL	INE201A01024

vii) **Stock Market Data:**

(in Rupees)

Year 2009-2010	National Stock Exchange		Bombay Stock Exchange	
	Month's High price	Month's Low price	Month's High price	Month's Low price
April 2009	9.30	6.55	9.25	6.62
May	11.70	7.60	11.65	7.60
June	13.50	9.45	13.39	9.45
July	10.40	8.45	10.40	8.20
August	10.00	8.40	10.00	8.42
September	10.70	9.25	10.70	9.05
October	11.25	8.80	11.00	8.80
November	9.90	8.25	10.00	8.42
December	12.90	9.00	12.82	8.50
January 2010	13.60	9.60	13.60	10.11
February	11.90	9.55	12.70	8.42
March	10.70	7.65	11.20	9.36

viii) **Registrar and Share Transfer Agents:**

Cameo Corporate Services Limited
 Subramanian Building, V Floor
 No.1, Club House Road, Chennai – 600 002.
 Phone No.: 044-28460390 - 394 & 28460718
 Fax No. : 044-28460129
 E-Mail: investor@cameoindia.com

ix) **Share Transfer System:**

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board to the Shareholders / Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialisation of shares of the physical shares. Physical shares are dematerialised and electronic credit is given to those shareholders, who opt for dematerialisation and in respect of other shareholders, who have not opted for dematerialisation, share certificates are despatched by Registered Post.



x) (a) Distribution of Shareholding (as on 31.3.2010)

No. of Shares	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1 – 100	17576	10.8191	1091291	0.6345
101 – 500	116861	71.9348	26827379	15.5974
501 – 1000	16327	10.0502	12922641	7.5132
1001 – 2000	6815	4.1950	10326346	6.0037
2001 – 3000	1966	1.2102	5165175	3.0030
3001 – 4000	681	0.4192	2490420	1.4479
4001 – 5000	724	0.4457	3442693	2.0016
5001 – 10000	875	0.5386	6542932	3.8041
10001 & above	629	0.3872	103190352	59.9946
Total	162454	100.0000	171999229	100.0000

(b) Categories of Shareholders (as on 31.3.2010)

Category	No. of Share Holders	% of Share holders	No. of Shares held	% of Share holding
Promoter & Associates	2	0.001	77078553	44.813
Individual	155978	96.014	75348007	43.807
Corporate	1374	0.846	12802151	7.443
Financial Institutions	7	0.004	4272245	2.484
NRI/OCBs	5082	3.128	2480198	1.442
Banks	11	0.007	18075	0.011
Total	162454	100.000	171999229	100.000

xi) Dematerialisation of shares and Liquidity :

1,860 Number of Demat requests for dematerialisation of 5,74,482 equity shares were approved during the year 2009-2010.

50.77 % of the total shares have been dematerialised upto 31st March 2010 as against 50.44% for the previous year ended 31st March 2009. Trading in equity shares of the Company is permitted only in dematerialised form for all categories of investors with effect from 08.05.2000 as per Notification issued by SEBI.

There are 63,154 and 24,178 beneficial holders held in the NSDL and CDSL Depository respectively, to whom all company's mailers and Annual Reports are despatched in addition to Registered members.

The shares of the Company are listed in Mumbai and National Stock Exchanges.

xii) There are no GDRs / ADRs / Warrants or any convertible instruments and hence there is no impact on equity.

xiii) Plants Locations :

Plant I : Ponneri High Road, Manali
Chennai – 600 068.

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



xiv) Address for correspondence:

- 1) Manali Petrochemical Limited
Ponneri High Road, Manali
Chennai – 600 068.
Phone: 044-25941025 / 25943895
Fax : 044- 25941199
Email: companysecretary@manalipetro.com
- 2) Cameo Corporate Services Ltd
Subramanian Building, V Floor,
No.1 Club House Road,
Chennai – 600 002.
Phone: 044-28460390 - 394 & 28460718
Fax : 044-28460129
E-mail: investor@cameoindia.com

Compliance with mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

Compliance with non-mandatory requirements

The details of compliance of the non-mandatory requirements are listed below.

Remuneration Committee

The Company has constituted a Remuneration Committee for the purpose of determining the executive remuneration. Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

Whistle Blower Policy

Details with regard to Whistle Blower Policy are given in the "Disclosures" section of this report.

Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

CORPORATE GOVERNANCE COMPLIANCE REPORT

To

The members of Manali Petrochemical Limited

We have examined the compliance of conditions of Corporate Governance by Manali Petrochemical Ltd for the year ended on 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
M.K. ANANTHANARAYANAN
Partner
Membership No.19521

Place : Chennai
Date : 20th April 2010



AUDITORS' REPORT

To The Members of MANALI PETROCHEMICAL LIMITED

1. We have audited the attached Balance Sheet of Manali Petrochemical Limited ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No. 008072S)

M.K Ananthanarayanan

Partner

Membership No.19521

Place : Chennai

Date : 20th April, 2010

ANNEXURE TO THE AUDITORS' REPORT

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.



- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of materials, labour and other items of cost which are required to be maintained by the company for certain products and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authority.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of any disputes except as given below:
- (x) In our opinion, the Company does not have accumulated losses. The Company has not incurred cash loss during the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks/financial institutions.
- (xii) According to the information and explanations given to us and based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us the Company has not, during the year, given any guarantee for loans taken by others from banks or institutions.
- (xvi) The Company has not availed any term loan during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Central Excise Act, 1944	Excise Duty	High Court of Madras	Various Years	14.08
Customs Act, 1962	Customs Duty	High Court of Madras	1993-94	10.04
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-2006	391.78

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)
M.K Ananthanarayanan
Partner
Membership No.19521

Place : Chennai
Date : 20th April, 2010



Balance Sheet as at March 31, 2010

(Rs. In Lakhs)

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	8,603.47	8,603.47
Reserves and Surplus	2	4,136.94	2,782.80
Loan Funds			
Secured	3	590.01	995.34
Deferred Tax Liability (Net)		<u>1,171.99</u>	<u>897.83</u>
		<u>14,502.41</u>	<u>13,279.44</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	25,898.64	24,668.24
Less : Accumulated Depreciation		<u>18,269.32</u>	<u>18,068.48</u>
Net Block		<u>7,629.32</u>	<u>6,599.76</u>
Capital Work -in-Progress		<u>273.43</u>	<u>929.45</u>
Investments	5	<u>2,446.78</u>	<u>1,710.77</u>
Current Assets, Loans and Advances			
Inventories	6	3,160.38	3,220.56
Sundry Debtors	7	3,438.22	2,660.13
Cash and Bank Balances	8	1,172.60	422.09
Loans and Advances	9	<u>1,516.05</u>	<u>1,379.83</u>
		<u>9,287.25</u>	<u>7,682.61</u>
Less: Current Liabilities and Provisions			
Current Liabilities	10	4,219.54	2,998.21
Provisions	11	<u>914.83</u>	<u>644.94</u>
Net Current Assets		<u>4,152.88</u>	<u>4,039.46</u>
		<u>14,502.41</u>	<u>13,279.44</u>
Notes on Accounts	16		

The schedules referred to above form an integral part of the Balance Sheet in terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

M.K. ANANTHANARAYANAN

Partner

Place : Chennai

Date : 20th April, 2010

G.S. LAKSHMI NARASIMHAN
Company Secretary

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

Chairman

G. RAMACHANDRAN

Managing Director

M. SIVAGNAMAM

Director

K.K. RAJAGOPALAN

Director (Finance)



Profit & Loss account for the year ended 31st March 2010

	Schedule	For the year ended March 31, 2010	(Rs. In Lakhs) For the year ended March 31, 2009
INCOME			
Sales		41,996.26	39,479.94
Less: Excise Duty on Sales		3,126.45	4,163.13
Net Sales		38,869.81	35,316.81
Other Income	12	470.81	287.57
		<u>39,340.62</u>	<u>35,604.38</u>
EXPENDITURE			
(Increase)/Decrease in Stock	15	(40.38)	854.87
Raw materials and Packing Materials Consumed		25,488.57	21,130.78
Purchase of Traded Goods		1,400.22	2,826.36
Power and Fuel		3,625.59	4,444.00
Employee Cost	13	1,365.29	1,167.04
Other Expenses	14	3,946.82	3,218.18
Deferred Revenue Expenditure Written-off		-	9.35
		<u>35,786.11</u>	<u>33,650.58</u>
Profit Before Interest and Depreciation		3,554.51	1,953.80
Interest and other finance charges		150.01	131.25
Depreciation		404.07	775.76
Profit Before Tax		<u>3,000.43</u>	<u>1,046.79</u>
Provision for Tax		620.00	111.75
MAT Credit Entitlement			(39.48)
Deferred Tax		274.16	265.21
Fringe Benefit Tax			6.13
Profit After Tax		<u>2,106.27</u>	<u>703.18</u>
Balance brought forward		2,691.35	2,491.25
Amount available for appropriations		<u>4,797.62</u>	<u>3,194.43</u>
Appropriations:			
Proposed Dividend Current year - 7.50% (Previous year - 5%)		645.00	430.00
Dividend Tax thereon		107.13	73.08
Balance Carried over to Balance Sheet		4,045.49	2,691.35
Total		<u>4,797.62</u>	<u>3,194.43</u>
Basic and Diluted Earnings Per Equity Share of Rs.5.00 each (Refer Note No.B13 of Schedule 16)		1.22	0.41
Notes on Accounts	16		
The schedules referred to above form an integral part of the Profit and Loss Account in terms of our report attached.			

For Deloitte Haskins & Sells

Chartered Accountants

M.K. ANANTHANARAYANAN

Partner

Place : Chennai

Date : 20th April, 2010

G.S. LAKSHMI NARASIMHAN
Company Secretary

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

Chairman

G. RAMACHANDRAN

Managing Director

M. SIVAGNAMAM

Director

K.K. RAJAGOPALAN

Director (Finance)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

(Rs. in Lakhs)

	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit and Loss A/c Before Tax	3,000.43	1,046.79
Adjustments for:		
Depreciation	404.07	775.76
Dividend Income	(91.89)	(54.37)
Interest Expense	150.01	131.25
Interest Income	(78.08)	(76.76)
Provision for doubtful debts no longer required	-	(0.10)
Provision for doubtful debts	182.06	-
Deferred Revenue Exp.	-	9.35
Foreign Exchange Fluctuations	(163.32)	186.86
Loss on sale/retirement of assets	14.82	14.71
	417.67	986.70
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,418.10	2,033.49
Adjustment for:		
Inventories	60.18	1,079.51
Debtors	(1,001.99)	696.73
Loans & Advances	(136.22)	(42.30)
Trade Payables	1,051.55	(403.31)
Net Cash From Operating Activities before Income Tax	3,391.62	3,364.12
Direct Taxes/ Fringe Benefit Tax paid	(443.88)	(49.80)
Net Cash From Operating Activities	2,947.74	3,314.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets , CWIP & Capital Advance	(809.38)	(1,707.41)
Proceeds from sale of Fixed Assets	16.95	0.01
Interest Income	119.92	52.25
Dividend Income	91.89	54.37
Net Cash used in investing activities	(580.62)	(1,600.78)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(426.89)	(532.80)
(Repayment)/Proceeds from short term borrowings	21.56	(126.62)
Interest Paid	(150.01)	(131.25)
Dividend Paid	(252.18)	(709.95)
Corporate Dividend Tax Paid	(73.08)	(146.16)
Net Cash Used in Financing Activities	(880.60)	(1,646.78)
Net Increase in Cash and Cash equivalents (A+B+C)	1,486.52	66.76
Cash and Cash Equivalents As At 1 st April [Opening Balance]	2,132.41	2,065.65
Cash and Cash Equivalents As At 31 st March [Closing Balance]	3,618.93	2,132.41
In terms of our report attached		

For Deloitte Haskins & Sells

Chartered Accountants

M.K. ANANTHANARAYANAN

Partner

Place : Chennai

Date : 20th April, 2010

G.S. LAKSHMI NARASIMHAN

Company Secretary

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

Chairman

G. RAMACHANDRAN

Managing Director

M. SIVAGNAMAM

Director

K.K. RAJAGOPALAN

Director (Finance)



SCHEDULES TO FINANCIAL STATEMENTS

(Rs. In Lakhs)

	As at March 31, 2010	As at March 31, 2009
1 Share Capital		
Authorised		
240,000,000 (Previous Year: 240,000,000) Equity Shares of Rs.5 each.	<u>12,000.00</u>	<u>12,000.00</u>
Issued, Subscribed and Paid Up		
171,999,229 (Previous Year:171,999,229) Equity Shares of Rs.5.00 each fully paid up.	8,599.96	8,599.96
Add: Shares Forfeited	<u>3.51</u>	<u>3.51</u>
	<u>8,603.47</u>	<u>8,603.47</u>
Notes:		
1. Issued, Subscribed and Paid Up is made up of:		
114,666,153 equity shares of Rs 10 each	11,466.62	11,466.62
Less: Reduction in face value of shares from Rs 10 each to Rs 7.50 each effected in 2005-2006	<u>2,866.66</u>	<u>2,866.66</u>
Share Capital after giving effect to reduction in face value, being 114,666,153 equity shares at Rs 7.50 each	<u>8,599.96</u>	<u>8,599.96</u>
114,666,153 equity shares of Rs 7.50 each were consolidated and sub divided into 171,999,229 shares of Rs 5 each fully paid up w.e.f 7th October 2006.		
2. 114,666,153 equity shares of Rs 10 each includes 48,608,400 Equity Shares of Rs. 10 each allotted as fully paid-up to erstwhile shareholders of SPIC Organics Limited, pursuant to the scheme of Amalgamation		
2. Reserves and Surplus		
Share Premium Account	91.45	91.45
Profit & Loss Account	<u>4,045.49</u>	<u>2,691.35</u>
	<u>4,136.94</u>	<u>2,782.80</u>
3. Secured Loans		
Cash Credit from Banks	590.01	568.45
Interest Free Sales Tax Loan *	<u>0.00</u>	<u>426.89</u>
	<u>590.01</u>	<u>995.34</u>

* Due for repayment within a year Rs. NIL (Previous Year Rs.426.89 lakhs)

Cash Credit from Banks are secured by hypothecation of inventories on hand including in transit, book debts and other receivables both present and future and by way of a second charge on the Company's immovable properties, other than machinery of gross value of Rs.224.60 lakhs (previous year Rs.224.60 lakhs) added under a multilateral grant which has been hypothecated to the concerned institutions managing the grant.

The Interest Free Sales Tax loan is secured by a charge on the immovable and movable properties of the Company.



SCHEDULES TO FINANCIAL STATEMENTS

4 Fixed Assets

(Rs. in Lakhs)

Particulars	Original Cost				Depreciation				Net Block	
	As at Apr. 1, 2009	Additions during the year	Deletions during the year	As at Mar. 31, 2010	As at Apr. 1, 2009	For the Year	On Deletions	As at Mar. 31, 2010	As at Mar. 31, 2009	
Tangible Assets:										
Land	179.75			179.75				179.75	179.75	
Development on lease hold land	20.25			20.25	11.50	1.07		7.68	8.75	
Buildings	1,325.71			1,325.71	372.42	38.82		914.47	953.29	
Plant and Machinery	22,429.06	1,405.19	185.42	23,648.83	17,092.72	343.52	168.46	6,381.05	5,336.34	
Furniture and Fixtures	106.17		24.41	81.76	96.25	1.15	22.37	6.73	9.92	
Office Equipments	83.53	7.24	15.05	75.72	37.74	4.33	7.76	41.41	45.79	
Computers	335.76	1.65	2.56	334.85	299.33	8.75	2.43	29.20	36.43	
Vehicles	188.01	19.04	7.56	199.49	158.52	3.74	2.21	39.44	29.49	
Intangible Assets										
Computer Software		32.28		32.28		2.69		29.59		
Capital Work-in-Progress (including Capital advances)	24,668.24	1,465.40	235.00	25,898.64	18,068.48	404.07	203.23	7,629.32	6,599.76	929.45
Previous Year's Total	20,695.25	4,111.89	138.90	24,668.24	17,416.90	775.76	124.18	6,599.76	3,278.35	

Plant and Machinery is net of grants received from World Bank through IDBI of Rs. 224.60 lakhs towards Ozone Depletion Scheme.



SCHEDULES TO FINANCIAL STATEMENTS

(Rs. In Lakhs)

	As at March 31, 2010	As at March 31, 2009
5 Investments (Non-Traded)		
Long Term - Quoted		
500 Equity Shares of Rs 10 each fully paid up in Chennai Petroleum Corporation Limited	0.45	0.45
Current - Unquoted (Refer Note No.B3 to Schedule 16)		
UTI Liquid Fund (No. of units - 33,723 [Previous Year - 70,892])	337.36	709.12
UTI Fixed Maturity Plan (No. of units - 2,05,25,529 [Previous Year - 1,00,00,000])	2,108.97	1,001.20
	<u>2,446.78</u>	<u>1,710.77</u>
Market Value of quoted investments	1.47	0.47
6 Inventories		
Stores and Spares	465.38	454.96
Raw Materials	819.10	915.04
Raw Materials in Transit	461.34	476.38
Work-in-Process	96.13	155.21
Finished Goods		
-- Manufacturing	1,165.61	915.15
-- Trading	152.82	303.82
	<u>3,160.38</u>	<u>3,220.56</u>
7 Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	0.94	156.81
Considered Doubtful	455.79	273.73
	456.73	430.54
Other Debts Considered Good	3,437.28	2,503.32
	3,894.01	2,933.86
Less: Provision for Doubtful debts	455.79	273.73
	<u>3,438.22</u>	<u>2,660.13</u>
8 Cash and Bank Balances		
Cash & Cheques on Hand	17.96	30.18
Balances with Scheduled Banks :		
-- in Current Accounts	145.19	140.08
-- in Short Term Deposit Accounts	720.00	-
-- in Margin Money Deposits	111.63	101.79
-- in Unpaid Dividend Accounts	177.82	150.04
	<u>1,172.60</u>	<u>422.09</u>



SCHEDULES TO FINANCIAL STATEMENTS

(Rs. In Lakhs)

	As at March 31, 2010	As at March 31, 2009
9 Loans and Advances (Unsecured)		
Considered Good		
Advances Recoverable in cash or in kind or for value to be received	1,033.13	798.75
MAT Credit Entitlement	91.95	217.65
Deposits		
-- Statutory Authorities	169.26	212.13
-- Others	24.62	24.12
Balance with Excise, Customs and Sales tax Authorities	197.09	127.18
	<u>1,516.05</u>	<u>1,379.83</u>
10 Current Liabilities		
Acceptances	1,368.50	563.86
Dues to Micro enterprises & Small enterprises (Refer Note No.B4 to Schedule 16)	-	-
Dues to Creditors other than Micro enterprises & Small enterprises	2,597.27	2,229.73
Unclaimed Dividend **	177.82	150.04
** No amount is due as on 31st March 2010 to be transferred to Investor Education & Protection Fund.		
Other Liabilities	75.95	54.58
	<u>4,219.54</u>	<u>2,998.21</u>
11 Provisions		
For Employee Benefits	151.27	120.15
For Proposed Dividend	645.00	430.00
For Dividend Tax	107.13	73.08
For Income Tax	11.43	21.71
(Net of prepaid Tax as of Rs.443.88 lakhs [Previous Year Rs. 49.80 Lakhs])		
	<u>914.83</u>	<u>644.94</u>
	For the year ended March 31, 2010	For the year ended March 31, 2009
12 Other Income		
Sale of Scrap	79.07	76.38
Provision for Doubtful Debts no longer required Written back	-	56.52
Provision for Discounts no longer required Written back	-	0.10
Dividend from Non-trade investments	91.89	54.37
Foreign Exchange Fluctuations	163.32	
Interest Income		
- Customers	16.31	66.16
- Margin Money/Short Term Deposits	50.11	10.33
- Others	11.66	0.27
[Tax deducted at source Rs. 6.77 Lakhs, (Previous year Rs.17.79 lakhs)]		
	<u>78.08</u>	<u>76.76</u>
Selling Commission	49.96	-
Miscellaneous Income	8.49	23.44
	<u>470.81</u>	<u>287.57</u>



SCHEDULES TO FINANCIAL STATEMENTS

(Rs. In Lakhs)

	For the year ended March 31, 2010	For the year ended March 31, 2009
13 Employee Cost		
Salaries , Wages and Bonus	954.69	823.06
Contribution to Provident Fund and Other Funds	143.78	99.61
Staff Welfare Expenses	<u>266.82</u>	<u>244.37</u>
	<u>1,365.29</u>	<u>1,167.04</u>
14 Other Expenses		
Consumption of Stores and Spares	489.93	475.45
Water	696.01	649.65
Rent	36.92	18.32
Rates and Taxes	192.21	60.73
Repairs and Maintenance :		
-- Machinery	541.01	481.96
-- Building	121.12	103.16
-- Others	136.77	110.33
Insurance	162.93	123.60
Provision for Doubtful Debts	182.06	-
Discount	792.98	673.93
Agency Commission	156.21	139.34
Directors Sitting fees	2.95	3.38
Foreign Exchange Fluctuations	-	186.86
Loss on sale / Retirement of Assets (net)	14.82	14.71
Excise Duty (Refer Note No.B5 to Schedule 16)	45.67	(120.91)
Miscellaneous Expenses	<u>375.23</u>	<u>297.67</u>
	<u>3,946.82</u>	<u>3,218.18</u>
15 (Increase)/Decrease in stock		
Opening Stock		
Finished goods	915.15	1,506.24
Work - in - process	155.21	244.49
Traded Goods	<u>303.82</u>	<u>478.32</u>
	1,374.18	2,229.05
Less: Closing Stock		
Finished goods	1,165.61	915.15
Work - in - process	96.13	155.21
Traded Goods	<u>152.82</u>	<u>303.82</u>
	1,414.56	1,374.18
(Increase)/Decrease in stock	<u>(40.38)</u>	<u>854.87</u>



16. Notes on Accounts

A SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements have been prepared under historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates.

Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost. Cost comprises of the purchase price (net of CENVAT/VAT) and any attributable cost of bringing the assets to its working condition for its intended use.

Depreciation is provided for on Straight Line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, except for moulds and wooden pallets included under plant and machinery, the cost of which are amortised over a period of five years from the date of purchase. Individual assets costing less than Rs.5000/- each is depreciated in full in the year of addition.

Expenditure incurred on acquisition of new software licenses which constitute intangible assets are amortised over a period of three years.

Development on leasehold land is amortised on a straight line basis over the remaining period of lease. .

4. IMPAIRMENT OF FIXED ASSETS

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the Company estimates the recoverable amount of the group of assets as a whole, and the impairment loss is recognized.

5. INVESTMENTS

Long term Investments are valued at cost and provision is made if the diminution in value is other than temporary in nature. Current investments are carried at cost or market value whichever is lower.

6. INVENTORIES

a) Finished goods and work-in-process are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis and includes all direct costs and applicable production overheads to bring the goods to the present location and condition. Excise duty on the finished goods is added to the cost.

b) Raw materials and stores and spares are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis and includes freight, taxes and duties net of CENVAT/VAT credit wherever applicable. Customs duty payable on material in bond is added to cost.

7. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transactions and realized exchange gain/loss is dealt with in the Profit and Loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Exchange differences arising on actual payments/realisations and year-end restatements are dealt with in the Profit & Loss Account. The premium/discount on forward contracts are amortised over the period of the contract.

8. REVENUE RECOGNITION

a) Sales are recognised when significant risks and rewards of ownership are transferred to the buyer, which generally coincides with the despatch of goods from the company's premises and are recorded at Invoice value inclusive of excise duty net of Sales Tax and returns.

b) Dividend Income on Investments is accounted for when the right to receive the same is established.

9. EMPLOYEE BENEFITS

Gratuity

The Company has an obligation towards gratuity, which is a defined benefit plan. Liability for gratuity to employees is determined on the basis of actuarial valuation using Projected Unit Credit method as on the balance sheet date and is funded with the Life Insurance Corporation of India/Trust established by the Company and the contribution thereof paid / payable is absorbed in the Accounts.

Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. Liability for superannuation to employees who are covered under the defined benefit plan is determined on the basis of actuarial valuation using Projected Unit Credit method as on the Balance Sheet date and is funded with the trust established by the Company. Contributions towards superannuation to employees who are covered under the defined contribution plan are made to Life Insurance Corporation of India through the Trust established by the Company. The above liabilities are recognised as expense in the year in which incurred.

Provident Fund

The Company has been hitherto making contribution to approved provident fund trust administered by the Company and the said contribution were charged to Profit and Loss account. However wef 1st Aug 2009, the Company has transferred the Provident trust funds to the employees provident fund organisation.



Compensated absences

Liability for short term compensated absences is recognised based on the eligible leave to the credit of the employees as at the balance sheet date. Liability for long term compensated absences is determined on the basis of actuarial valuation using projected unit credit method as on the Balance Sheet date.

10. TREATMENT OF GRANT

The grant or subsidies received from financial institutions towards cost of assets are deducted in arriving at the carrying value of the respective assets.

11. TAXES ON INCOME

Current tax is determined on income for the year chargeable to tax in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized on all timing differences subject to the consideration of prudence.

12. MAT CREDIT ENTITLEMENT

MAT Credit is recognized as an asset only when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset shall be reviewed at each Balance Sheet date.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

B Notes on Accounts (Continued)

1 Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 401.45 lakhs (previous year Rs.434.59 lakhs).

2 Contingent Liabilities

	As at 31st March 2010 (Rs. in lakhs)	As at 31st March 2009 (Rs. in lakhs)
a) Bills discounted	375.57	196.10
b) Letters of Credit / Guarantees	1,551.87	1,482.58
c) Excise & Customs claims under appeal	93.88	95.00
d) Disputed Sales Tax demands	20.97	31.82
e) Disputed Income Tax demand	391.78	391.78

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	Amount	Amount
			(Rs. in lakhs)	(Rs. in lakhs)
a) Excise Duty	Deputy Commissioner of Central Excise Customs, Excise and Service Tax Appellate Tribunal High Court of Madras	1991-92 & 1992-93	-	1.43
		2006-07	5.98	5.67
		Various Years	24.47	24.47
		2007-08	53.39	53.39
b) Customs Duty	High Court of Madras	1993-94	10.04	10.04
			<u>93.88</u>	<u>95.00</u>
c) Sales Tax	Sales tax Tribunal under Sales Tax Act High court of Madras	Various Years	10.74	28.38
		Various Years	10.23	3.44
			<u>20.97</u>	<u>31.82</u>
d) Income Tax	Commissioner of Income Tax (Appeals)	2005-06	391.78	391.78
			<u>391.78</u>	<u>391.78</u>

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are reasonable chances of successful outcome of appeals filed by the company. Out of the above, Rs. 90.73 lakhs has been paid towards the above mentioned dues.

3 Short term Investment Mutual Funds

	Year Ended 31st March 2010				Year Ended 31st March 2009			
	Purchases		Redemption		Purchases		Redemption	
	Units (Nos)	Value (Rs. in Lakhs)	Units (Nos)	Value (Rs. in Lakhs)	Units (Nos)	Value (Rs. in Lakhs)	Units (Nos)	Value (Rs. in Lakhs)
UTI Liquid Funds (Face Value Rs. 1000 per Unit)	8,31,550	8,378.60	8,68,719	8,750.36	6,14,755	6,175.35	5,54,495	5,574.76
UTI Fixed Maturity Plan (Face Value Rs. 10 per Unit)	2,05,25,529	2,107.77	1,00,00,000	1,000.00	2,05,53,294	2,101.22	2,55,51,994	2,601.02

4 There are no dues to micro, small & medium enterprises as at the Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the company and relied upon by the auditors.

5 Excise Duty

Total Excise Duty on Sales for the year has been disclosed as reduction from the turnover. Excise duty related to the difference between the closing stock and opening stock has been included in Schedule 14 "Manufacturing & Other Expenses".



6 Auditors' Remuneration (included in Miscellaneous Expenses)	Year Ended 31st March 2010 (Rs. lakhs)	Year Ended 31st March 2009 (Rs. lakhs)
Audit fees	7.00	6.00
Other services	<u>3.00</u>	<u>3.00</u>
	<u>10.00</u>	<u>9.00</u>
7 Managerial Remuneration : (Included in Employee cost)		
Salaries and Allowances	52.55	52.51
Contribution to Provident and other Funds	6.49	6.68
Perquisites	<u>11.87</u>	<u>11.87</u>
	<u>70.91</u>	<u>71.06</u>

8(a) Capacity and production (MT)

Class of goods	Licensed capacity		Installed capacity **		Actual production *	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Propylene oxide	NA	NA	# 36,000	24,000	31638	28629
Propylene glycol	NA	NA	20,000	13,250	##18734	16069
Polyols	NA	NA	### 33,000	14,000	20925	15896
PGMME	NA	NA	2,700	2,400	750	761
DCP and DCIPE	NA	NA	7,200	7,200	5781	5428
Di - Propylene Glycol	NA	NA	2,320	2,320	1778	1381
Tri - Propylene Glycol	NA	NA	288	288	202	106
DPGMME	NA	NA	460	460	131	162

Licensed Capacity per annum not indicated due to abolition of Industrial Licence as per Notification No. 477 (E) dated July 25, 1991 issued under the Industrial (Development & Regulation) Act, 1951.

From March 2010

Production being stepped up

Grade Dependent

* Including Captive Consumption.

** As certified by management and relied on by the auditors, this being a technical matter.

8(b) Consumption of Raw Materials & Packing Materials:

	Year Ended 31st March 2010		Year Ended 31st March 2009	
	Quantity (MT)	Value (Rs. in lakhs)	Quantity (MT)	Value (Rs. in lakhs)
Raw Materials				
Propylene	29,009	11,487.18	25,979	11,868.13
Methyloxirane Propylene Oxide	4,213	3,406.93	392	279.85
Other chemicals (Individually less than 10% of consumption)		10,594.46		8,982.80
		<u>25,488.57</u>		<u>21,130.78</u>

8(c) Consumption of Imported and Indigenous Raw Materials, Stores and Consumables:

	Year Ended 31st March 2010		Year Ended 31st March 2009	
	Percentage (%)	Value (Rs. in lakhs)	Percentage (%)	Value (Rs. in lakhs)
i) Raw materials :				
Imported	31.92	8,135.31	17.32	3,659.57
Indigenous	<u>68.08</u>	<u>17,353.26</u>	<u>82.68</u>	<u>17,471.21</u>
	<u>100.00</u>	<u>25,488.57</u>	<u>100.00</u>	<u>21,130.78</u>
ii) Stores and consumables :				
Imported	2.50	12.24	7.79	37.02
Indigenous	<u>97.50</u>	<u>477.69</u>	<u>92.21</u>	<u>438.43</u>
	<u>100.00</u>	<u>489.93</u>	<u>100.00</u>	<u>475.45</u>



	Year Ended 31st March 2010		Year Ended 31st March 2009	
	Qty (MT)	(Rs. in lakhs)	Qty (MT)	(Rs. in lakhs)
8(d) Trading Goods				
Opening Stock	240	303.82	388	478.32
Purchases	1583	1,400.22	2104	2,826.36
Closing Stock	161	152.82	240	303.82
8(e) Sales				
Manufactured Goods:				
Propylene Oxide	52	48.18	321	364.58
Propylene Glycol	18848	14,292.27	15553	14,576.62
Polyol	24103	23,593.55	18926	19,445.87
Others		2,245.08		2,051.22
Traded Goods	1662	1,817.18	2252	3,041.65
		<u>41,996.26</u>		<u>39,479.94</u>
8(f) Stock of Finished Goods				
	As at March 31, 2010		As at March 31, 2009	
Manufactured Goods:				
Propylene Oxide	124	106.85	59	39.31
Propylene Glycol	369	295.76	642	410.21
Polyol	760	707.48	480	376.78
Others		55.52		88.85
		<u>1,165.61</u>		<u>915.15</u>
9(a) CIF Value of Imports				
	Year Ended 31st March 2010		Year Ended 31st March 2009	
Raw Materials, Stores and Consumables		7,183.81		3,293.93
Traded goods		866.73		1,366.31
		<u>8,050.54</u>		<u>4,660.24</u>
9(b) Earnings in Foreign Currency				
FOB value of exports		83.46		82.50
Freight and Insurance		1.62		3.11
Commission		49.96		
		<u>135.04</u>		<u>85.61</u>
9(c) Expenditure in foreign currency (on payment basis)				
Travel		33.20		2.01
Others		7.48		5.26
		<u>40.68</u>		<u>7.27</u>

10 The Company is engaged in the business of manufacture of Petrochemicals, which is the only segment in the context of reporting business segment in accordance with Accounting Standard 17 on segment reporting issued by The Institute of Chartered Accountants of India.

11 The following table summarises the components of the net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plan:

Profit and Loss Account:

(Rs.in lakhs)

Particulars	Superannuation		Gratuity		Leave Salary	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Net employee benefit expenses (recognised in employee cost)						
Current Service Cost	5.92	4.20	17.80	16.33	5.78	1.29
Interest cost on benefit obligation	5.10	4.52	12.14	10.27	4.66	4.13
Expected return on plan assets	4.77	4.51	12.24	10.50	-	-
Net actuarial (gain)/loss recognised in the year	22.59	(0.33)	11.38	9.37	(7.52)	9.95
Net benefit expense	28.84	3.88	29.08	25.47	2.92	15.37



Balance Sheet:

Particulars	Superannuation		Gratuity	
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
Reconciliation of present value of the obligation and the fair value of plan assets:				
Fair value of plan assets at the end of the year	73.18	64.71	170.84	148.18
Present value of funded obligation at the end of the year	100.72	68.59	194.67	162.74
Asset/(Liability) recognised in the balance sheet	(27.54)	(3.88)	(23.83)	(14.56)

Changes in the present value of the defined benefit obligation are as follows :

Particulars	Superannuation		Gratuity		Leave Salary	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Present value of obligations as at the beginning of the year	68.59	60.32	162.74	141.46	67.20	57.96
Interest cost	5.10	4.52	12.14	10.27	4.66	4.13
Current service cost	5.92	4.20	17.80	16.33	5.78	1.29
Benefits paid	1.32	0.00	9.15	14.86	10.23	6.13
Actuarial Gain on obligation	22.43	(0.45)	11.14	9.54	(7.52)	9.95
Present value of obligations as at the end of the year	100.72	68.59	194.67	162.74	59.89	67.20

Changes in the fair value of plan assets are as follows :

Particulars	Superannuation		Gratuity	
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
Fair value of plan assets as at the beginning of the year	64.71	47.90	148.18	144.67
Expected return on plan assets	4.77	4.51	12.24	10.50
Contributions	5.18	12.42	19.82	7.70
Benefits paid	1.32	0.00	9.15	14.86
Actuarial gain on plan assets	(0.16)	(0.12)	(0.25)	0.17
Fair value of plan assets as at the end of the year	73.18	64.71	170.84	148.18

Major categories of Plan Assets

Particulars	(As Percentage of Total Plan Assets)		(As Percentage of Total Plan Assets)	
	Superannuation Trust		Gratuity Trust*	
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
Government of India Securities	33.44	19.62	33.41	30.66
State Government Securities	6.92	12.04	15.48	19.49
High Quality Corporate Bonds	40.64	30.64	42.05	38.43
Equity shares of listed companies	-	-	-	-
Property	-	-	-	-
Special Discount scheme	-	-	-	-
Funds managed by Insurer	-	-	-	-
Others (to specify)	19.00	37.70	9.06	11.42
Total	100.00	100.00	100.00	100.00

*The composition of investments in the fair value of plan assets relating to gratuity as given above relates to Plant-I only. The Gratuity Fund relating to Plant-II is maintained with Life Insurance Corporation of India and Plant-II details could not be furnished in the absence of information from Life Insurance Corporation of India.

Principal actuarial assumptions

Particulars	Rate (%)	
	2009-10	2008-09
a) Discount rate	7.50	7.50
b) Future salary increase *	5.00	5.00

* The estimates of future salary increases take in to account inflation, seniority, promotion and other relevant factors.



12 Related Party Disclosures:

List of Related Parties

Southern Petrochemical Industries Corporation Limited	Promoter
Mr.G. Ramachandran	Managing Director
Mr.K.K. Rajagopalan	Director (Finance)

Transactions with Related Parties

(Rs. in Lakhs)

	Promoter/Subsidiary of promoters		
	For the year 2009-10	For the year 2008-09	
Southern Petrochemical Industries Corporation Limited			
Income from sales (net of discounts)	8.40	70.54	
Services availed	1.02	50.08	
Outstanding as at year end			
Loans & Advances	0.48 (Dr)	2.57 (Cr)	
Sundry Debtors	-	8.21 (Dr)	
Key Management Personnel			
Mr.G. Ramachandran	Remuneration	37.90	38.27
	Outstanding at the year end	11.27	10.96
Mr.K.K. Rajagopalan	Remuneration	33.01	32.79
	Outstanding at the year end	9.30	8.91

13 Earnings Per Share

	Year ended 31st March 2010	Year ended 31st March 2009
Profit as per Profit & Loss Account (Rs lakhs)	2,106.27	703.18
No. of Shares used in computing earnings per share	17,19,99,229	17,19,99,229
Earnings per share - Basic and diluted (in Rupees)	1.22	0.41
Face Value per share (in Rupees)	5.00	5.00

There are no potential equity shares and hence the basic and diluted earnings per share are the same. Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity share holders by the weighted average number of equity shares outstanding during the year.

14 Deferred Taxation

The components of net Deferred Tax Liability are as follows:

Rs in lakhs

Nature- Asset / (Liability)	As at 31st March, 2009	For the Year Rs in lakhs	As at 31st March, 2010
Depreciation	(1,031.71)	(341.93)	(1,373.64)
Doubtful Debts / Advances	133.88	67.77	201.65
Total	(897.83)	(274.16)	(1,171.99)

15 In view of the profits for the year as well as prior three years and also considering the future profit projections, the Company is hopeful of being able to take credit the tax paid under MAT for adjustment against the normal income tax payable in future.

16 Other Liabilities include Rs. 87.10 lakhs (previous year Rs.87.10 lakhs) for estimated liability towards revision in salaries & wages for staff and officers for the period 2000-01 to 2008-09. (Rs in Lakhs)

Opening balance as on 1st April 2009	Paid during the year	Closing balance as on 31st Mar 2010
87.10	-	87.10

17 The Salaries, Wages and Bonus include Rs. 43.73 lakhs (Previous Year Rs. 45.77 lakhs) towards R&D expenses and Other expenses include Rs. 7.75 lakhs (Previous Year Rs. 4.43 lakhs) towards R&D expenses.

18 Previous year's figures have been re-grouped wherever necessary to conform to the current year's classification.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

State Code :

Balance Sheet Date
Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit / Loss before Tax

+ -

Profit / Loss after Tax

+ -

Earnings per Share in Rs.

Dividend rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

ITEM CODE No. (ITC Code)

Product Description

ITEM CODE No. (ITC Code)

Product Description

ITEM CODE No. (ITC Code)

Product Description

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH **M. SIVAGNANAM**
Chairman Director

G. RAMACHANDRAN **K.K. RAJAGOPALAN**
Managing Director Director (Finance)

Place: Chennai
Date: 20th April, 2010

G.S. LAKSHMI NARASIMHAN
Company Secretary



MANALI PETROCHEMICAL LTD

Registered Office : "SPIC House". 88, Mount Road, Guindy, Chennai 600 032.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

Folio No :

No. of Shares held

DP. ID	
Client ID	

*I hereby record my presence at the **TWENTY FOURTH ANNUAL GENERAL MEETING**, held at **RAJAH ANNAMALAI MANDRAM, Esplanade, Chennai 600 108, on Wednesday, the 22nd September 2010 at 10.30 A.M.** as Shareholder/Proxy*

.....
NAME OF THE SHAREHOLDER / PROXY

.....
SIGNATURE OF THE SHAREHOLDER / PROXY



MANALI PETROCHEMICAL LTD

Registered Office : "SPIC House". 88, Mount Road, Guindy, Chennai 600 032.

PROXY FORM

Folio No :	
DP. ID	

No. of Shares held

*I / Weof.....
in the district ofbeing a member / members of MANALI
PETROCHEMICAL LTD, hereby appointof.....
in the District ofor failing himof
in the District ofas my / our Proxy to vote for me / us on my / our
behalf, at the **TWENTY FOURTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 22nd
September 2010 at 10.30 A.M. and at any adjournment thereof.***

Signed this.....Day of2010

Affix
30 paise
Revenue
Stamp

Signature

- Note :
1. In the case of a Corporation this Proxy shall be either given under the Common Seal or signed on its behalf by an Attorney or Officer of the Corporation.
 2. Proxies to be valid must be deposited at the Registered Office / Principal Office of the Company, not later than 48 hours before the time for holding the meeting.

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