MANALI
PETROCHEMICALS

ANNUAL REPORT

2015 - 16

Manali Petrochemicals Limited

Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
Brig (Retd.) Harish Chandra Chawla	DIN: 00085415	Director
Kulbir Singh	DIN: 00204829	Director
G. Chellakrishna	DIN: 01036398	Director
Sashikala Srikanth	DIN: 01678374	Director
T K Arun (Nominee of TIDCO)	DIN: 02163427	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
G. Balasubramanian	DIN: 06874838	Whole-Time Director (Works)

Company Secretary
R. Kothandaraman

Chief Financial Officer
Anis Tyebali Hyderi

Registered Office
SPIC HOUSE, 88 Mount Road
Guindy, Chennai 600 032
CIN: L24294TN1986PLC013087
Telefax: 044-2235 1098
Email: companysecretary@manalipetro.com
Website: www.manalipetro.com

Factories:
Plant - 1
Ponneri High Road, Manali, Chennai 600 068
Plant - 2
Sathangadu Village, Manali, Chennai 600 068

Registrar and Share Transfer Agent (RTA)
Cameo Corporate Services Limited
Subramanian Building
1 Club House Road, Chennai 600 002

Auditors
Deloitte Haskins & Sells
Chartered Accountants
ASV N Ramana Towers
52, Venkatnarayana Road, T Nagar
Chennai 600 017

Cost Auditor
S Gopalan & Associates
Cost Accountants
F-1, Nethrambigai Apartments
15, Vembuli Amman Koil Street
K K Nagar West, Chennai 600 078

Secretarial Auditor
B. Chandra
Company Secretaries
AG 3, Navin's Ragamalika
26 Kumaran Colony Main Road
Vadapalani
Chennai - 600 026

Internal Auditors
Profaids Consulting
Management Consultants
OMS Court, Level 3, 1 Nathamuni Street
Off GN Chetty Road, T. Nagar
Chennai - 600 017

Bankers
State Bank of India
State Bank of Hyderabad
Indian Bank
Punjab National Bank
Corporation Bank
State Bank of Bikaner and Jaipur

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Directors' Report and Management Discussion & Analysis Report to the Shareholders

The Directors present their 30th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2016.

Financial Results

(Rs. in crore)

Description	2015-16	2014-15
Profit before interest & depreciation	**77.66**	77.56
Finance cost	**2.52**	2.48
Depreciation	**5.88**	5.55
Profit Before Tax	**69.26**	69.53
Provision for Taxation	**21.05**	25.54
Profit After Tax	**48.21**	43.99

Operational Highlights

Gross revenue from operations during the year was Rs. 642.47 crore against Rs. 814.13 crore during the year 2014-15. The lower sales was primarily on account of the fall in prices of polyol and other products due to drop in the crude prices, flooding of the plant during November/ December 2015 and also restrictions on utilizing the augmented capacity. It may be noted that in spite of the lower sales, net profit for the year at Rs. 48.21 crore was about 10% higher than the previous year. The restrictions have since been removed and hence your Company expects to restore the capacity utilization to the optimum level in the current year and improve the performance.

With the oil prices remaining low and the fire wood prices ruling high, the bio mass Captive Power Plant was not operated during the year. Besides TANGEDCO power, the Company also entered into arrangements for third party power. Through the various cost cutting measures the overall expenses were brought down, enabling higher margins.

Financial Review

During the year 2015-16, no changes were made to the Cash Reserve Ratio or the Statutory Liquid Ratio. The Bank rate came down from 8.50% in March 2015 to 7.75% in March 2016. No visible changes were noticed in lending rates, but the rupee depreciated by about 6% against the Dollar as at the year end vis-a-vis the previous year. Growth of credit offtake by industries touched the lowest in twenty years in the June 2015 quarter, but signs of improvement could be seen towards the year-end. The year-on-year inflation in March'15 – March'16 was 5.51%, attributed to higher food prices during the year.

The Company has been reaffirmed with ratings of 'CARE A-' (single A Minus) signifying 'low credit risk' for long-term bank facilities and 'CARE A1' (A One) signifying 'lowest credit risk' for short term bank facilities for borrowings upto Rs. 100 crore.

Dividend

The Company continues with the capital expenditure plans to improve the domestic sales and profitability. Also, plans are afoot to enter the global business arena in the coming years and so the Company needs to plough back the profits to meet the funding needs of these proposals. In the light of this and as per the policy to sustain the dividend track record, your Directors recommend a dividend of 10% i.e. fifty paise for every equity share of Rs. 5/- each fully paid-up, for the year 2015-16, aggregating to Rs. 8.60 crore, excluding dividend distribution tax. The Board is happy to highlight that your Company has been declaring dividend continuously for the past eleven years, in spite of the economic slowdown during some of the earlier years. It could be seen that the ratio of distribution has also been maintained at reasonable levels.

Industry structure and development

Your company operates in the Polyurethanes (PU) industry and specializes in manufacture of propylene glycol and polyether polyol. Your Company is the only Indian manufacturer of Propylene Oxide, the input material for the aforesaid derivative products.

Polyols are made in four grades, viz., Flexible Slabstock (FSP), Flexible Cold Cure, Rigids and Elastomers. These find application in the automobile, refrigeration and temperature control, adhesive, sealant, coatings, furniture and textile industries.

Propylene Glycol is widely used in pharmaceuticals, food, flavor and fragrance industries and also for manufacture of polyester resins, carbonless paper and automobile consumables like brake fluid and anti-freeze liquid. Some of the major applications of PG include medicines, canned food, body sprays, perfumes, cosmetics, soaps and detergents. The off-take of PG for industrial purposes is generally low due to availability of alternate cheaper materials.

Your Company also produces Propylene Glycol Mono Methyl Ether (PGMME), an environment-friendly solvent used in the paints & coatings and electronics industries.

Indian PU market has been infiltrated by huge imports and world-over, new Polyol capacities have come up in the past few years especially in Thailand and Singapore without corresponding demand for the product in their region. This, coupled with the slowdown in China has further pushed the imports into India over the past few quarters. The resultant pricing war is unprecedented and the margins are bound to be impacted further in the coming years. Thus, the import of polyol into India continues to be a major concern for domestic manufacturers.

Opportunities and threats

Polyurethane materials, due to their versatility, perform extremely well as part of any application that is subject to dynamic stress. They provide many advantages including: resilience, high tear resistance, low viscosity and low heat build-up. Polyurethane can be used for varied applications like building insulations, refrigeration, furniture, footwear, automotive, coatings and adhesives, sealants etc. The development of polyurethane materials is still evolving and new applications are regularly being created.

Various reports suggest that the global Polyol and PU consumption would grow to 15.50 million MT by 2019, from 6 million MT in 2012. In India the consumption is expected to grow from 5 lakh MTPA in 2015 to 7.5 lakh MTPA, signifying CAGR of about 10-12%. With the Indian GDP growth pegged at 7.5% in 2015-16 and expected to continue in the coming years, the potential for higher demand for the products of your Company appear bright. The various other initiatives of the Government such as Make in India, Skill Development, Rural Development, etc. are expected to bring in better purchasing power to the common man, stimulating higher demand for goods and services, which augurs well for the Company in the near future.

However, as mentioned earlier, the unabated imports of Polyol and PG dampen the outlook and the margins are bound to decline further. The Company continues its efforts to ward off the threat through the available avenues in law and also through product development and concentrating on value added products such as water proofing, foot-wear applications, etc. The global investment plans are also aimed at improving the earnings of the Company.

Market Scenario

The Indian Polyol and PG markets continued to be dominated by imports. The FSP imports went up to about 75,000 MT against 70,000 MT in the previous year. There has been no letup in the inbound volumes of Polyols in spite of levy of Anti-Dumping Duty by the Government on imports of FSP from Singapore, Australia and EU. This could be attributable to the new Polyol facilities set up in Thailand and Singapore. With the ADD on imports from China and Korea having expired in August 2015, the imports are expected to go up further in the coming years. The imports of PG also went up from 54,000 MT to 65,000 MT, inspite of one of the major facilities in Singapore remaining non-functional for a couple of months during the year.

Risk Management

The Company has in place a structured frame work for addressing business risk management issues. A risk management plan has been framed, implemented and monitored by the Board through the Risk Management Committee of Directors (RMC) comprising Ms. Sashikala Srikanth as the Chairperson, Mr. T K Arun, Director and Mr. Muthukrishnan Ravi, Managing Director as the other Members.

As part of the risk management plan, the Company has two employee-level Committees viz., a sub-committee and an Apex Committee which is headed by the Wholetime Director (Works) to review and assess the risks that could affect the Company's business. The sub-committee brings out the matters that could affect the operations and the Apex Committee, determines the issues that could become business risk. The mitigation actions are also suggested by the Committee and the report of the Risk Controller is submitted to the RMC. The RMC meets periodically, reviews the report of the Risk Controller and recommends actions to be taken in this regard.

As required under S. 177 of the Companies Act, 2013 (the Act), the Audit Committee also reviews the risk management process periodically.

Risks and Concerns

The duty concessions for import of polyols and other products under the free trade agreements with many countries continue to encourage cheaper imports into India, denying level playing field to the local manufacturers. The new facilities set up by major players such as DOW, BASF elsewhere with high capacities have pumped in Polyols into India instigating fresh bouts of price wars.

A Petition has been filled in the Southern Bench of National Green Tribunal, Chennai against the marine disposal of the treated effluent by the Company. The Company has taken appropriate actions for defending the case.

Outlook

The World Economic Outlook released by the World Bank in January 2016 is not very optimistic globally, but the growth projections for India look positive. While China's slowdown is expected to continue and become 6% in 2017, it has been stated that the robust growth of India and the rest of Asia is expected to be maintained during this period. Indian GDP growth is projected at 7.5% for 2016 and 2017. The impact of exit of the United Kingdom from the European Union (Brexit) on the Indian economy is not expected to be severe and it has been reported that India could still be the fastest growing economy, though the GDP growth could be lower than the earlier estimates.

The WTO has forecast that the aggregate trade growth for 2016 would be 2.8%, same as in the year 2015. However, the forecast for 2017 is 3.6%, though below the average of 5% in 1990 shows some sign of hope for global recovery.

With the Indian economy predicted to do well despite the adverse global scenario, your Company looks to capitalize the advantage. On the other hand, the rest of the world demand remaining flat the imports into India could be very high with inevitable lower margins for the Company.

As stated earlier, your Company continues its efforts to develop new applications for its products like footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc. Some of these have been completed and commercialized during the year under review. The development of product for medical application is progressing and is expected to be completed shortly.

With the removal of the restrictions on the capacity utilization at both the Plants, scale up of the production to optimum levels and achieving of lower cost per unit would be possible.

With the in-house PO capacity remaining static, the bulk storage facilities for imported raw materials in Ennore Port helps the Company to increase the capacity of the derivative plants and go for more of value added products. However, the prices have been going up and as an alternative the PO capacity will also be increased through an arrangement with another Company who have obtained Environmental Clearance for converting their existing facilities to make PO. Your Company would provide technical support for the implementation and also post commissioning. This has paved way for considering further capacity additions for the derivative products.

As a way forward, the Company is focusing on strategic business development and has in place a strong team of professionals to look at the various opportunities available for growth.

Subsidiary

During the year the Company has set up a Wholly Owned Subsidiary (WOS), AMCHEM Speciality Chemicals Private Limited, Singapore to expand its global footprint which will hold all the foreign assets of the Company. An investment of US$ 745,000 has been made in the equity shares of the subsidiary. The financial and other information on the subsidiary have been furnished in the Consolidated Financial Statement attached to this Report. The Subsidiary is in the process of identifying investment opportunities across the globe.

Environment and Safety

Your Company has laid down clear policies for quality, environment and safety and has set-up various teams and committees to monitor and improve observance of the said policies. Besides periodical in-house reviews and audits, surveillance audits of ISO 9001 and ISO 14001 have been done regularly, ensuring proper adherence to the quality, environment and safety requirements. World Environment Day is celebrated and to mark the occasion tree planting and similar activities are undertaken.

Your Company pays special attention to safety of men and material and various competitions are held during the Safety Week to create awareness among the employees about the need to adhere to safe manufacturing practices. Training is provided to the employees in safety related matters including first aid and mock drills are conducted to ensure that the systems and processes are in place to meet any eventualities.

Audit Committee

The details are furnished under the Corporate Governance Report (CGR) annexed to this Report. All the recommendations of the Committee were accepted by the Board.

Vigil Mechanism

As required under S. 177 of the Act and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, (the Regulations) the Company has established a vigil mechanism for directors and employees to report genuine concerns through the whistle blower policy of the Company as published in the website of the Company. As prescribed under the Act and the Regulations, provision has been made for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Human Resources

Your Company believes that achievement of its goals is reliant on the abilities of its workforce to convert the plans into actions. Therefore, every effort is taken to retain the talents and also introduce newer ideas from the younger generation, for the success story to continue. Various HR initiatives are also taken to enhance the competency of the employees through inclusive decision making process by delegation, recognition, leadership development, etc. Your Company imparts need based training to its employees with special focus on youngsters, stimulating them to play an important role in shaping the Company's future. The industrial relations have generally been cordial, except in relation to a wage dispute with the workmen from 2001, being contested earlier in the Supreme Court and now in the Madras High Court. The Management's efforts to settle the issue through dialogues are continued.

As on 31st March 2016, your company had 358 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

During the year under review, there were no transactions with related parties referred to in S. 188(1) of the Act and the transactions at arms' length with such parties were not material in terms of the policy framed by the Audit Committee as published in the website of the Company viz., http://manalipetro.com/Policy_1.html

Board of Directors and related disclosures

The Board comprises of eight directors of whom four are independent including a woman director. All the Independent Directors have furnished necessary declaration under Section 149 (7) of the Act and as per the said declarations they meet the criteria of independence as provided in Section 149 (6) of the Act.

The Board met four times during the year under review and the relevant details are furnished in the CGR.

The Board has approved the Remuneration Policy as recommended by the Nomination and Remuneration Committee (NRC) which *inter alia* contains the criteria for determining the positive attributes and independence of a director as formulated by the NRC. The policy on remuneration to directors is disclosed in the CGR annexed to this Report.

There has been no change in the composition of the Board or the Key Managerial Personnel since the last Annual General Meeting. Mr. T K Arun, (DIN 02163427) Director retires by rotation and being eligible offers himself for re-election.

Annual Evaluation of the Board, Committees and Directors

The formal evaluation of the Board and its Committees was done taking into account the various parameters such as their roles and responsibilities, composition and the adequacy, decision making processes and related practices, focus on important and critical issues, progress monitoring, governance and the like.

The evaluation of the individual directors, including the independent directors was done taking into account their qualification and experience, understanding of their respective roles (as a Director, Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

In compliance with the requirements of Schedule VII to the Act and the Regulations a separate meeting of the Independent Directors was held during the year.

Directors' Responsibility Statement

Pursuant to the requirement of sub-sections 3 (c) and 5 of Section 134 of the Act it is hereby confirmed that

(a) in the preparation of the annual accounts for the financial year ended 31st March 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments 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;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the accounts for the financial year ended 31st March, 2016 on a "going concern" basis;

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of unclaimed Share Certificates

In accordance with the requirements of the Clause 5A of the erstwhile Listing Agreement, shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 16,02,351 shares which remained unclaimed by 6,612 shareholders at the beginning of the year, 9,150 shares were released to 40 shareholders during the year. As at the end of the year 15,93,201 shares remained unclaimed by 6,572 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 28th Annual General Meeting held on 13th August 2014 to hold office till the conclusion of 30th Annual General Meeting.

In this connection, the Act has brought in provisions for rotation of auditors and your Company is also required to comply with the same. As per Section 139 (2) of the Act, in the case of Auditors, being a Firm, the tenor can be 2 terms of five years each. Initially a transition period of 3 years from the date of commencement of the Act had been provided for changing the Auditors who have been in office for periods exceeding the limits and accordingly the Company at the 28th AGM appointed the existing Auditors to hold office till the ensuing AGM. However, the transition period has been extended and the change of Auditors could now be considered at the first AGM to be held three years after the commencement of the Act. Accordingly, the existing Auditors can continue till the conclusion of the next AGM to be held in the year 2017.

In the light of the above, the Audit Committee has recommended the reappointment of M/s. Deloitte Haskins & Sells as the Auditors to hold office from the conclusion of the 30th AGM till the conclusion of the 31st AGM on a fee of Rs. 17 lakh plus applicable taxes and reimbursement of out of pocket expenses, for approval by the Members at the ensuing AGM.

Cost Audit

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai was appointed as the Cost Auditor of the Company for the financial year 2015-16 on a remuneration of Rs. 3 lakh plus applicable taxes and reimbursement of out of pocket expenses which was ratified by the Members at the 29th Annual General Meeting held on 23rd September 2015.

Mr. S Gopalan has been re-appointed as the Cost Auditor for the year 2016-17 on a remuneration of Rs. 3.50 lakh. As required under S. 148 of the Act, read with the relevant Rules, ratification of the members for the remuneration to the Cost Auditor for the year 2016-17 will be considered at the ensuing AGM of the Company.

Adequacy of Internal Financial Controls

Your company has in place adequate internal financial control systems combined with delegation of powers and periodical review of the process. The control system is also supported by internal audits and management reviews with documented policies and procedures. The system was also reviewed by an external agency, and no major weaknesses were reported. To ensure effective operation of the system, periodical reviews are made by the Internal Auditors and their findings discussed by the Audit Committee. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under the Regulations. A Report on Corporate Governance is attached as **Annexure A** along with a Certificate from the Auditors.

Secretarial Audit Report

As required under Section 204 of the Act, the Secretarial Audit Report issued by Mrs. B Chandra, Company Secretary in practice is given in **Annexure B**.

Disclosure of the CSR obligation amount in the Annual Report for 2014-15 was based on Profit After Tax, in line with Rule 2 (f) of the Companies (CSR) Policy Rules, 2014. The same has since been recomputed as per the clarifications issued by Ministry of Corporate Affairs during the year.

Other disclosures

a. Information on conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable are given in **Annexure C**.

b. The extract of the Annual Return in Form MGT-9 is given in **Annexure D.**

c. The disclosures prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in **Annexure E** to this Report. It is hereby affirmed that the remuneration to the employees are as per the Remuneration Policy of the company.

d. The Company has not accepted any deposits from the public during the year under report.

e. The information under Section 186 of the Act relating to investments, loans, etc. as at the year-end has been furnished in notes to the Financial Statement.

f. The CSR Policy related disclosures are given in **Annexure F**.

g. The details of familiarization programme for the Independent Directors have been disclosed in the Company's website viz., http://manalipetro.com/famaliar_polici.html.

Acknowledgement

Your Directors express their sincere gratitude to the Government of India, the Government of Tamilnadu, the Promoters and the consortium of Banks for the assistance, co-operation and support extended to the Company. The Directors thank the shareholders for their continued support.

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

Disclaimer

The Management Discussion and Analysis contained herein is based on the information available to the Company and assumptions based on experience in regard to domestic and global economy, on which the Company's performance is dependent. It may be materially influenced by changes in economy, government policies, environment and the like, on which the Company may not have any control, which could impact the views perceived or expressed herein.

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
August 4, 2016

Annexure A

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance:

The Board of Directors of your Company strongly supports the principles of Corporate Governance. Emphasis is laid on transparency, accountability and integrity in all operations and dealings with all the stakeholders. Your Company has been following the best practices in corporate governance much before the same was made mandatory by SEBI.

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2016.

2. Board of Directors:

i. Composition and membership in other Boards and Board Committees:

As on 31st March 2016, the Board comprised of eight directors, as detailed below:

Name	Category	Membership	
		Other Boards	Other Board Committees
Mr.Ashwin C Muthiah, Chairman	Non Executive, Non Independent	3(2)	1
Brig (Retd.) Harish Chandra Chawla	Non Executive, Independent	2	1
Mr. Kulbir Singh	Non-Executive, Independent	2	1(1)
Mr. G. Chellakrishna	Non-Executive, Independent	1	2(1)
Ms. Sashikala Srikanth	Non-Executive, Independent	6	5(1)
Mr. T K Arun, Nominee of TIDCO	Non Executive, Non Independent	9	8
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	-	-
Mr. G. Balasubramanian, Whole-time Director (Works)	Executive, Non Independent	-	-

Notes:

a. Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.

b. Only Membership in Audit Committees and Stakeholder's Relationship Committee (other than in MPL) are reckoned for Other Board Committee Memberships. Figures in brackets denote the number of companies / committees of listed companies in which the Director is Chairman.

c. None of the Directors hold any shares in the Company nor have any *inter se* relationship.

d. The details of familiarization programmes imparted to the Independent Directors are disclosed in the website of the Company at http://manalipetro.com/famaliar_polici.html

ii. Board Meetings, Annual General Meeting (AGM) and attendance thereat

The Board of Directors met four times during the year 2015-16 viz., on 20th May 2015, 5th August 2015, 4th November 2015 and 2nd February 2016. All the Directors attended all the meetings and the 29th AGM held on 23rd September 2015.

3. Audit Committee:

i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory under the Listing Agreement and the Company Law. The terms of reference were reviewed during the year 2005-06 and modified in line with the then requirements of Clause 49 of the Listing Agreements with Stock Exchanges. The terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations)

ii. Composition

As on 31st March 2016, the Committee comprised of Mr. G. Chellakrishna as Chairman, Brig. (Retd.) Harish Chandra Chawla, Mr. Kulbir Singh and Mr. T K Arun as the other Members. The Company Secretary is the Secretary to the Committee.

iii. Meetings and attendance

The Committee met four times during the year 2015-16 viz., on 20th May 2015, 5th August 2015, 4th November 2015 and 2nd February 2016 and the meetings were attended by all the Members.

4. Nomination and Remuneration Committee:

(a) Composition, terms of reference and meeting

The Committee comprises of Mr. Kulbir Singh, as the Chairman, Brig. (Retd) Harish Chandra Chawla and Mr. T K Arun as the other Members.

The terms of reference include the following, viz., to identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board appointment and removal of the directors, evaluate the performance of the directors, formulate criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration to the directors, key managerial personnel and other employees, devise policy on Board diversity and such other matter as may be prescribed under the Act, the Rules made thereunder and the Listing Agreements.

The Committee met on 2nd February 2016 and all the Members attended the meeting.

(b) Criteria for evaluation of the performance of the Independent Directors:

The criteria for evaluation of the performance of Independent Directors, include qualification and experience of the Director, clarify about the respective roles and responsibilities, knowledge about the Company's operations and goals/mission, attendance and participation at meetings, adherence to the Code of Conduct and ethics, conduct and degree of participation in the matters discussed.

5. Remuneration of Directors

(a) Remuneration policy and criteria for making payments to Non Executive Directors

The Remuneration Policy of the Company as approved by the Board inter alia, contains the criteria for appointment of Independent Directors, Executive Directors, Key Managerial Personnel and other employees, manner of appointment, remuneration policy for Executive and Non-Executive Directors, Guiding principles for fixing remuneration to employees who are not directors, etc. The following is the Remuneration Policy for Directors :

i. For Executive Directors

The remuneration of the Whole Time/Executive Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee (NRC) and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

ii. For Non-Executive Directors

The Non-Executive Directors will be paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the NRC. Different scales of sitting fee may be fixed for each category of the directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of directors.

In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

(b) None of the non-executive directors had any pecuniary relationship with the Company other than receipt of sitting fees.

(c) Details of remuneration paid to the Directors

i. Remuneration paid to Executive Directors during the year 2015-16 are as shown below:

(Rs. In lakh)

Sl. No	Description	Mr. Muthukrishnan Ravi, Managing Director	Mr. G. Balasubramanian, Whole-time Director (Works)
01	Salary and Allowances	45.39	25.32
02	Performance Linked Pay	30.00	7.35
03	Perquisites	3.01	1.76
	Total	**78.40**	**34.43**

Note:

(1) In addition to the above, contribution to Provident and Superannuation Funds are made as per applicable law/rules/terms of employment.

(2) The performance linked pay is determined as per the appraisal system in vogue.

(3) Mr. Ravi was also the Managing Director of Tamilnadu Petroproducts Limited (TPL) till 3rd February 2016. His remuneration during the period was shared between the Company and TPL. The amount shown above is net of reimbursement from TPL.

(4) The above Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation and no severance fee is payable.

(5) No Employee Stock Option has been offered by the Company to any of the directors.

ii. Remuneration paid to the Non-Executive Directors:

During the year each of the Non-Executive Director was paid sitting fees of Rs. 2 lakh aggregating to Rs. 12 lakh.

6. Stakeholders' Relationship Committee

i. Chairman and Compliance Officer

The Chairman of the Committee is Mr. Ashwin C Muthiah and Mr. R Kothandaraman, Company Secretary is the Compliance Officer.

ii. Details of complaints received and pending

During the year, 52 complaints were received. All the complaints including the 2 pending at the beginning of the year were redressed by the Company/RTA to the satisfaction of the complainants. There were no pending complaints as at the year-end.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
27th	2013	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	02.08.2013	10.15 a.m.
28th	2014	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	13.08.2014	10.30 a.m.
29th	2015	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	23.09.2015	10.30 a.m.

ii. Special Resolutions:

No Special Resolution was passed at the AGM held on 2nd August, 2013.

The following special resolutions were passed in the previous two Annual General Meetings:

Date of AGM	Subject	
13.08.2014	(a)	Borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage and/or create charge on the assets of the Company to secure the amount borrowed/to be borrowed by the Company.
	(b)	Re-appointment and remuneration payable to Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years from 29th July 2014 to 28th July 2017.
	(c)	Appointment and remuneration payable to Mr. G. Balasubramanian as Whole-time Director (Works) for a period of 3 years from 28th May 2014 to 27th May 2017.
23.09.2015	(a)	Approving the increase in remuneration to Mr. Muthukrishnan Ravi, Managing Director with effect from 1st April 2014.
	(b)	Approving the increase in remuneration to Mr. G. Balasubramanian, Whole-time Director (Works) with effect from 1st April 2015.

During the year no special resolution was passed through postal ballot. At present there is no proposal to pass any special resolution through postal ballot. The procedure for postal ballot, if and when conducted, would be as prescribed under the Act.

8. Means of communication

As stipulated under Regulation 33 read with Regulation 47, the Quarterly Results are intimated to the Stock Exchanges and published in one English National Newspaper (Financial Express) and one Tamil Newspaper (Makkal Kural). The results are also displayed in the website of the Company viz., www.manalipetro.com.The information stipulated under Regulation 46 of the Regulations are also available in the website of the Company. In addition, official press/news releases and several other details/information of interest to various stakeholders are submitted to the Stock Exchanges/made available in the website.

9. General Shareholder Information

i. Annual General Meeting

The thirtieth AGM of the Company is scheduled to be held on 21st September 2016 at 9.30 AM at Rajah Annamalai Mandram Esplanade, Chennai 600 108

ii. Financial year

The financial year of the Company commences on 1st April and ends on 31st March

iii. Dividend payment date

The dividend for the year 2015-16 will be paid on 14th October 2016 subject to declaration at the ensuing AGM.

iv. Listing Details and Stock Code

Name and Address of Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	500268
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.	MANALIPETC

Listing fees upto 2016-17 have been paid to the aforesaid exchanges.

v. Market Price Data & Share price performance vis a vis indices

Month & Year	NSE				BSE			
	Share Price (Rs.)		Nifty 50		Share Price (Rs.)		Sensex	
	High	Low	High	Low	High	Low	High	Low
April 2015	16.85	14.65	8,844.80	8,144.75	16.80	14.60	29,094.61	26,897.54
May	17.35	14.75	8,489.55	7,997.15	17.35	14.60	28,071.16	26,423.99
June	22.10	14.15	8,467.15	7,940.30	22.00	14.15	27,968.75	26,307.07
July	31.90	19.60	8,654.75	8,315.40	31.80	19.75	28,578.33	27,416.39
August	37.20	23.10	8,621.55	7,667.25	37.20	23.00	28,417.59	25,298.42
September	25.35	20.90	8,055.00	7,539.50	26.20	20.95	26,471.82	24,833.54

Month & Year	NSE				BSE			
	Share Price (Rs.)		Nifty 50		Share Price (Rs.)		Sensex	
	High	Low	High	Low	High	Low	High	Low
October 2015	34.80	24.25	8,336.30	7,930.65	34.80	24.20	27,618.14	26,168.71
November	34.15	27.55	8,116.10	7,714.15	34.20	27.50	26,824.30	25,451.42
December	35.50	27.95	7,979.30	7,551.05	35.50	28.00	26,256.42	24,867.73
January 2016	32.50	22.50	7,972.55	7,241.50	32.45	22.50	26,197.27	23,839.76
February	27.90	20.00	7,600.45	6,825.80	27.90	21.10	25,002.32	22,494.61
March	26.50	23.10	7,777.60	7,035.10	26.45	23.25	25,479.62	23,133.18

vi. Registrar and Share Transfer Agent:

All share registry work in respect of both physical and demat segments are handled by a single common agency M/s Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002, as the Registrar and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

vii. Share Transfer System:

Requests for share transfer, transmissions, transpositions etc., are processed by the RTA and returned within the stipulated time, if the documents are found to be in order. The routine requests from shareholders like transfer, transmission, transposition, change of name etc., were approved by the Managing Director/Whole-time Director (Works) and Company Secretary and the details placed before the Stakeholders' Relationship Committee and the Board.

viii. Distribution of shareholding as on March 31, 2016:

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	19,542	14.65	9,86,410	0.57
101	500	91,134	68.30	2,07,29,842	12.05
501	1000	12,405	9.30	98,45,429	5.73
1001	2000	5,181	3.88	79,45,662	4.62
2001	3000	1,726	1.29	45,35,151	2.64
3001	4000	683	0.51	24,99,002	1.45
4001	5000	723	0.54	34,61,839	2.01
5001	10000	1,053	0.79	80,01,188	4.65
10001	& above	985	0.74	11,39,94,706	66.28
Total		**1,33,432**	**100.00**	**17,19,99,229**	**100.00**

ix. Dematerialization of shares and liquidity

The shares, listed in BSE and NSE are to be traded only in dematerialized form. The ISIN of the shares is INE201A01024. As at March 31, 2016, 15,73,83,163 shares were held in dematerialized form, representing about 91.50% of the total shares. The shares are traded regularly on BSE and NSE.

x. The Company has not issued any convertible instruments.

xi. Location of Plants: Plant I : Ponneri High Road, Manali, Chennai – 600 068

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

xii. Address for correspondence

Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address viz. **Cameo Corporate Services Ltd, Subramanian Building, V Floor, No: 1, Club House Road, Chennai – 600 002.**

Phone: 044 - 28460390/28460394 & 28460718, Fax 044 - 28460129, **E-mail:investor@cameoindia.com**

For other general matters or in case of any difficulties/grievances investors may contact: Mr. R. Kothandaraman, Company Secretary and Compliance Officer, at the Registered Office of the Company, Phone/Fax: 044 –22351098 E-mail: companysecretary@manalipetro.com

10. Other Disclosures

i. There were no materially significant related party transactions that had potential confict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.

ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

iii. As stipulated under the Act and the Regulations a Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company. No personnel has been denied access to the Audit Committee.

iv. All the mandatory requirements of Corporate Governance under the Regulations have been complied with.

v. The policy for determining material subsidiaries is disclosed in the website of the Company under the link http://manalipetro.com/material_policy.html

vi. The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activities undertaken by the Company. As regards the Foreign exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the financial statements.

11. All the requirements of corporate governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.

12. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:

- There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.
- The Company has appointed separate persons for the post of Chairman and Managing Director.
- The Company has appointed a third party firm as the internal Auditors which carries out the audit and the report is presented to the Audit Committee for review and further directions.

13. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the Regulations.

14. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.

Declaration by CEO

Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to declare that the Members of the Board and Senior management Personnel have affirmed compliance with the respective code of Conduct.

Muthukrishnan Ravi
DIN: 0360522
Managing Director

Chennai
August 4, 2016

Report of the Auditors on Corporate Governance

1. We Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Manali Petrochemicals Limited ("the Company"), having its Registered Office at SPIC House, 88, Old no. 97, Mount Road, Guindy Chennai – 600 032, have examined the compliance of conditions of Corporate Governance, for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
   - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016, and
   - Regulations 17 to 27 (excluding regulation 23(4))and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We 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
(Firm's Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place : Chennai
Date : August 4, 2016

Annexure B

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
M/s. Manali Petrochemicals Limited
SPIC House, 88, Old No.97, Mount Road,
Guindy, Chennai 600 032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Manali Petrochemicals Limited bearing CIN L24294TN1986PLC013087** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Companies Act 1956 (to the extent applicable)

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May 2015);

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (with effect from 1st December 2015)

   We are informed that the Company, during the year, was not required to comply with the following Regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009

   b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008

   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vii) Based on the study of the systems and processes in place and a review of the reports of (1) Occupier/Manager of the factories plant 1 & 2 located in Manali which manufacture Petrochemicals (2) Internal Audit Reports and (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, I report that the Company has complied with the provisions of the following statutes and the Rules made thereunder to the extent it is applicable to them:

Factories Act, 1948, Explosives Act, 1884; The Public Liability Insurance Act, 1991; The Environment (Protection) Act, 1986; The Water (Prevention and Control of Pollution) Act, 1974; The Air (Prevention and Control of Pollution) Act, 1981; The Insecticides Act, 1968; Drugs and Cosmetics Act, 1940; The Fertiliser (Control) Order, 1985; Industrial Disputes Act, 1947; The Payment of Wages Act, 1936; The Minimum Wages Act, 1948; Employees' State Insurance Act, 1948; The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; The Payment of Bonus Act, 1965; The Payment of Gratuity Act, 1972; The Contract Labour (Regulation & Abolition) Act, 1970; The Maternity Benefit Act, 1961; The Child Labour (Prohibition & Regulation) Act, 1986; The Industrial Employment (Standing Order) Act, 1946; The Employees' Compensation Act, 1923; Workmens' Compensation Act 1923; The Apprentices Act, 1961; The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959; Tamil Nadu Labour Welfare Fund Act, 1972; Tamil Nadu Shops and Establishment Act, 1947; National and Festival Holidays Act, 1958; Conferment of Permanent Status Act, 1981; The Tamil Nadu Panchayats Act, 1994; The Legal Metrology Act, 2009; Industries (Development and Regulation) Act, 1951; Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003; The Electricity Act, 2003; The Energy Conservation Act, 2001; The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements (Old agreements upto 30th November 2015 and new agreement with effect from 1st December 2015) entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the operation of its plants within the consented quantity. Disclosure of a lower amount as CSR obligation in the Annual Report for the year 2014-15 which had no implication in the compliance requirements has since been rectified in the report for the current year. Further, the Company has voluntarily carried forward the unspent amount for spending in forthcoming years.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, Rules, regulations and guidelines.

For B. CHANDRA
Company Secretaries

B. Chandra, B.COM, AICWA, ACS
ACS No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: August 4, 2016

Annexure C

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2016, are furnished below to the extent applicable:

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

A new cooling water exchanger has been commissioned in Plant 1 at a cost of Rs. 20 lakh, which has reduced the energy consumption of the chilled water compressors resulting in savings of Rs. 15 lakh per annum. Suggestions in the energy audit report are also being implemented.

ii) Steps taken for utilizing alternate sources of energy

The Company commissioned a biomass based Captive Power Plant during the year 2010, which was being used for the energy needs of Plant 2 and also for export to Plant 1. However, over the period, the cost of input has been going up and also the availability affected due to supply-demand mismatch. Hence, exports to Plant 1 were curtailed and the CPP catered to the needs of Plant 1. Though the Company took various steps to use alternate fuel, the cost of power/steam has been spiraling and became comparatively uneconomical due to fall in oil prices. Hence, the CPP is under shut down from mid-December 2014. All major maintenance work have been completed and the plant kept ready for restart once the situation improves.

iii) Capital investment in conservation of energy

It is proposed to commission a high capacity boiler in Plant 2 during the year 2016-17 in replacement of 2 boilers at an estimated cost of Rs. 5 crore with expected annual savings of about Rs. 1.20 crore in fuel consumption. Another project for recovery of condensate collected in process is being implemented at an estimated cost of Rs. 10 lakh, expected to result in annual savings of Rs. 20 lakh through lower energy consumption.

B) Technology Absorption

i) Efforts made in technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution Technology has already been fully absorbed at the time of setting up the plant in the initial years. In the recent past no new technology was imported by the Company.

MPL has been taking various steps for process improvements, new product development and the like to bring down cost and also to foray into new segments for catering to wider customer base.

ii) Expenditure on Research & Development

(a) Capital	Rs. 275.86 lakh
(b) Recurring	Rs. 149.55 lakh
(c) Total	Rs. 425.41 lakh

C) Foreign Exchange Earnings and outgo:

i) Foreign exchange in terms of actual inflows	Rs. 2,094.81 lakh
ii) Foreign exchange in terms of actual outflows	Rs. 16,344.76 lakh

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
August 4, 2016

Annexure D

Extract from Annual Return as on the financial year ended on 31st March 2016

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L24294TN1986PLC013087
ii)	Registration Date	11th June 1986
iii)	Name of the Company	Manali Petrochemicals Limited
iv)	Category/Sub-Category of the Company	Company Limited By Shares Non-Government Company
v)	Address of the Registered office and contact details	SPIC House 88 Mount Road Guindy, Chennai 600 032 Telefax: 22351098 E-mail: companysecretary@manalipetro.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1 Club House Road Chennai 600 002 Ph.: 28460390/394/718, Fax 28460129 E-mail: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyols	20131	58%
2	Propylene Glycol	20119	28%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

The Company has no holding or associate companies, the details of the subsidiary are given below:

Name and address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
AMCHEM Speciality Chemicals Private Limited 8, Temasek Boulevard #22-03, Suntec Tower 3 Singapore 038988	Subsidiary	100%	S. 2 (87) (ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2015)				No. of Shares held at the end of the year (as on 31.03.2016)				% Change to total equity
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13648	NIL	13648	0.01	13648	NIL	13648	0.01	NIL
b) Bodies Corporate	65856053	NIL	65856053	38.29	65856053	NIL	65856053	38.29	NIL
c) Banks/FI	11212500	NIL	11212500	6.52	11212500	NIL	11212500	6.52	NIL
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	77082201	NIL	77082201	44.82	77082201	NIL	77082201	44.82	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	17850	167250	185100	0.11	17850	167250	185100	0.11	NIL
b) Banks/FI	158226	21300	179526	0.10	194044	21300	215344	0.13	0.02
c) FIIs	2300000	NIL	2300000	1.34	2834661	NIL	2834661	1.65	0.31
d) FPI (Corporate Category II)	NIL	NIL	NIL	NIL	154830	0	154830	0.09	0.09
e) FPI (Corporate Category II)	NIL	NIL	NIL	NIL	40000	0	40000	0.02	0.02
Sub-total(B)(1):-	2476076	188550	2664626	1.55	3241385	188550	3429935	1.99	0.44
2. Non- Institutions									
a) Bodies Corp.	9749797	232800	9982597	5.80	7081931	231750	7313681	4.25	-1.55
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	44395944	13342773	57738717	33.57	45455454	13023366	58478820	34.00	0.43
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17031070	74910	17105980	9.95	16946028	74910	17020938	9.90	-0.05
c) Others	6306093	1119015	7425108	4.32	7576164	1097490	8673654	5.04	0.73
Sub-total (B) (2)	77482904	14769498	92252402	53.64	77059577	14427516	91487093	53.19	-0.44
Total Public shareholding (B)=(B)(1)+ (B)(2)	79958980	14958048	94917028	55.19	80300962	14616066	94917028	55.19	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	157041181	14958048	171999229	100	157383163	14616066	171999229	100	NIL

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tamil Nadu Industrial Development Corporation Ltd	11212500	6.52	NIL	11212500	6.52	NIL	NIL
2	Southern Petrochemical Industries Corporation Limited	10000	0.01	NIL	10000	0.01	NIL	NIL
3	SIDD Life Sciences Private Limited	65846053	38.28	NIL	65846053	38.28	NIL	NIL
4	Muthiah A.C	13648	0.008	NIL	13648	0.008	NIL	NIL
	Total	77082201	44.82	NIL	77082201	44.82	NIL	NIL

(iii) There was no change in Promoters' Shareholding during the year.

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2016)	
	Date wise Increase/Decrease in Shareholding during the year	No. of shares	%	No. of shares	%	No. of shares	%
1	Passage to India Master Fund Limited	2260000	1.31			2260000	1.31
2	K K Sarachandra Bose	534791	0.31				
	Sale 24-Apr-2015	-30000	-0.02	504791	0.29		
	Sale 08-May-2015	-158796	-0.09	345995	0.20		
	Sale 15-May-2015	-20000	-0.01	325995	0.19		
	Sale 26-Jun-2015	-25000	-0.01	300995	0.17		
	Sale 30-Jun-2015	-25000	-0.01	275995	0.16		
	Sale 10-Jul-2015	-25000	-0.01	250995	0.15		
	Sale 24-Jul-2015	-50000	-0.03	200995	0.12		
	Sale 07-Aug-2015	-25000	-0.01	175995	0.10		
	Sale 04-Dec-2015	-25000	-0.01	150995	0.09		
	Purchase 31-Dec-2015	3000	0.00	153995	0.09		
	Sale 08-Jan-2016	-25000	-0.01	128995	0.07		
	Sale 11-Mar-2016	-2001	0.00	126994	0.07	126994	0.07
3	Indianivesh Securities Private Limited	501100	0.29				
	Sale 17-Apr-2015	-500000	-0.29	1100	0.00		
	Purchase 29-May-2015	1500	0.00	2600	0.00		
	Sale 05-Jun-2015	-2000	0.00	600	0.00		
	Purchase 12-Jun-2015	1000	0.00	1600	0.00		
	Purchase 19-Jun-2015	500	0.00	2100	0.00		
	Purchase 26-Jun-2015	98701	0.06	100801	0.06		
	Purchase 30-Jun-2015	300	0.00	101101	0.06		
	Sale 03-Jul-2015	-96001	-0.06	5100	0.00		
	Purchase 10-Jul-2015	106601	0.06	111701	0.06		
	Sale 17-Jul-2015	-110100	-0.06	1601	0.00		
	Purchase 24-Jul-2015	13615	0.01	15216	0.01		
	Sale 31-Jul-2015	-13700	-0.01	1516	0.00		
	Purchase 07-Aug-2015	2036	0.00	3552	0.00		
	Purchase 14-Aug-2015	5605	0.00	9157	0.01		
	Sale 28-Aug-2015	-7500	0.00	1657	0.00		
	Purchase 04-Sep-2015	1931	0.00	3588	0.00		
	Purchase 11-Sep-2015	44	0.00	3632	0.00		
	Purchase 16-Sep-2015	7500	0.00	11132	0.01		
	Sale 18-Sep-2015	-1100	0.00	10032	0.01		
	Sale 12-Sep-2015	-6400	0.00	3632	0.00		
	Sale 25-Sep-2015	-1600	0.00	2032	0.00		
	Purchase 30-Sep-2015	300	0.00	2332	0.00		
	Sale 09-Oct-2015	-50	0.00	2282	0.00		
	Purchase 16-Oct-2015	1350	0.00	3632	0.00		
	Purchase 23-Oct-2015	4000	0.00	7632	0.00		
	Purchase 30-Oct-2015	12180	0.01	19812	0.01		
	Sale 06-Nov-2015	-16950	0.01	“:	0.00		
	Purchase 13-Nov-2015	380	0.00	3242	0.00		
	Purchase 20-Nov-2015	4978	0.00	8220	0.00		
	Sale 27-Nov-2015	-3919	0.00	4301	0.00		
	Sale 04-Dec-2015	-1100	0.00	3201	0.00		
	Purchase 11-Dec-2015	2470	0.00	5671	0.00		
	Sale 18-Dec-2015	-800	0.00	4871	0.00		
	Sale 25-Dec-2015	-100	0.00	4771	0.00		
	Sale 31-Dec-2015	-2600	0.00	2171	0.00		
	Sale 01-Jan-2016	-1000	0.00	1171	0.00		
	Purchase 08-Jan-2016	3300	0.00	4471	0.00		
	Sale 15-Jan-2016	-2100	0.00	2371	0.00		
	Purchase 22-Jan-2016	700	0.00	3071	0.00		
	Purchase 29-Jan-2016	2700	0.00	5771	0.00		
	Sale 05-Feb-2016	-1100	0.00	4671	0.00		
	Purchase 12-Feb-2016	500	0.00	5171	0.00		
	Purchase 19-Feb-2016	1100	0.00	6271	0.00		
	Sale 26-Feb-2016	-200	0.00	6071	0.00		
	Purchase 04-Mar-2016	1160	0.00	7231	0.00		
	Sale 18-Mar-2016	-500	0.00	6731	0.00		
	Sale 31-Mar-2016	-3866	0.00	2865	0.00	2865	0.00
4	Barkur Sudhakar Shetty	450411	0.26				
	Purchase 01-May-2015	3750	0.00	454161	0.26		
	Purchase 08-May-2015	10000	0.01	464161	0.27		
	Purchase 15-May-2015	5000	0.00	469161	0.27		
	Purchase 12-Jun-2015	10000	0.01	479161	0.28		
	Sale 26-Jun-2015	-30000	-0.02	449161	0.26		
	Sale 30-Jun-2015	-2638	0.00	446523	0.26		
	Sale 03-Jul-2015	-16599	-0.01	429924	0.25		

Sl.No.	Name of the Shareholder / Date wise Increase/Decrease in Shareholding during the year	Shareholding at the beginning of the year (as on 01.04.2015) No. of shares	%	Cumulative Shareholding during the year No. of shares	%	At the End of the year (as on 31.03.2016) No. of shares	%
	Sale 10-Jul-2015	-35000	-0.02	394924	0.23		
	Sale 17-Jul-2015	-10000	-0.01	384924	0.22		
	Sale 24-Jul-2015	-25000	-0.01	359924	0.21		
	Sale 07-Aug-2015	-20000	-0.01	339924	0.20		
	Purchase 11-Sep-2015	3000	0.00	342924	0.20		
	Sale 23-Oct-2015	-20000	-0.01	322924	0.19		
	Sale 20-Nov-2015	-10000	-0.01	312924	0.18		
	Sale 27-Nov-2015	-20000	-0.01	292924	0.17		
	Sale 04-Dec-2015	-29000	-0.02	263924	0.15		
	Sale 11-Dec-2015	-10000	-0.01	253924	0.15		
	Purchase 29-Jan-2016	1000	0.00	254924	0.15		
	Purchase 19-Feb-2016	3500	0.00	258424	0.15	258424	0.15
5	Mehul Shah	400000	0.23				
	Sale 07-Aug-2015	-50000	-0.03	350000	0.20		
	Sale 21-Aug-2015	-100000	-0.06	250000	0.15	250000	0.15
6	Joydeep Chatterjee	316293	0.18				
	Purchase 12-Jun-2015	5000	0.00	321293	0.19		
	Sale 24-Jul-2015	-5000	0.00	316293	0.18	316293	0.18
7	Jyothi Haresh Shah	310000	0.18				
	Sale 17-Apr-2015	-11582	-0.01	298418	0.17		
	Sale 01-May-2015	-298418	-0.17	NIL	NIL	NIL	NIL
8	Yogen Navnitlal Desai	300000	0.17				
	Sale 26-Jun-2015	-6065	0.00	293935	0.17		
	Sale 03-Jul-2015	-15000	-0.01	278935	0.16		
	Sale 10-Jul-2015	-51500	-0.03	227435	0.13		
	Sale 17-Jul-2015	-40000	-0.02	187435	0.11		
	Sale 24-Jul-2015	-20000	-0.01	167435	0.10		
	Sale 07-Aug-2015	-57435	-0.03	110000	0.06		
	Sale 14-Aug-2015	-35000	-0.02	75000	0.04		
	Sale 04-Sep-2015	-20000	-0.01	55000	0.03		
	Sale 11-Sep-2015	-20000	-0.01	35000	0.02		
	Sale 16-Sep-2015	-5000	0.00	30000	0.02		
	Purchase 12-Sep-2015	5000	0.00	35000	0.02		
	Sale 25-Sep-2015	-5000	0.00	30000	0.02		
	Sale 30-Oct-2015	-10000	-0.01	20000	0.01		
	Purchase 23-Oct-2015	10000	0.01	30000	0.02		
	Sale 06-Nov-2015	-10000	-0.01	20000	0.01		
	Sale 27-Nov-2015	-10000	-0.01	10000	0.01		
	Sale 04-Dec-2015	-10000	-0.01	NIL	NIL	NIL	NIL
9	Lincoln P Coelho	300000	0.17			300000	0.17
10	Anand Rathi Share and Stock Brokers Limited	126874	0.07				
	Sale 08-May-2015	-25781	-0.01	101093	0.06		
	Sale 17-Jul-2015	-5396	0.00	95697	0.06		
	Purchase 07-Aug-2015	24500	0.01	120197	0.07		
	Purchase 28-Aug-2015	231389	0.13	351586	0.20		
	Sale 25-Sep-2015	-120804	-0.07	230782	0.13		
	Purchase 09-Oct-2015	14680	0.01	245462	0.14		
	Purchase 16-Oct-2015	1470	0.00	246932	0.14		
	Purchase 23-Oct-2015	159	0.00	247091	0.14		
	Purchase 30-Oct-2015	12955	0.01	260046	0.15		
	Sale 23-Oct-2015	-12955	-0.01	247091	0.14		
	Purchase 06-Nov-2015	12955	0.01	260046	0.15		
	Purchase 04-Dec-2015	30443	0.02	290489	0.17		
	Purchase 01-Jan-2016	13258	0.01	303747	0.18	303747	0.18
11	Shailaja Anil Pandit	0	0.00				
	Purchase 22-May-2015	559532	0.33	559532	0.33		
	Purchase 29-May-2015	5400	0.00	564932	0.33	564932	0.33
12	DB International (Asia) Ltd	0	0.00				
	Purchase 21-Aug-2015	379212	0.22	379212	0.22		
	Purchase 28-Aug-2015	122068	0.07	501280	0.29		
	Purchase 04-Sep-2015	16973	0.01	518253	0.30		
	Purchase 09-Oct-2015	33957	0.02	552210	0.32		
	Purchase 01-Jan-2016	12793	0.01	565003	0.33		
	Sale 18-Mar-2016	-42523	-0.02	522480	0.30		
	Sale 25-Mar-2016	-44154	-0.03	478326	0.28	478326	0.28
13	Jagdish N Master	0	0.00				
	Purchase 17-Jul-2015	310000	0.18	310000	0.18		
	Purchase 24-Jul-2015	90000	0.05	400000	0.23		
	Purchase 14-Aug-2015	5000	0.00	405000	0.24		
	Purchase 21-Aug-2015	2500	0.00	407500	0.24		
	Purchase 28-Aug-2015	25000	0.01	432500	0.25		
	Purchase 04-Sep-2015	2500	0.00	435000	0.25		

(Rs. in lakh)

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2016)	
	Date wise Increase/Decrease in Shareholding during the year	No. of shares	%	No. of shares	%	No. of shares	%
	Purchase 11-Sep-2015	2500	0.00	437500	0.25		
	Purchase 16-Sep-2015	17500	0.01	455000	0.26		
	Sale 12-Sep-2015	-17500	-0.01	437500	0.25		
	Purchase 25-Sep-2015	17500	0.01	455000	0.26		
	Purchase 16-Oct-2015	25000	0.01	480000	0.28		
	Sale 13-Nov-2015	-2500	0.00	477500	0.28		
	Sale 20-Nov-2015	-13000	-0.01	464500	0.27		
	Sale 27-Nov-2015	-10000	-0.01	454500	0.26		
	Sale 04-Dec-2015	-25000	-0.01	429500	0.25		
	Sale 11-Dec-2015	-52500	-0.03	377000	0.22		
	Sale 08-Jan-2016	-1000	0.00	376000	0.22	376000	0.22
14	Gaurav Manocha	0	0.00				
	Purchase 05-Jun-2015	299375	0.17	299375	0.17		
	Purchase 11-Sep-2015	9697	0.01	309072	0.18	309072	0.18

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	67.04	NIL	NIL	67.04
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	67.04	NIL	NIL	67.04
Change in Indebtedness during the financial year				
Increase	158.70	NIL	NIL	158.70
Net Change	158.70	NIL	NIL	158.70
Indebtedness at the				
end of the financial year				
i) Principal Amount	225.74	NIL	NIL	225.74
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total(i+ii+iii)	225.74	NIL	NIL	225.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The aggregate of remuneration to the Managing Director and the Whole Director (Works) during the year was Rs. 112.83 lakh as per details given in the Corporate Governance Report in Annexure A (excluding contribution to Provident and Other Funds) against the Ceiling on remuneration of Rs. 705.48 lakh under the Act. No stock option, sweat equity or commission is given to these Directors

B. Remuneration to other directors:

The Non-Executive Directors, including the Independent Directors are paid sitting fees details of which have been furnished in the CGR. No commission or other payments are made to any of the directors.

C. Remuneration to other Key Managerial Personnel

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	CS	CFO	Total Amount
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22.91	48.99	71.90
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.94	1.75	2.69
	Total	23.85	50.74	74.59

a. There was no stock option, sweat equity or commission to the above persons.

b. The remuneration shown above is exclusive of contributions to Provident and Other Funds

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
August 4, 2016

Annexure E

Disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the permanent employees of the company for the financial year;	Mr. Muthukrishnan Ravi, Managing Director: 22 Mr. G Balasubramanian, WTD (W) : 10
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Whole Time Director (W) : 20% Company Secretary : 22% Chief Financial Officer: 10%
The percentage increase in the median remuneration of employees in the financial year;	5.00% (Refer Note below)
The number of permanent employees on the rolls of company;	283, including the MD and WTD
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in managerial remuneration was 16% vis-a-vis the increase of 10% to other employees. Taking into account the roles and responsibilities of the Managerial personnel, and the prevailing remuneration levels of similarly placed professionals, the above is deemed reasonable. There were no exceptional circumstances for increase in the managerial remuneration;

Notes: The statistical data on increase in remuneration given above are exclusive of the wages to workmen who are covered under wage settlement and dispute relating to which is pending before the Hon'ble Madras High Court. Such workmen are paid DA and other increases as per the settlement entered into prior to the dispute.

Disclosures under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Details of Top 10 employees in terms of remuneration received during the year

Rs. in lakh

Name	Designation	Remuneration	Qualification	Experience	Date of Joining	Age	Last Employment
Muthukrishnan Ravi	Managing Director	80.42	B.Tech., MBA- XLRI	33	01-Apr-11	56	Executive VP – Strategy and Global Sourcing, Sanmar Chemplast Limited
Mahesh N Gopalasamudram *	Chief Operating Officer	75.03	M.Sc., Ph.D	18	23-Apr-13	45	Director (Formulation Systems), DOW Chemicals Private Limited
Anis Tyebali Haideri	Chief Financial Officer	53.32	B.Com, ACA, AICWA	20	07-Apr-14	43	CFO, Switz International, Middle East
Balasubramanian G	WTD (Works)	37.91	M.E.	34	17-May-89	59	Process Engineer, Pentasia Chemicals Ltd.,
Kothandaraman R	Company Secretary	25.25	M.Com., ACS	33	03-Nov-10	53	Company Secretary, TIDEL Park Limited
Sekar B	AGM (Purchase)	21.65	B.E.	25	01-Jun-14	47	Head, Supply Chain and Planning, Bostik India Pvt. Ltd.,
Muthukumaran S*	AVP (Marketing)	18.55	M.Sc.	29	06-Aug-15	52	Regional Supply Chain Manager, Huntsman International India Pvt. Ltd.,
Subash Chandra Bose	GM (R & D)	17.42	B.Tech.	21	01-Jan-95	44	-
Dhandapani A	Manager (QAD)	16.93	B.Sc.	27	13-Aug-12	51	Tech. Manager, Honeywell, Dubai
Palaniappan R	AGM (Marketing)	14.20	B.Tech.	26	15-Apr-92	50	Marketing Officer, Hi Tech Plastic Pvt. Ltd.

* Employed for part of the year

Notes:

1. The above appointments are contractual
2. As per the disclosures available with the Company, none of the above employees are related to any director and do not hold any shares in the Company.
3. The remuneration shown above includes contributions to Provident and other Funds
4. The remuneration of Mr. Ravi, is net of reimbursement received from TPL

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
August 4, 2016

Annexure F

Annual Report on CSR activities during the Year 2015-16

1. **Brief outline of the CSR Policy and related information**

   The policy

   MPL appreciates that in any society inclusive growth of all the segments is of paramount importance. The Business Community owes its existence and growth to the other components of the Society at large. MPL is committed to contribute its mite for the sustained growth of the Society through various plans and programmes. MPL also believes that as a responsible organization, it can, together with similar such entities, transform the neglected sections of the Society through concerted efforts.

   MPL also endeavours to ensure environmental sustainability by adopting best environmental practices and encourages conservation/judicious use of natural resources.

   MPL looks beyond mere financial resources and aims to undertake such of the activities which will provide long term benefits to the weaker sections and make them competent to face off the challenges in life.

   The detailed CSR Policy is available in the website of the Company and the web link is http://manalipetro.com/csr_policy.html

   Overview of projects or programmes

   During the year under review no CSR projects or programmes were taken-up by the Company.

2. **Composition of the CSR Committee**

   The CSR Committee comprises Mr. Ashwin C Muthiah as Chairman and Brig (Retd) Harish Chandra Chawla and Mr. T K Arun as the other Members. During the year the Committee met on 6th November 2015 & 2nd February 2016 and all the Members attended these meetings.

3. **Average net profit of the Company for the last three financial years** — Rs. 49.87 crore

4. **Prescribed CSR Expenditure** — Rs. 99.75 lakh

5. **Details of CSR Spent during the financial year**

   a. Total amount to be spent for the financial year — Rs. 99.74 lakh

   b. Amount unspent — Rs. 94.51 lakh

   c. Manner of spending the amount

      During the year, the Company took up a project for renovation of the sanitation facilities and provision of hand wash facility at the Middle School run by the Thiruvottiyur Municipality in June 2015 at a cost of Rs. 5.23 lakh.

6. **Reasons for amount not spent**

   The Company believes that the CSR activities undertaken should make a difference to the lives of the underprivileged and the society at large. The Company, jointly with six other companies has set up a Section 8 Company, AM Corporate Social Responsibility Foundation to take up CSR activities for its members and other persons.

   Based on the recommendation of the CSR Committee the Board has approved the proposal for providing drinking water facility in three villages near Manali through the Foundation. The Foundation has engaged IIT, Madras for implementing the proposal and detailed survey to assess the water needs of the villages has been completed by the said Agency. Based on the findings appropriate proposals will be taken up to meet the water requirements of these villages.

   Though it is not mandatory to carry over the unspent amount, the Board has decided that the entire unspent amount relating to the previous years could be accumulated and spent for the above project. Accordingly about Rs. 3.00 crore has been earmarked for implementing the identified projects.

7. It is confirmed by the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR activities and Policy of the Company.

Muthukrishnan Ravi	**Ashwin C Muthiah**
DIN 03605222	DIN 00255679
Managing Director	Chairman of the CSR Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Manali Petrochemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and 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 Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note no. 27 b & c to the financial statements)

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 27 d to the financial statements)

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Manali Petrochemicals Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether a risk of a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular program 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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that the title deeds comprising the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of Land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. No material discrepancies were noticed upon physical verification during the year.

(iii) According to the information and explanations given to us, the Company has not granted any unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

c) Details of dues of income tax, sales tax, Service tax and excise duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the Amount Relates	Amount involved (Rs.) In Lakhs	Amount unpaid (Rs.) In Lakhs
Central Excise Act, 1944	Excise Duty	High Court of Madras	2007-08	53.39	53.39
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
Central Sales Tax Act, 1956	Sales Tax	High Court of Madras	Various Years	3.44	3.44
		Sales tax Tribunal	2000-01	10.74	10.74
		Appellate Deputy Commissioner	2003-04	36.74	36.74
		High Court of Madras	2008-09	6.06	6.06
		Appellate Dy.Commissioner, Chennai	2007-08 2008-09 2009-10	12.58	12.58
		Appellate Dy.Commissioner, Chennai	2008-09	7.17	7.17
			Assessment year		
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2006-07	1,080.74	1,080.74
			2007-08	1,192.08	1,192.08
			2008-09	518.45	488.45
			2009-10	3.12	-
		Deputy Commissioner of Income Tax, LTU	2010-11	176.88	106.88
		Commissioner of Income Tax (Appeals)	2011-12	247.87	-
		Assistant Commissioner of Income Tax	2012-13	476.90	476.90

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not obtained any term loans during the year.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid /provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence the reporting under Clause (xii) of the CARO, 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

MANALI PETROCHEMICALS

Standalone Balance Sheet as at March 31, 2016

[Rs. in lakh]

	Particulars	Note No.	As at March 31, 2016	As at 31 March, 2015
A.	**EQUITY AND LIABILITIES**			
1.	**Shareholders' Funds**			
	Share Capital	3	**8,603.47**	8,603.47
	Reserves and Surplus	4	**19,666.66**	15,880.49
	Total - Shareholders' Funds		**28,270.13**	24,483.96
2	**Non-current Liabilities**			
	Deferred tax liabilities (net)		**199.08**	313.92
	Other long-term liabilities	5	**145.68**	161.01
	Long-term provisions	6	**136.06**	122.29
	Total - non-current liabilities		**480.82**	597.22
3	**Current liabilities**			
	Short-term borrowings	7	**225.74**	67.04
	Trade payables	8		
	(a) total outstanding dues of micro enterprises and small enterprises		**43.87**	20.71
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**13,416.47**	9,999.60
	Other current liabilities	9	**5,585.54**	3,247.46
	Short-term provisions	10	**1,936.51**	2,375.66
	Total - current liabilities		**21,208.13**	15,710.47
	TOTAL - EQUITY AND LIABILITIES		**49,959.08**	40,791.65
B.	**ASSETS**			
1	**Non-current assets**			
	Fixed assets			
	Tangible assets	11 A	**10,508.82**	10,533.50
	Intangible assets	11 B	**-**	-
	Capital work-in-progress		**1,580.34**	565.91
	Total - Fixed assets		**12,089.16**	11,099.41
	Non-current investments	12	**915.92**	417.60
	Long-term loans and advances	13	**1,916.54**	1,742.47
	Total - Non-current assets		**14,921.62**	13,259.48
2	**Current assets**			
	Current investments	14	**6,439.81**	7,774.44
	Inventories	15	**10,447.03**	7,564.89
	Trade receivables	16	**9,003.13**	7,961.73
	Cash and cash equivalents	17	**627.33**	2,234.98
	Short-term loans and advances	18	**8,385.58**	1,925.54
	Other current assets	19	**134.58**	70.59
			35,037.46	27,532.17
	TOTAL - ASSETS		**49,959.08**	40,791.65

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2016

[Rs. in lakh]

	Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
1.	**Revenue from Operations (Gross)**	20	**64,246.76**	81,413.44
	Less: Excise Duty		**(6,342.56)**	(8,100.45)
	Revenue from Operations (Net)		**57,904.20**	73,312.99
2.	**Other Income**	21	**1,074.32**	736.56
3.	**Total Revenues (1+2)**		**58,978.52**	74,049.55
4.	**Expenses**			
	Cost of raw materials and packing materials consumed	22	**33,329.38**	47,156.21
	Purchase of stock-in-trade (traded goods)	22	**5,268.96**	1,670.48
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	23	**983.62**	608.09
	Employee benefits expense	24	**2,111.90**	2,696.90
	Finance costs		**252.34**	247.62
	Depreciation	11	**587.57**	554.72
	Other expenses	25	**9,518.34**	14,162.66
Total Expenses			**52,052.11**	67,096.68
6.	**Profit Before Tax (3-4-5)**		**6,926.41**	6,952.87
7.	**Tax Expense**			
	Current tax expense		**2,220.00**	3,520.00
	Short/(Excess) provision for tax relating to prior years		**-**	247.00
	Deferred tax	36	**(114.84)**	(1,213.25)
	Net tax expense		**2,105.16**	2,553.75
8.	**Profit for the year (6-7)**		**4,821.25**	4,399.12
9.	**Earnings Per Share of Rs. 5/- each (Basic and Diluted)**	35	**2.80**	2.56

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Cash Flow Statement for the year ended 31 March, 2016

[Rs. in lakh]

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		**6,926.41**		6,952.87
Adjustments for				
Depreciation	**587.57**		554.72	
Dividend income	**(584.83)**		(139.22)	
Finance costs	**252.34**		247.62	
Interest income	**(287.93)**		(448.03)	
Provision for doubtful debts	**7.34**			
Net unrealised exchange (gain) / loss	**(157.42)**		48.60	
Loss on sale / write-off of assets	**124.83**		-	
		(58.10)		263.69
OPERATING PROFIT		**6,868.31**		7,216.56
CHANGES IN WORKING CAPITAL				
Adjustments for (increase) / decrease in operating assets				
Inventories	**(2,882.14)**		(1,291.84)	
Trade Receivables	**(757.45)**		(2,686.49)	
Short-term loans and advances	**(6,084.80)**		1,061.89	
Long-term loans and advances	**10.71**		(264.00)	
Adjustments for (increase) / decrease in operating liabilities				
Trade payables	**3,597.61**		4,690.60	
Other current liabilities	**2,338.08**		2,162.11	
Other long-term liabilities	**(15.33)**		(15.33)	
Short-term provisions	**(614.25)**		(9.43)	
Long-term provisions	**13.77**		10.89	
		(4,393.80)		3,658.40
		2,474.51		10,874.96
Net income tax paid		**(3,024.82)**		(3,031.64)
Net cash flow used in operating activities [A]		**(550.31)**		7,843.32
B. CASHFLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances		**(1,637.26)**		(1,077.50)
Proceeds from sale of fixed assets		**-**		6.97
Investments in Equity shares		**(498.32)**		(5.15)
Interest income		**287.93**		448.03
Dividend income		**584.83**		139.22
Bank balances not considered as cash and cash equivalents		**78.28**		(106.22)
Net cash from/(used in) Investing activities [B]		**(1,184.54)**		(594.65)
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayment) / Proceeds from Short-term borrowings		**158.70**		(161.97)
Interest paid		**(252.34)**		(247.62)
Dividend paid		**(860.00)**		(860.00)
Tax on dividend		**(175.08)**		(146.16)
Net cash from/(used in) Financing Activities [C]		**(1,128.72)**		(1,415.75)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)		**(2,863.57)**		5,832.92
Cash and cash equivalents at the beginning of the period		**9,369.06**		3,536.14
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**(0.43)**		-
Cash and cash equivalents at the end of the period		**6,505.06**		9,369.06
Cash and cash equivalents at the end of the year Comprises:				
Cash on hand [Note 17]		**1.88**		3.47
Cheques on hand		**2.57**		1,539.30
Balance with Banks				
In current accounts (including debit balance in cash credit)		**33.28**		51.85
In other deposit accounts		**27.52**		-
Current investments [Note 14]		**6,439.81**		7,774.44
Cash and Cash equivalents		**6,505.06**		9,369.06
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash equivalents (Note 17)		**627.33**		2,234.98
Less: Margin Money Deposit Accounts		**186.97**		273.44
Less: Unpaid Dividend Accounts		**375.11**		366.92
Net Cash and Cash equivalents		**65.25**		1,594.62
Add: Current Investments (Note 14)		**6,439.81**		7,774.44
Cash and Cash equivalents as shown above		**6,505.06**		9,369.06

Note: The earmarked account balances with banks can be utilised only for specific identified purposes.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)
Place: Chennai
Date : May 23, 2016

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Standalone Financial Statements for the year ended 31 March, 2016

1. CORPORATE INFORMATION

Manali Petrochemicals Limited (the 'Company') is a Public Company incorporated on June 11, 1986 in the State of Tamilnadu, India. The Company is engaged in the manufacture and sale of Propylene Oxide (PO), Propylene Glycol (PG) and Polyols (PY), which are used as industrial raw materials.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b. INVENTORIES

a) Raw materials and stores and spares are valued at lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. 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.

b) Finished goods and work-in-process are valued at lower of cost (weighted average basis) and net realisable value after providing for losses arising on quality, based on technical evaluation. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost of finished goods include excise duty and is determined.

c. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset:

Development on Leasehold land is amortised over the period of the lease."

Intangible asset - software is amortised over the estimated useful life of 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

f. REVENUE RECOGNITION

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Dividend

Dividend Income is recognised when the Company's right to receive the dividend is established by the reporting date.

Interest

Interest income is accounted on accrual basis.

g. FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. These are recorded at the consideration paid for acquisition.

Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

i. GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Government grants, in the nature of investment grants, received after the asset is put to use and / or the carrying value of asset is less than the grants received and where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

j. INVESTMENTS

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees, duties etc.

k. EMPLOYEE BENEFITS

1. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and the expected cost of bonus and exgratia are recognised as expense in the Statement of Profit and Loss in the period in which the employee renders the related service on an undiscounted basis. Liability for short term compensated absences are determined as per Company's policy / scheme and are recognized as expense in the Statement of Profit and Loss based on expected obligation on an undiscounted basis.

2. **Long-term employee benefits**

i. **Defined Contribution Plan**

a) Provident Fund

Fixed contributions made to the Provident Fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees

b) Superannuation

This plan covers officers and the staff of the Plant I and II and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

ii. **Defined Benefit Plan**

a) **Gratuity**

The company has an arrangement with the Life Insurance Corporation of India (LIC) to administer its Gratuity fund for Plant II employees and Trust established by the Company to administer its Gratuity fund for Plant I employees. Premium paid/payable is determined based on an actuarial valuation carried out by LIC for Plant II and by an independent valuer for Plant I using the projected unit credit method as on the Balance Sheet date and debited to the Statement of Profit and Loss on accrual basis. Actuarial gain or loss is recognized in the Statement of Profit and Loss as income or expense.

b) **Superannuation**

Liability for superannuation to the staff of Plant I 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. The contribution thereof paid / payable is charged to the Statement of profit and loss. Further, in respect of specific employees, additional accruals are made based on the scheme of the Company.

c) **Long term compensated absences**

Liability towards long term compensated absence is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded.

l. SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

m. LEASES

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

n. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or (loss) (including the post tax effect of extraordinary items, if any) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

o. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates under provisions of Income Tax Act 1961 and other applicable tax laws.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods and are quantified using the substantively enacted tax rate as on the Balance Sheet date.

Deferred Tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance sheet when it is highly probable that the future economic benefit associated with it will flow to the company.

p. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

q. IMPAIRMENT OF FIXED ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

r. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when

a) The company has a present obligation as a result of past events

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of obligation can be reliably estimated

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes for

i) Present obligation arising from past events, when 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

ii) Possible obligation arising from past events which will be confirmed only by future events not wholly within the control of the Company, Contingent assets are neither recognised nor disclosed in the financial statements.

s. INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

t. SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

u. OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to Standalone Financial Statements for the year ended 31 March, 2016

[Rs. in lakh]

Particulars	As at March 31, 2016	As at March 31, 2015
3 - Share Capital		
Authorised		
240,000,000 (Previous Year: 240,000,000) Equity Shares of Rs.5 each	**12,000.00**	12,000.00
Issued, Subscribed and Fully Paid Up		
171,999,229 (Previous Year: 171,999,229) Equity Shares of Rs.5 each fully paid up	**8,599.96**	8,599.96
Add: Forfeited shares	**3.51**	3.51
Total issued, subscribed and fully paid-up Share Capital	**8,603.47**	8,603.47

Notes:

There has been no movement in the Share Capital during the year. The Company has only one class of equity shares having a par value of Rs.5 per share. Each holder of the equity shares is entitled to one vote per share. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held. For the Year ended 31 March, 2016, the amount of dividend recognised as distributions to equity shareholders is Re.0.50 per share (previous year: Re.0.50 per share). The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Details of shares held by shareholders holding more than 5% shares in the Company:

Name of shareholders	No. of shares	% holding	No. of shares	% holding
	Year ended 31 March, 2016		Year ended 31 March, 2015	
M/s. SIDD Life Sciences Private Limited	**65,846,053**	**38.28**	65,846,053	38.28
M/s. Tamilnadu Industrial Development Corporation Ltd.	**11,212,500**	**6.52**	11,212,500	6.52

4 - Reserves and Surplus

Particulars	As at March 31, 2016	As at March 31, 2015
A. SECURITIES PREMIUM ACCOUNT	**91.45**	91.45
B. GENERAL RESERVE		
Opening Balance	**109.20**	109.20
Add: Transferred during the year	**-**	-
General Reserve - Closing Balance	**109.20**	109.20
C. CAPITAL RESERVE (Refer Note 4.1 below)		
Opening Balance	**84.00**	84.00
Add: Additions during the year		
Capital Reserve - Closing Balance	**84.00**	84.00
D. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening Balance	**15,595.84**	12,257.37
Less: Transition Adjustment (Refer Note 4.2 below)	**-**	(25.57)
Add: Profit for the year	**4,821.25**	4,399.12
Less: Appropriations		
Transfer to General Reserves		
Proposed Equity Dividend Current year - (amount per share Re.0.50 [31 March, 2015 : Re.0.50])	**(860.00)**	(860.00)
Tax on Proposed Equity Dividend	**(175.08)**	(175.08)
P&L Surplus - Closing Balance	**19,382.01**	15,595.84
Total	**19,666.66**	15,880.49

4.1 During the year 2012-13, Tamilnadu Energy Development Agency [TEDA] had sanctioned and disbursed a Capital Subsidy of Rs.84 lakhs for the 4.2 MW Captive Power Plant, capitalised during the year 2008-09. These grants are directly credited to Shareholders' funds under Capital Reserves.

4.2 Transition adjustment amounting to Rs. 25.57 lakhs (net of taxes of Rs. 13.08 lakhs) has been adjusted from opening reserves in the previous year.

5 - Other Long-term Liabilities [Rs. in lakh]

Particulars	As at March 31, 2016	As at March 31, 2015
Deposits	**145.68**	161.01
Total	**145.68**	161.01

The deposits have been classified as under: [Rs. in lakhs]

As Other Long-term Liabilities	**145.68**	161.01
As Other Current Liabilities (Note 9)	**30.66**	30.66

Interest free deposit movement:

Opening Deposit Balance	**191.67**	207.00
Less: Deposit refunded during the year	**15.33**	15.33
Closing Balance	**176.34**	191.67

The above deposits represent the amounts received from two entities towards use of treated effluent pipeline as per the agreement entered into with them. These deposits are interest free and are repayable in fifteen equal annual installments commencing from April 2012.

6 - Long-term Provisions

Provision for employee benefits - Non Current [Note 33]		
Post employment benefits	**49.14**	45.63
Compensated absences	**86.92**	76.66
Total	**136.06**	122.29

7 - Short-term Borrowings

Cash Credit from Banks (Secured)	**225.74**	67.04
Total	**225.74**	67.04

Cash Credit from banks, which is repayable on demand, is secured by hypothecation of inventories, book debts and other receivables, both present and future, and by way of a second charge on the Company's immovable properties.

The Company had availed Interest-free sales tax loan in prior years, which has been fully settled in the year 2010. However, the charge created on the immovable properties and the movable assets of the Company has not been released pending receipt of "No Dues Certificate" from Sales Tax department. This is being followed up.

8 - Trade Payables

Acceptances	**2,668.74**	3,696.83
Acceptances - Others:		
a) Dues to micro enterprises and small enterprises (Refer note- 28)	**43.87**	20.71
b) Dues to creditors other than micro enterprises and small enterprises.	**10,747.73**	6,302.77
Total	**13,460.34**	10,020.31

Trade payables are dues in respect of goods purchased or services received in the normal course of business.

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
9 - Other Current Liabilities		
Unpaid Dividend	**375.11**	366.92
Other Payables:		
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**84.85**	235.16
Contractually reimbursible expenses	**37.60**	19.00
Employee Benefits Payable (Note 33)		
Post Employment Benefits		1.65
Gratuity	**24.67**	36.34
Advance received from Insurance Company	**600.00**	-
Others *#	**4,432.65**	2,557.73
Current portion of Deposits (Note 5)	**30.66**	30.66
Total	**5,585.54**	3,247.46

* Includes advance of Rs. 277.85 lakhs [Previous year Rs. 93.21 lakhs] towards subsidy received from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC in the production of Polyols. During the previous year 2014-15, the Company purchased assets and capitalised the same as at the year end, since the Company has commenced the trial run production. The Ministry has extended the validity of this agreement till December 2016, by when full subsidy will be received. On receipt of full subsidy, appropriate accounting treatment will be considered.

\# The Company received a demand for Rs. 1,677 lakhs during October 2013, towards lease rent for factory land, provision for which was made in the previous year (Refer Note 25).

10 - Short-term Provisions

Provision for employee benefits (Note 33)		
For Compensated absences - Current	**8.21**	23.28
Provision - Others		
Proposed Equity Dividend	**860.00**	860.00
Tax on Proposed Equity Dividend	**175.08**	175.08
Provision for wage arrears *	**893.22**	951.72
Provision for Tax	**-**	365.58
Total	**1,936.51**	2,375.66

* Provision for Wage Arrears

During the year 2004, a claim was raised against the Company by its workmen, demanding a revision to wages for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008. The Company filed an appeal in the Supreme Court against the decision of the Tribunal. During October 2015 the Union had filed an Interim Application (IA) No. 12 of 2015 in Supreme court. The IA 12 /15 filed under SLP 28235 of 2008 had come up for hearing on 8.1.2016 in Supreme Court.

Upon hearing both sides the Supreme court had given directions to withdraw the SLP subject to payment Rs.1 lakh to each workman and with liberty to approach Madras High Court and file Writ Petition within 6 weeks from date of order i.e. 8.1.2016 to get finality.

As per direction of Supreme court, the Management has filed a Writ Petition in Madras High Court on 16.02.2016. On the same day the Company has released the Interim payment of Rs.1 lakh to each workman as per direction of Supreme court amounting to Rs. 53 lakhs.

The movement in the provision for wage arrears is given below:

Particulars	2015-16	2014-15
Balance at beginning of the year	**951.72**	601.59
Charge for the year	**60.51**	538.00
Payments made during the year	**(119.01)**	(187.87)
Balance at end of the year	**893.22**	951.72

11 - Fixed Assets (Current Year)

[Rs. in lakh]

Particulars	Gross Block				Accumulated Depreciation and Amortisation					Net Book Value	
	As at April 1, 2015	Additions	Disposals	As at 31 March, 2016	As at April 1, 2015	Transition adjustments	Expense for the year	Eliminated on disposal	As at 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
A. Tangible Assets											
Land	179.75	-	-	179.75	0.53	-	-	-	0.53	179.22	179.22
Development on leasehold land	20.25	-	-	20.25	17.92	-	1.07	-	18.99	1.26	2.33
Buildings	1,554.99	156.43	(27.09)	1,684.33	628.80	-	64.50	(27.09)	666.21	1,018.12	926.19
Plant and Machinery	27,388.75	489.44	(416.28)	27,461.91	18,195.92	-	487.37	(292.98)	18,390.31	9,071.60	9,192.83
Furniture and Fixtures	142.85	-	(21.86)	120.99	37.88	-	13.14	(16.42)	34.60	86.39	104.97
Office Equipments	118.05	5.70	-	123.75	34.11	-	7.46	-	41.57	82.18	83.94
Computers	365.51	38.51	-	404.02	346.37	-	8.48	-	354.85	49.17	19.14
Vehicles	61.16	1.55	(10.71)	52.00	36.28	-	5.55	(10.71)	31.12	20.88	24.88
Sub-total - Current Year	**29,831.31**	**691.63**	**(475.94)**	**30,047.00**	**19,297.81**	**-**	**587.57**	**(347.20)**	**19,538.18**	**10,508.82**	**10,533.50**
B. Intangible Assets											
Computer Software	32.28	-	-	32.28	32.28	-	-	-	32.28	-	
Total - Current Year	**29,863.59**	**691.63**	**(475.94)**	**30,079.28**	**19,330.09**	**-**	**587.57**	**(347.20)**	**19,570.46**	**10,508.82**	**10,533.50**

Fixed Assets (Previous Year)

Particulars	Gross Block				Accumulated Depreciation and Amortisation					Net Book Value	
	As at April 1, 2014	Additions	Disposals	As at 31 March, 2015	As at April 1, 2014	Transition adjustments	Expense for the year	Eliminated on disposal	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
A. Tangible Assets											
Land	179.75	-	-	179.75	-	0.53	-		0.53	179.22	179.75
Development on leasehold land	20.25	-	-	20.25	16.85		1.07		17.92	2.33	3.39
Buildings	1,514.14	40.85		1,554.99	564.27	12.69	51.84		628.80	926.19	949.87
Plant and Machinery	26,696.10	699.77	(7.12)	27,388.75	17,706.35	13.64	476.21	(0.28)	18,195.92	9,192.83	8,989.75
Furniture and Fixtures	141.34	1.51		142.85	24.58	0.11	13.19		37.88	104.97	116.76
Office Equipments	106.38	11.67		118.05	16.09	10.87	7.15		34.11	83.94	90.29
Computers	363.82	1.69	-	365.51	345.18		1.19		346.37	19.14	18.64
Vehicles	55.25	8.49	(2.58)	61.16	33.85	0.81	4.07	(2.45)	36.28	24.88	21.40
Sub-total - Current Year	**29,077.03**	**763.98**	**(9.70)**	**29,831.31**	**18,707.17**	**38.65**	**554.72**	**(2.73)**	**19,297.81**	**10,533.50**	**10,369.85**
B. Intangible Assets											
Computer Software	32.28	-	-	32.28	32.28	-	-	-	32.28	-	-
Total - Current Year	**29,109.31**	**763.98**	**(9.70)**	**29,863.59**	**18,739.45**	**38.65**	**554.72**	**(2.73)**	**19,330.09**	**10,533.50**	**10,369.85**

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
12 - Non-current Investments		
Non-Trade - Quoted		
Investments in Equity shares		
500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited	**0.45**	0.45
16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Ventures Limited (*)	**412.00**	412.00
Non-Trade - UnQuoted		
Investments in Equity shares		
84,999 Equity Shares (46,799 Equity shares in Previous year) of Rs.10 each fully paid-up in OPG Power Generation Private Limited	**8.97**	5.15
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	**0.13**	-
Investment in equity shares of wholly owned subsidiary		
745,000 Equity shares of USD 1 each fully paid-up in AMCHEM Speciality Chemicals Private Limited	**494.37**	-
	915.92	417.60
Aggregate amount of quoted investments	**412.45**	412.45
Aggregate market value of listed and quoted investments	**142.89**	406.75
Aggregate value of unquoted investments	**503.47**	5.15

* During the year 2012-13, 16,48,000 equity shares of Rs.10 each, fully paid-up, in Mercantile Ventures Limited [formerly MCC Finance Limited (MCC)] were allotted in pursuance of a Scheme of Compromise approved by the Honourable Madras High Court, at a premium of Rs.15 per share towards past dues to the Company as reflected in the books of MCC. Since the Company had recovered the said dues during the years 1999 to 2001 by adjusting the same against dues from a then associate of MCC, an amount equivalent to the above allotment was accounted for as payable to the then associate of MCC in the books of the Company. Pending mutual agreement between the Companies, the amounts shown above and the payable shown under Trade payables have been retained. The shares of this Company has been listed in BSE on 9th February 2015.

13 - Long-term Loans and Advances

Unsecured, considered Good		
Capital Advances	**502.29**	317.51
Advances to employees	**10.79**	21.50
Security Deposits	**1,403.46**	1,403.46
Total	**1,916.54**	1,742.47

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
14 - Current Investments (Quoted)		
Current Investments (valued at lower of cost and fair value)		
SBI Premier Liquid Fund	**56.40**	3,752.38
(No. of units - 5,622 [Previous Year -3 ,74,022])		
SBI Magnum Insta Cash Liquid Floater	**-**	4,022.06
(No. of units -NIL [Previous Year - 3,98,260])		
SBI Ultra Short Term Debt Fund (No. of units - 3,123 [Previous Year - NIL])	**31.42**	-
SBI ARBITRAGE FUND (No. of units - 1,88,19,749.776[Previous year - NIL])	**2,604.84**	-
PNB mutual fund (No. of units -1,291 [Previous Year - NIL])	**12.95**	-
SBI DEBT FUND (No. of units -170,00,000 [Previous Year - NIL])	**1,714.45**	-
PRINCIPAL Fund (No. of units - 85,145 [Previous Year - NIL])	**2,019.75**	-
Total	**6,439.81**	7,774.44
Aggregate amount of current investments in mutual funds		
- cost	**6,439.81**	7,774.44
- Net asset value	**6,439.81**	7,774.44

15 - Inventories

Raw Materials	**6,320.96**	1,609.60
Raw Materials in Transit	**1,517.15**	2,433.22
Work-in-Process	**136.28**	197.22
Traded Goods	**1.82**	232.25
Finished Goods *	**2,283.91**	2,976.16
Stores and Spares	**186.91**	116.44
Total	**10,447.03**	7,564.89
* Includes reprocessed order -based stock at cost based on technical evaluation and relied upon by auditors being a technical matter	**-**	1,147.41
Details of Work in process		
Work-in-process		
Propylene Oxide	**1.80**	1.30
Propylene Glycol	**34.86**	13.52
Polyol	**99.62**	182.40
Total	**136.28**	197.22

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
16 - Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	**-**	7.51
- Unsecured considered doubtful	**7.34**	283.95
	7.34	291.46
Less: Provision for doubtful Receivables	**7.34**	283.95
	-	7.51
Others		
- Unsecured considered good	**9,003.13**	7,954.22
Total	**9,003.13**	7,961.73

17 - Cash and Cash equivalents

Cash on hand	**1.88**	3.47
Cheques on hand *	**2.57**	1,539.30
Bank Balances		
In Current Accounts	**33.28**	51.85
In EEFC Accounts	**27.52**	-
Margin Money Deposit Accounts [Refer Note below]	**186.97**	273.44
Unpaid Dividend Accounts	**375.11**	366.92
Total	**627.33**	2,234.98

Margin money deposits have an original maturity period of less than 12 months.

* Cheques on hand as at 31st March, 2015 includes Intercorporate Deposits of Rs. 1,500 lakhs repaid which has been subsequently realised.

18 - Short-term Loans and Advances

Unsecured Considered good		
Advances given to vendors	**6,664.61**	1,148.35
Security Deposits	**44.47**	54.34
Loans and Advances to employees	**18.80**	7.00
Prepaid Expenses	**339.08**	134.53
Balances with Government authorities		
CENVAT/VAT Credit receivable	**879.38**	581.32
Advance Tax (net of Provision of Rs. 2,220.00, Previous year - Rs. lakhs))	**439.24**	-
Total	**8,385.58**	1,925.54

19 - Other Current Assets

Unamortised premium on forward contracts	**24.65**	30.84
Interest accrued on Deposits	**62.48**	39.75
Other Claims	**47.45**	-
Total	**134.58**	70.59

[Rs. in lakh]

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
20 - Revenue from Operations		
Sale of Products		
- Finished goods	**58,958.41**	79,564.16
- Traded goods	**5,203.76**	1,758.02
Other Operating Revenue		
Scrap sales	**84.59**	91.26
Revenue from Operations (Gross)	**64,246.76**	81,413.44
Less: Excise Duty #	**6,342.56**	8,100.45
Revenue from Operations (Net)	**57,904.20**	73,312.99

Excise duty on sales amounting to Rs.6,342.56 lakhs (31 March, 2015: Rs. 8,100.45 lakhs) has been reduced from Sales in the Statement of Profit and Loss and Excise Duty on decrease in Finished Goods amounting to Rs. (249.67) lakhs (31 March, 2015: Rs.41.35 lakhs) has been considered as income. (Refer Note 25).

Details of Sales

Manufactured Goods:		
Propylene Oxide	**1,239.66**	2,008.07
Propylene Glycol	**18,013.45**	20,775.62
Polyol	**37,085.75**	54,204.69
Others	**3,834.87**	3,952.70
Total Manufactured Goods	**60,173.73**	80,941.08
Traded Goods:		
Isocyanates	**795.75**	1,758.02
Polyol	**631.98**	-
Others	**3,776.03**	-
Total Traded Goods	**5,203.76**	1,758.02
Less: Trade Discounts	**(1,215.32)**	(1,376.92)
Total	**64,162.17**	81,322.18

21 - Other Income

Interest Income on		
Bank Deposits	**44.97**	38.29
Customer Deposits	**26.56**	36.95
Inter Corporate Deposits	**216.40**	372.79
Dividend received from current investments	**584.83**	139.22
Insurance claims received	**18.93**	9.60
Net gain on foreign currency transactions	**93.33**	-
Miscellaneous Income	**89.30**	139.71
Total	**1,074.32**	736.56

[Rs. in lakh]

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
22 - Cost of Raw Materials and Packing Materials consumed		
Opening Stock	**4,042.82**	2,005.71
Add: Purchases	**37,124.67**	49,193.32
	41,167.49	51,199.03
Less: Closing Stock	**7,838.11**	4,042.82
Cost of raw materials and packing materials consumed	**33,329.38**	47,156.21

Materials consumed comprises:

Propylene	**10,169.49**	20,198.78
Methyloxirane Propylene Oxide	**6,674.64**	9,249.48
Chlorine	**789.13**	1,742.32
Others (Individually less than 10% of consumption)	**15,696.12**	15,965.63
Total	**33,329.38**	47,156.21

Purchase of Stock-in-Trade (Traded Goods)

Isocyanates	**882.63**	1,670.48
Polyols	**680.58**	-
Others	**3,705.75**	-
Total	**5,268.96**	1,670.48

23 - Changes in Inventories of Finished Goods, Work-in- Process and Stock-in-Trade

Inventories at the end of the year		
Finished Goods	**2,283.91**	2,976.16
Work-in-process	**136.28**	197.22
Traded Goods	**1.82**	232.25
	2,422.01	3,405.63
Inventories at the beginning of the year		
Finished Goods	**2,976.16**	3,457.25
Work-in-process	**197.22**	191.04
Traded Goods	**232.25**	365.43
	3,405.63	4,013.72
Net Decrease / (Increase)	**983.62**	608.09

24 - Employee Benefits expense

Salaries and Wages *	**1,570.60**	2,130.15
Contribution to Provident and Other Funds	**124.23**	158.44
Gratuity Expense (Refer Note 33)	**21.97**	-
Staff Welfare Expenses	**395.10**	408.31
Total	**2,111.90**	2,696.90

* Salaries and Wages include Rs.120.56 Lakhs (Previous year Rs. 85.03 lakhs) towards R&D expenses.

[Rs. in lakh]

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
25 - Other Expenses		
Consumption of Stores and Spares	**652.37**	685.80
Increase / (Decrease) of excise duty on inventory *	**(249.67)**	41.35
Power and Fuel	**4,573.16**	7,419.77
Water charges	**695.66**	907.96
Rent	**89.89**	1,724.61
Repairs and Maintenance		
- Building	**131.60**	125.41
- Plant and machinery	**1,156.54**	682.78
- Information Technology	**52.81**	61.37
- Others	**74.53**	54.43
Insurance	**102.96**	118.31
Rates and Taxes	**71.84**	186.03
Agency Commission	**205.48**	310.58
Legal and Professional	**210.18**	479.79
Payment to Auditors:		
- As Auditors - Statutory Audit	**10.00**	9.00
- Other services	**7.00**	4.00
Directors Sitting fees	**12.00**	11.25
Net loss on foreign currency transaction and translation (other than considered as finance cost)	**-**	10.18
Bad trade and other receivables, loans and advances written off	**283.95**	-
Less: Provision released	**-283.95**	-
Provision for doubtful receivables	**7.34**	-
Expenditure on Corporate social responsibility	**5.24**	-
Loss on fixed assets sold/scrapped/written off	**124.83**	-
Miscellaneous Expenses	**1,584.58**	1,330.04
Total	**9,518.34**	14,162.66

* Represents Excise Duty related to the difference between the inventories at the beginning and end of the year.

Above expenses include those relating to R&D aggregating to Rs. 28.99 lakhs (Previous Year Rs. 23.70 lakhs).

26 - Capital and other Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances) and not provided for as on 31 March, 2016 is Rs. 3,239.75 lakhs (previous year Rs.4,015.54 lakhs).

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
27 - Contingent Liabilities		
a) Bills discounted	**541.67**	-

b) The details of disputed demands are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at 31 March, 2016	As at 31 March, 2015
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	
	Disputed Excise & Customs demand		**60.19**	53.39
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**36.74**	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**	10.74
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**	6.06
	High Court of Madras	Various Years	**3.44**	3.44
	Disputed Sales Tax demand		**56.98**	56.98
		Assessment Year		
Income Tax	Commissioner of Income Tax (Appeals)	2006-07	**1,080.74**	1,080.74
		2007-08	**1,192.08**	1,192.08
		2008-09	**518.45**	518.45
		2009-10	**3.12**	3.12
	Deputy Commissioner of Income Tax	2010-11	**176.88**	176.88
	Assistant Commissioner of Income Tax	2012-13	**476.90**	476.90
	Disputed Income Tax demand **		**3,448.17**	3,448.17

** Against the above demands, the Company has paid Rs. 100 lakhs (Previous year - Rs. 250.99 lakhs)

The above amounts are based on the notices of demand or the assessment orders or notifications by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. No reimbursements are expected.

c) During the year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 lakhs. There is a probability that the Department may go on appeal.

d) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

28 - There are no over due amount payable to Micro, Small & Medium Enterprises [MSME] anytime during the year and hence no interest has been paid/payable. 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.

[Rs. in lakh]

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
29 - Value of Imports calculated on CIF basis		
Raw Materials, Stores and Consumables	**16,094.78**	16,992.12
Traded goods	**1,284.31**	720.45
Total	**17,379.09**	17,712.57

30 - Expenditure in Foreign Currency

Travel	**73.31**	33.44
Others	**120.69**	113.31
Total	**194.00**	146.75

31 - Details of consumption of imported and indigenous items

		Year ended March 31, 2016		Year ended March 31, 2015	
Particulars		**Percentage (%) of total consumption**	**Value [Rs. in lakhs]**	Percentage (%) of total consumption	Value [Rs. in lakhs]
i)	**Raw materials**				
	Imported	**46**	**15,348.76**	36	16,803.96
	Indigenous	**54**	**17,980.62**	64	30,352.25
		100	**33,329.38**	100	47,156.21
ii)	**Stores and consumables**				
	Indigenous	**100**	**652.37**	100	685.80
		100	**652.37**	100	685.80

32 - Earnings in Foreign Currency

Export of goods calculated on FOB basis	**2,078.12**	3,366.73
Freight and Insurance	**76.96**	90.99
Total	**2,155.08**	3,457.72

33 - Employee benefit plans

Defined contribution plans

The Company makes Provident fund and Superannuation contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 89.56 lakhs (year ended 31 March, 2015 - Rs.77.35 lakhs) for Provident Fund contributions and Rs. 30.33 lakhs (year ended 31 March, 2015 - Rs.29.53 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i) Gratuity (included as part of gratuity expense as per Note 24 : Employee benefits expense).

ii) Post-employment benefits (included as part of Post-employment benefits as per Note 24 : Employee Benefits Expense)

iii) Compensated absences (included as a part of contribution to Provident & other funds as per Note 24 : Employee Benefits) Expense).

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

[Rs. in lakh]

Net employee benefit expenses (recognised in employee cost)

Particulars	Superannuation		Gratuity	
	Year ended 31 March, 2016	Year ended 31 March, 2015	**Year ended 31 March, 2016**	Year ended 31 March, 2015
Current Service Cost	**4.68**	4.42	**21.65**	19.31
Interest cost on benefit obligation	**8.48**	8.82	**21.71**	20.94
Expected return on plan assets	**(11.28)**	(11.60)	**(24.39)**	(22.07)
Net actuarial (gain) / loss recognised in the year	**(12.60)**	24.27	**14.81**	3.85
Total expense recognised in the statement of Profit and Loss	**(10.72)**	25.91	**33.78**	22.03

Net Asset / (Liability) recognised in the Balance sheet

Particulars	Superannuation		Gratuity	
	Year ended 31 March, 2016	Year ended 31 March, 2015	**Year ended 31 March, 2016**	Year ended 31 March, 2015
Fair value of plan assets at the end of the year	**154.54**	144.26	**334.44**	290.79
Present value of defined obligations at the end of the year	**108.90**	109.33	**322.08**	277.00
Planned Asset / (Liability) recognised in the Balance Sheet	**45.64**	34.93	**12.36**	13.79

Changes in defined benefit obligations during the year

Particulars	Superannuation		Gratuity	
	Year ended 31 March, 2016	Year ended 31 March, 2015	**Year ended 31 March, 2016**	Year ended 31 March, 2015
Present value of defined benefit obligations at the beginning	**109.34**	98.06	**277.00**	246.77
Interest cost	**8.48**	8.82	**21.71**	20.94
Current service cost	**4.68**	4.42	**21.65**	19.31
Benefits paid	**(6.58)**	0.00	**(13.58)**	(14.69)
Actuarial (Gains) / losses	**(7.02)**	(1.96)	**15.30**	4.67
Present value of defined obligations at the end	**108.90**	109.34	**322.08**	277.00

Changes in the fair value of assets during the year

Particulars	Superannuation		Gratuity	
	Year ended 31 March, 2016	Year ended 31 March, 2015	**Year ended 31 March, 2016**	Year ended 31 March, 2015
Plan assets at beginning of the year	**144.26**	131.18	**290.79**	264.91
Expected return on plan assets	**11.28**	11.60	**24.39**	22.07
Actual Company contribution	**0.00**	27.68	**32.34**	17.69
Benefits paid	**(6.58)**	0.00	**(13.58)**	(14.69)
Actuarial Gains (losses)	**5.58**	(26.20)	**0.49**	0.81
Plan assets at the end	**154.54**	144.26	**334.43**	290.79

[Rs. in lakh]

Composition of the Plan Assets is as follows:

Particulars	(As Percentage of Total Plan Assets)		(As Percentage of Total Plan Assets)	
	Superannuation Trust		Gratuity Trust*	
	Year ended 31 March, 2016	Year ended 31 March, 2015	**Year ended 31 March, 2016**	Year ended 31 March, 2015
Central and State Government Securities	**43.21**	46.05	**46.65**	46.25
Investment in other permitted securities	**50.56**	50.46	**44.91**	47.62
Others (to specify)	**6.23**	3.49	**8.44**	6.13
Total %	**100.00**	100.00	**100.00**	100.00

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

* 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.

Experience Adjustments

Superannuation	Year ended				
	31 March, 2016	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
Defined Benefit Obligations	**108.90**	109.34	98.06	109.66	114.19
Plan Assets	**154.54**	144.26	131.21	122.22	119.57
Surplus / (Deficit)	**45.64**	34.92	33.15	12.56	5.38
Experience Adjustments on Plan Liabilities	**(11.87)**	(11.57)	(21.18)	(15.43)	(2.55)
Experience Adjustments on Plan Assets	**5.59**	(26.24)	0.85	(1.37)	2.03

Gratuity	Year ended				
	31 March, 2016	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
Defined Benefit Obligations	**322.08**	277.00	246.78	265.77	247.87
Plan Assets	**334.43**	290.79	264.91	260.08	220.62
Surplus / (Deficit)	**12.35**	13.79	18.13	(5.69)	(27.25)
Experience Adjustments on Plan Liabilities	**1.25**	1.73	(0.02)	(0.02)	36.85
Experience Adjustments on Plan Assets	**0.49**	0.81	(1.17)	(1.17)	(6.52)

Principal Actuarial assumptions for Gratuity and Post Employment obligations

Particulars	Rate (%)	
	2015-16	2014-15
a) Discount Rate	**8.00**	8.00
b) Future salary increase *	**5.00**	5.00
c) Attrition rate	**3.00**	3.00

* The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Estimate of amount of contribution in the next year - Rs. 76.78 lakhs.

34 - Related Party Disclosures

i) The list of related parties as identified by the Management and relied upon by the Auditor are as under

List of Related Parties:

Associate Company : SIDD Life Sciences Private Limited

Wholly owned Subsidiary: AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016)

Key Management Person [KMP]:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Person exercises significant influence:

Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

The Company has identified all related parties and details of transactions are given below:

[Rs. in lakh]

Nature of Transaction	**Related Party**	**FY 2015-16**	FY 2014-15
Purchase of goods	Tamilnadu Petroproducts Limited	**669.49**	1,514.63
Sale of goods		**-**	0.21
Purchase of services		**11.10**	14.53
Sale of services		**15.26**	14.98
Purchase of fixed assets		**26.39**	13.26
Sale of fixed assets		**0.33**	0.53
Discounts received		**2.18**	137.15
Reimbursement of expenses		**33.72**	-
Trade advance given		**-**	100.00
Reimbursements received		**34.05**	36.30
Remuneration paid	Mr Muthukrishnan Ravi	**80.42**	62.21
Remuneration outstanding		**-**	16.50
Amounts outstanding - Net Amounts Receivable	Tamilnadu Petroproducts Limited	**-**	304.74
Amounts outstanding - Net Amount payable		**-**	360.51
Investment in Equity Shares	AMCHEM Speciality Chemicals Private Limited	**494.37**	-

35 - Earnings Per Share (EPS)

The following reflects the profit and shares related data used in the Basic EPS computations:

Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Net Profit after tax	**4,821.25**	4,399.12
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)	**2.80**	2.56
Face Value Per share (in Rupees)	**5.00**	5.00

[Rs. in lakh]

36 - Deferred Tax (Liability) / Asset

The components of Deferred Tax Liability [net] are as follows

Tax effect of items constituting Deferred Tax liability	As at 31 March, 2015	For the year	As at 31 March, 2016
On difference between Book balance and Tax balance of fixed assets	1,948.87	**58.24**	**2,007.11**
Tax effect of items constituting Deferred Tax assets	(96.52)	**93.97**	**(2.55)**
Provision for doubtful debts / advances			
Disallowance under Section 43B of Income Tax Act, 1961 (Provisions)	(1,462.95)	**(284.07)**	**(1,747.02)**
Provision for compensated absences, Gratuity and other employee benefits	(62.40)	**3.94**	**(58.46)**
Tax effect on Depreciation transition change	(13.08)	**13.08**	**-**
Net Deferred Tax Liability / (Asset)	313.92	**(114.84)**	**199.08**

37 Details on derivative instruments and unhedged foreign currency exposures

(a) Forward exchange contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

(i) Details of Foreign currency Exposure that are not hedged by derivative instrument

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Amount in lakh		Amount in lakh	
	Foreign currency	**Rs.**	Foreign currency	Rs.
Trade Receivables-USD	**4.64**	**307.86**	-	-

(ii) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2016

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Amount in lakh		Amount in lakh	
	Foreign currency	**Rs.**	Foreign currency	Rs.
Trade Payables-USD	**31.99**	**2,196.55**	58.87	3,696.83

38. Details of operating leasing arrangements - Non cancellable leases

Bulk storage facility at Ennore Port-The lease is for a period of 15 years . In the event of premature termination of this agreement prior to the expiry of fifteen year firm period, the Company is liable to make payment of termination compensation as per terms of agreement. The lease agreement provides for an increase in the lease payments by 3% every year.

Storage of polyols at Meerut -The lease is for a period of 54 months. The lease agreement provides for an increase of 4% every year.

Office premises-The leases is for a period of 9 years. The lease agreement provides for an increase in the lease payments by 15% every 3 years.

	Not later than one year	**Later than one year and not later than five years**	**Later than five years**
Future minimum lease payments	**565.16**	**2,975.96**	**4,527.53**

39. Segment Reporting:

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 Accountant of India. The Company does not disclose multiple geographical segments since its operations are primarily carried out in India.

40. Research and Development expenditure incurred during the year is given below:

[Rs. In lakh]

Particulars	2015-16	2014-15
Revenue Expenditure	**149.55**	108.73
Capital Expenditure (including work-in progress)	**275.86**	409.31

41. Insurance claims submitted during the year:

During December 2015, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and Plant I and Plant II were shut down for 27 days and 18 days respectively. An adhoc advance of Rs. 600 Lakhs was received during the year and the final assessment is pending. The claim will be recorded in the books, upon completion of assessment by the Insurance company.

42. Previous year's figures have regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Manali Petrochemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 472.68 Lacs as at March 31, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs. 448.60 Lacs for the one month period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

c) Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting only, since the subsidiary consolidated is incorporated outside India.

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses to be provided for.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Manali Petrochemicals Limited** (hereinafter referred to as "the Holding Company") as of that date. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company" considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether a risk of material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

Consolidated Balance Sheet as at March 31, 2016

[Rs. in lakh]

	Particulars	Note No.	As at 31 March, 2016
A.	**EQUITY AND LIABILITIES**		
1.	**Shareholders' Funds**		
	Share Capital	3	8,603.47
	Reserves and Surplus	4	19,640.86
	Total - Shareholders' Funds		**28,244.33**
2	**Non-current Liabilities**		
	Deferred tax liabilities (net)		199.08
	Other long-term liabilities	5	145.68
	Long-term provisions	6	136.06
	Total - non-current liabilities		**480.82**
3	**Current liabilities**		
	Short-term borrowings	7	225.74
	Trade payables	8	
	(a) total outstanding dues of micro enterprises and small enterprises		43.87
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		13,416.47
	Other current liabilities	9	5,592.17
	Short-term provisions	10	1,936.50
	Total - current liabilities		**21,214.75**
	TOTAL - EQUITY AND LIABILITIES		**49,939.90**
B.	**ASSETS**		
1	**Non-current assets**		
	Fixed assets		
	Tangible assets	11 A	10,508.82
	Intangible assets	11 B	-
	Capital work-in-progress		1,580.34
	Total - Fixed assets		**12,089.16**
	Goodwill on Consolidation		2.50
	Non-current investments	12	421.55
	Long-term loans and advances	13	1,916.54
	Total - Non-current assets		**14,429.75**
2	**Current assets**		
	Current investments	14	6,439.81
	Inventories	15	10,447.03
	Trade receivables	16	9,003.13
	Cash and cash equivalents	17	1,075.93
	Short-term loans and advances	18	8,409.67
	Other current assets	19	134.58
			35,510.15
	TOTAL - ASSETS		**49,939.90**

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

[Rs. in lakh]

	Particulars	Note No.	Year ended March 31, 2016
1.	**Revenue from Operations (Gross)**	20	64,246.76
	Less: Excise Duty		(6,342.56)
	Revenue from Operations (Net)		**57,904.20**
2.	**Other Income**	21	1,074.32
3.	**Total Revenues (1+2)**		**58,978.52**
4.	**Expenses**		
	Cost of raw materials and packing materials consumed	22	33,329.38
	Purchase of stock-in-trade (traded goods)	22	5,268.96
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	23	983.62
	Employee benefits expense	24	2,111.90
	Finance costs		252.34
	Depreciation	11	587.57
	Other expenses	25	9,544.29
Total Expenses			**52,078.06**
5.	**Profit Before Tax (3-4)**		6,900.46
6.	**Tax Expense**		
	Current tax expense		2,220.00
	Deferred tax	33	(114.84)
	Net tax expense		**2,105.16**
7.	**Profit for the year (5-6)**		**4,795.30**
8.	**Earnings Per Share of Rs. 5/- each (Basic and Diluted)**	31	**2.79**

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2016

[Rs. in lakh]

Particulars		Year ended March 31, 2016
A. Cash flow from operating activities		
Profit Before Tax		6,900.46
Adjustments for		
Depreciation	587.57	
Dividend income	(584.83)	
Finance costs	252.34	
Interest income	(287.93)	
Provision for doubtful debts	7.34	
Net unrealised exchange (gain) / loss	(157.29)	
Loss on sale / write-off of assets	124.83	
Sub-total		(57.97)
Operating Profit		6,842.49
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Inventories	(2,882.14)	
Trade Receivables	(757.44)	
Short-term loans and advances	(6,108.88)	
Long-term loans and advances	10.71	
Adjustments for (increase) / decrease in operating liabilities		
Trade payables	3,597.59	
Other current liabilities	2,344.72	
Other long-term liabilities	(15.33)	
Short-term provisions	(614.25)	
Long-term provisions	13.77	(4,411.25)
		2,431.24
Net income tax paid		(3,024.82)
Net cash flow used in operating activities [A]		(593.58)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances		(1,639.76)
Investments in Equity shares		(3.95)
Interest income		287.93
Dividend income		584.83
Bank balances not considered as cash and cash equivalents		78.28
Net cash from/(used in) Investing activities [B]		(692.67)
C. Cash Flow from Financing Activities		
(Repayment) / Proceeds from Short-term borrowings		158.70
Interest paid		(252.34)
Dividend paid		(860.00)
Tax on dividend		(175.08)
Net cash from/(used in) Financing Activities [C]		(1,128.72)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)		(2,414.97)
Cash and cash equivalents at the beginning of the period		9,369.06
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(0.43)
Cash and cash equivalents at the end of the period		6,953.66
Cash and cash equivalents at the end of the year Comprises:		
Cash on hand [Note 17]		1.88
Cheques on hand		2.57
Balance with Banks		
In current accounts (including debit balance in cash credit)		481.88
In demand deposit accounts		-
In other deposit accounts		27.52
Current investments [Note 14]		6,439.81
Cash and Cash equivalents		6,953.66
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash equivalents (Note 17)		1,075.93
Less: Margin Money Deposit Accounts		186.97
Less: Unpaid Dividend Accounts		375.11
Net Cash and Cash equivalents		513.85
Add: Current Investments (Note 14)		6,439.81
Cash and Cash equivalents as shown above		6,953.66

Note: The earmarked account balances with banks can be utilised only for specific identified purposes.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31 March, 2016

1. CORPORATE INFORMATION

Manali Petrochemicals Limited (the 'Company') is a Public Company incorporated on June 11, 1986 in the State of Tamilnadu, India. The Company is engaged in the manufacture and sale of Propylene Oxide (PO), Propylene Glycol (PG) and Polyols (PY), which are used as industrial raw materials. The Company acquired 100% equity in AMCHEM Speciality Chemicals Private Limited, Singapore on March 1, 2016 and AMCHEM will be the investment holding company for overseas investments.

2. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary (together "The Group") have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013("the Act"), as applicable. The consolidated financial statements have been prepared on the accrual basis under the historical cost convention.

2.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Manali Petrochemicals Limited (the 'Company') and AMCHEM Speciality Chemicals Private Limited, its wholly owned subsidiary company. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.

(ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investments in the subsidiary company was made, is recognised as 'Goodwill' being an asset in the consolidated financial statements.

(iv) Goodwill arising on consolidation is not amortised but tested for impairment.

(v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

AMCHEM has been incorporated in September 2015. The transactions of AMCHEM, post -acquisition by the Company have been consolidated line by line based on the principles of consolidation. AMCHEM is considered as a non -integral subsidiary for the purpose of consolidation.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b. INVENTORIES

a) Raw materials and stores and spares are valued at lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. 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.

b) Finished goods and work-in-process are valued at lower of cost (weighted average basis) and net realisable value after providing for losses arising on quality, based on technical evaluation. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost of finished goods include excise duty and is determined.

c. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset:

Development on Leasehold land is amortised over the period of the lease.

Intangible asset - software is amortised over the estimated useful life of 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

f. REVENUE RECOGNITION

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Dividend

Dividend Income is recognised when the Company's right to receive the dividend is established by the reporting date.

Interest

Interest income is accounted on accrual basis.

g. FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. These are recorded at the consideration paid for acquisition.

Capital work-in-progress:

'Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Policy adopted in respect of non-integral foreign operations:

Transactions of non-integral foreign operations are translated at average exchange rates prevailing during the period under consideration. All assets and liabilities are translated at the year-end rates. The exchange differences are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in “Foreign currency translation reserve” is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

i. GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants, in the nature of investment grants, received after the asset is put to use and / or the carrying value of asset is less than the grants received and where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

j. INVESTMENTS

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees, duties etc.

k. EMPLOYEE BENEFITS

1. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and the expected cost of bonus and exgratia are recognised as expense in the Statement of Profit and Loss in the period in which the employee renders the related service on an undiscounted basis. Liability for short term compensated absences are determined as per Company’s policy / scheme and are recognized as expense in the Statement of Profit and Loss based on expected obligation on an undiscounted basis.

2. Long-term employee benefits

i. Defined Contribution Plan

a) Provident Fund

Fixed contributions made to the Provident Fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees

b) Superannuation

This plan covers officers and the staff of the Plant I and II and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

ii. Defined Benefit Plan

a) Gratuity

The company has an arrangement with the Life Insurance Corporation of India (LIC) to administer its Gratuity fund for Plant II employees and Trust established by the Company to administer its Gratuity fund for Plant I employees. Premium paid/payable is determined based on an actuarial valuation carried out by LIC for Plant II and by an independent valuer for Plant I using the projected unit credit method as on the Balance Sheet date and debited to the Statement of Profit and Loss on accrual basis. Actuarial gain or loss is recognized in the statement of Profit and Loss as income or expense.

b) Superannuation

Liability for superannuation to the staff of Plant I 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. The contribution thereof paid / payable is charged to the Statement of profit and loss. Further, in respect of specific employees, additional accruals are made based on the scheme of the Company.

c) Long tem compensated absences

Liability towards long term compensated absence is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded.

l. SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

m. LEASES

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

n. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or (loss) (including the post tax effect of extraordinary items, if any) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

o. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates under provisions of Income Tax Act 1961 and other applicable tax laws.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods and are quantified using the substantively enacted tax rate as on the Balance Sheet date.

Deferred Tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance sheet when it is highly probable that the future economic benefit associated with it will flow to the company.

p. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

q. IMPAIRMENT OF FIXED ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

r. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when

a) The company has a present obligation as a result of past events

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of obligation can be reliably estimated

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the notes for

i) Present obligation arising from past events, when 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

ii) Possible obligation arising from past events which will be confirmed only by future events not wholly within the control of the Company

Contingent assets are neither recognised nor disclosed in the financial statements.

s. INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

t. SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

u. OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

[Rs. in lakh]

Particulars	As at March 31, 2016
3 - Share Capital	
Authorised	
240,000,000 Equity Shares of Rs.5 each	**12,000.00**
Issued, Subscribed and Fully Paid Up	
171,999,229 Equity Shares of Rs.5 each fully paid up	**8,599.96**
Add: Forfeited shares	**3.51**
Total issued, subscribed and fully paid-up Share Capital	**8,603.47**

Notes:

There has been no movement in the Share Capital during the year. The Company has only one class of equity shares having a par value of Rs.5 per share. Each holder of the equity shares is entitled to one vote per share. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held.

For the Year ended 31 March, 2016, the amount of dividend recognised as distributions to equity shareholders is Re.0.50 per share. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Name of shareholders	No. of shares	% holding
	Year ended 31 March, 2016	
M/s. SIDD Life Sciences Private Limited	**65,846,053**	**38.28**
M/s. Tamilnadu Industrial Development Corporation Ltd.	**11,212,500**	**6.52**

4 - Reserves and Surplus

Particulars	As at March 31, 2016
A. SECURITIES PREMIUM ACCOUNT	**91.45**
B. GENERAL RESERVE	
Opening Balance	**109.20**
Add: Transferred during the year	**-**
General Reserve - Closing Balance	**109.20**
C. CAPITAL RESERVE (Refer Note 4.1 below)	
Opening Balance	**84.00**
Add: Additions during the year	
Capital Reserve - Closing Balance	**84.00**
D. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS	
Opening Balance	**15,595.84**
Add: Profit for the year	**4,795.30**
Less: Appropriations	
Transfer to General Reserves	
Proposed Equity Dividend Current year - (amount per share Re.0.50)	**(860.00)**
Tax on Proposed Equity Dividend	**(175.07)**
P&L Surplus - Closing Balance	**19,356.07**
E. FOREIGN CURRENCY TRANSLATION RESERVE	**0.14**
Total	**19,640.86**

4.1 During the year 2012-13, Tamilnadu Energy Development Agency [TEDA] had sanctioned and disbursed a Capital Subsidy of Rs.84 lakhs for the 4.2 MW Captive Power Plant, capitalised during the year 2008-09. These grants are directly credited to Shareholders' funds under Capital Reserves.

[Rs. in lakh]

Particulars	As at March 31, 2016
5 - Other Long-term Liabilities	
Deposits	**145.68**
Total	**145.68**

The deposits have been classified as under:

As Other Long-term Liabilities	**145.68**
As Other Current Liabilities (Note 9)	**30.66**

Interest free deposit movement:

Opening Deposit Balance	**191.67**
Less: Deposit refunded during the year	**15.33**
Closing Balance	**176.34**

The above deposits represent the amounts received from two entities towards use of treated effluent pipeline as per the agreement entered into with them. These deposits are interest free and are repayable in fifteen equal annual installments commencing from April 2012.

6 - Long-term Provisions

Provision for employee benefits - Non Current [Note 29]	
Post employment benefits	**49.14**
Compensated absences	**86.92**
Total	**136.06**

7 - Short-term Borrowings

Cash Credit from Banks (Secured)	**225.74**
Total	**225.74**

Cash Credit from banks, which is repayable on demand, is secured by hypothecation of inventories, book debts and other receivables, both present and future, and by way of a second charge on the Company's immovable properties.

The Company had availed Interest-free sales tax loan in prior years, which has been fully settled in the year 2010. However the charge created on the immovable and movable properties of the Company on which the said loan was secured has not been released pending receipt of "No Dues Certificate", which is to be obtained from Sales Tax department. This is being followed up.

8 - Trade Payables

Acceptances	**2,668.74**
Acceptances - Others:	
a) Dues to micro enterprises and small enterprises (Refer note- 28)	**43.87**
b) Dues to creditors other than micro enterprises and small enterprises	**10,747.73**
Total	**13,460.34**

Trade payables are dues in respect of goods purchased or services received in the normal course of business.

[Rs. in lakh]

Particulars	As at March 31, 2016
9 - Other Current Liabilities	
Unpaid Dividend	**375.11**
Other Payables:	
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**84.85**
Loans from AM International Holdings	**5.40**
Contractually reimbursible expenses	**37.60**
Employee Benefits Payable (Note 29)	
Post Employment Benefits	
Gratuity	**24.67**
Advance received from Insurance Company	**600.00**
Others *#	**4,433.88**
Current portion of Deposits (Note 5)	**30.66**
Total	**5,592.17**

* Includes advance of Rs. 277.85 lakhs [Previous year Rs. 93.21 lakhs] towards subsidy received from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC in the production of Polyols. During the previous year 2014-15, the Company purchased assets and capitalised the same as at the year end, since the Company has commenced the trial run production. The Ministry has extended the validity of this agreement till December 2016, by when full subsidy will be received. On receipt of full subsidy, appropriate accounting treatment will be considered.

The Company received a demand for Rs. 1,677 lakhs during October 2013, towards lease rent for factory land, provision for which was made in the previous year (Refer Note 25).

10 - Short-term Provisions

Provision for employee benefits (Note 29)	
For Compensated absences - Current	**8.21**
Provision - Others	
Proposed Equity Dividend	**860.00**
Tax on Proposed Equity Dividend	**175.07**
Provision for wage arrears *	**893.22**
Provision for Tax	**-**
Total	**1,936.50**

* Provision for Wage Arrears

During the year 2004, a claim was raised against the Company by its workmen demanding a revision to wages for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008. The Company filed an appeal in the Supreme Court against the decision of the Tribunal. During Oct 2015 the Union had filed an Interim Application (IA) No. 12 of 2015 in Supreme court. The IA 12 /15 filed under SLP 28235 of 2008 had come up for hearing on 8.1.2016 in Supreme Court.

Upon hearing both sides the Supreme court had give direction to withdraw the SLP subject to pay Rs.1 lakh to each workman and with liberty to approach Madras High Court and file Writ Petition within 6 weeks from date of order (8.1.2016) to get finality. As per direction of Supreme court, the Management has filed a Writ Petition in Madras High Court on 16.02.2016. On the same day the Company has released the Interim payment of Rs.1 lakh to each workman as per direction of Supreme court amounting to Rs. 53 lakhs.

The movement in the provision for wage arrears is given below:

Particulars	2015-16
Balance at beginning of the year	**951.72**
Charge for the year	**60.51**
Payments made during the year	**(119.01)**
Balance at end of the year	**893.22**

11 - Fixed Assets

[Rs. in lakh]

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Book Value
	As at April 1, 2015	Additions	Disposals	As at 31 March, 2016	As at April 1, 2015	Expense for the year	Eliminated on disposal	As at 31 March, 2016	As at 31 March, 2016
A. Tangible Assets									
Land	179.75	-	-	179.75	0.53	-	-	0.53	179.22
Development on leasehold land	20.25	-	-	20.25	17.92	1.07	-	18.99	1.26
Buildings	1,554.99	156.43	(27.09)	1,684.33	628.80	64.50	(27.09)	666.21	1,018.12
Plant and Machinery	27,388.75	489.44	(416.28)	27,461.91	18,195.92	487.37	(292.98)	18,390.31	9,071.60
Furniture and Fixtures	142.85	-	(21.86)	120.99	37.88	13.14	(16.42)	34.60	86.39
Office Equipments	118.05	5.70	-	123.75	34.11	7.46	-	41.57	82.18
Computers	365.51	38.51	-	404.02	346.37	8.48	-	354.85	49.17
Vehicles	61.16	1.55	(10.71)	52.00	36.28	5.55	(10.71)	31.12	20.88
Sub-total	**29,831.31**	**691.63**	**(475.94)**	**30,047.00**	**19,297.81**	**587.57**	**(347.20)**	**19,538.18**	**10,508.82**
B. Intangible Assets									
Computer Software	32.28	-	-	32.28	32.28	-	-	32.28	-
Total	**29,863.59**	**691.63**	**(475.94)**	**30,079.28**	**19,330.09**	**587.57**	**(347.20)**	**19,570.46**	**10,508.82**

[Rs. in lakh]

Particulars	As at March 31, 2016
12 - Non-current Investments	
Non-Trade - Quoted	
Investments in Equity shares	
500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited	**0.45**
16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Ventures Limited (*)	**412.00**
Non-Trade - UnQuoted	
Investments in Equity shares	
84,999 Equity Shares of Rs.10 each fully paid-up in OPG Power Generation Private Limited	**8.97**
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	**0.13**
	421.55
Aggregate amount of quoted investments	**412.45**
Aggregate market value of listed and quoted investments	**142.89**
Aggregate value of unquoted investments	**9.10**

* During the year 2012-13, 16,48,000 equity shares of Rs.10 each, fully paid-up, in Mercantile Ventures Limited [formerly MCC Finance Limited (MCC)] were allotted in pursuance of a Scheme of Compromise approved by the Honourable Madras High Court, at a premium of Rs.15 per share towards past dues to the Company as reflected in the books of MCC. Since the Company had recovered the said dues during the years 1999 to 2001 by adjusting the same against dues from a then associate of MCC, an amount equivalent to the above allotment was accounted for as payable to the then associate of MCC in the books of the Company. Pending mutual agreement between the Companies, the amounts shown above and the payable shown under Trade payables have been retained. The shares of this Company has been listed in BSE on 9th February 2015.

13 - Long-term Loans and Advances

Unsecured, considered Good	
Capital Advances	**502.29**
Advances to employees	**10.79**
Security Deposits	**1,403.46**
Total	**1,916.54**

14 - Current Investments (Quoted)

Current Investments (valued at lower of cost and fair value)	
SBI Premier Liquid Fund (No. of units - 5,622)	**56.40**
SBI Ultra Short Term Debt Fund (No. of units - 3,123)	**31.42**
SBI ARBITRAGE FUND (No. of units - 1,88,19,749.776)	**2,604.84**
PNB Mutual Fund (No. of units - 1,291)	**12.95**
SBI DEBT FUND (No. of units - 170,00,000)	**1,714.45**
PRINCIPAL Fund (No. of units - 85,145)	**2,019.75**
Total	**6,439.81**
Aggregate amount of current investments in mutual funds	
- cost	**6,439.81**
- Net asset value	**6,439.81**

[Rs. in lakh]

Particulars	As at March 31, 2016
15 - Inventories	
Raw Materials	**6,320.96**
Raw Materials in Transit	**1,517.15**
Work-in-Process	**136.28**
Traded Goods	**1.82**
Finished Goods	**2,283.91**
Stores and Spares	**186.91**
Total	**10,447.03**
Details of Work in process	
Work-in-process	
Propylene Oxide	**1.80**
Propylene Glycol	**34.86**
Polyol	**99.62**
Total	**136.28**

16 - Trade Receivables

Outstanding for a period exceeding six months from the date they are due for payment	
- Unsecured considered good	**-**
- Unsecured considered doubtful	**7.34**
	7.34
Less: Provision for doubtful Receivables	**7.34**
	-
Others	**-**
- Unsecured considered good	**9,003.13**
Total	**9,003.13**

17 - Cash and Cash equivalents

Cash on hand	**1.88**
Cheques on hand	**2.57**
Bank Balances	
In Current Accounts	**33.28**
Bank accounts	**448.60**
In EEFC Accounts	**27.52**
Margin Money Deposit Accounts [Refer Note below]	**186.97**
Unpaid Dividend Accounts	**375.11**
Total	**1,075.93**

Margin money deposits have an original maturity period of less than 12 months.

[Rs. in lakh]

Particulars	As at March 31, 2016
18 - Short-term Loans and Advances	
Unsecured Considered good	
Advances given to vendors	6,664.61
Security Deposits	44.47
Loans and Advances to employees	18.80
Pre payments	363.17
Balances with Government authorities	
CENVAT/VAT Credit receivable	879.38
Advance Tax (net of Provision of Rs. 2,220.00)	439.24
Total	**8,409.67**

19 - Other Current Assets

Unamortised premium on forward contracts	24.65
Interest accrued on Deposits	62.48
Other Claims	47.45
Total	**134.58**

20 - Revenue from Operations

Particulars	For the Year ended March 31, 2016
Sale of Products	
- Finished goods	58,958.41
- Traded goods	5,203.76
Other Operating Revenue	
Scrap sales	84.59
Revenue from Operations (Gross)	64,246.76
Less: Excise Duty #	6,342.56
Revenue from Operations (Net)	**57,904.20**

Excise duty on sales amounting to Rs.6,342.56 lakhs has been reduced from Sales in the Statement of Profit and Loss and Excise Duty on decrease in Finished Goods amounting to Rs. (249.67) lakhs has been considered as income (Refer Note 25).

Details of Sales

Manufactured Goods:	
Propylene Oxide	1,239.66
Propylene Glycol	18,013.45
Polyol	37,085.75
Others	3,834.87
	60,173.73
Traded Goods:	
Isocyanates	795.75
Polyol	631.98
Others	3,776.03
Total Traded Goods	5,203.76
Less: Trade Discounts	(1,215.32)
Total	**(64,162.17)**

[Rs. in lakh]

Particulars	For the Year ended March 31, 2016
21 - Other Income	
Interest Income on	
Bank Deposits	**44.97**
Customer Deposits	**26.56**
Inter Corporate Deposits	**216.40**
Dividend received from current investments	**584.83**
Insurance claims received	**18.93**
Net gain on foreign currency transactions	**93.33**
Miscellaneous Income	**89.30**
Total	**1,074.32**

22 - Cost of Raw Materials and Packing Materials consumed

Opening Stock	**4,042.82**
Add: Purchases	**37,124.67**
	41,167.49
Less: Closing Stock	**7,838.11**
Cost of raw materials and packing materials consumed	**33,329.38**

Materials consumed comprises:

Propylene	**10,169.49**
Methyloxirane Propylene Oxide	**6,674.64**
Chlorine	**789.13**
Others (Individually less than 10% of consumption)	**15,696.12**
Total	**33,329.38**

Purchase of Stock-in-Trade (Traded Goods)

Isocyanates	**882.63**
Polyols	**680.58**
Others	**3,705.75**
Total	**5,268.96**

23 - Changes in Inventories of Finished Goods, Work-in- Process and Stock-in-Trade

Inventories at the end of the year	
Finished Goods	**2,283.91**
Work-in-process	**136.28**
Traded Goods	**1.82**
	2,422.01
Inventories at the beginning of the year	
Finished Goods	**2,976.16**
Work-in-process	**197.22**
Traded Goods	**232.25**
	3,405.63
Net Decrease / (Increase)	**983.62**

[Rs. in lakh]

Particulars	Year ended March 31, 2016
24 - Employee Benefits expense	
Salaries and Wages *	**1,570.60**
Contribution to Provident and Other Funds	**124.23**
Gratuity Expense (Refer Note 29)	**21.97**
Staff Welfare Expenses	**395.10**
Total	**2,111.90**

* Salaries and Wages include Rs.120.56 Lakhs towards R&D expenses.

25 - Other Expenses

Consumption of Stores and Spares	**652.37**
Increase / (Decrease) of excise duty on inventory *	**(249.67)**
Power and Fuel	**4,573.16**
Water charges	**695.66**
Rent	**89.89**
Repairs and Maintenance	
-- Building	**131.60**
-- Plant and machinery	**1,156.54**
-- Information Technology	**52.81**
-- Others	**74.53**
Insurance	**102.96**
Rates and Taxes	**71.84**
Agency Commission	**205.48**
Legal and Professional	**233.55**
Payment to Auditors:	
Statutory Audit	**11.24**
-- Other services	**7.00**
Directors Sitting fees	**12.00**
Bad trade and other receivables, loans and advances written off	**283.95**
Less: Provision released	**(283.95)**
Provision for doubtful debts	**7.34**
Expenditure on Corporate social responsibility	**5.24**
Loss on fixed assets sold/scrapped/written off	**124.83**
Miscellaneous Expenses	**1,585.92**
Total	**9,544.29**

* Represents Excise Duty related to the difference between the inventories at the beginning and end of the year.

Above expenses include those relating to R&D aggregating to Rs. 28.99 lakhs.

26 - Capital and other Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances) and not provided for as on 31 March, 2016 is Rs. 3,239.75 lakhs.

[Rs. in lakh]

Particulars	As at March 31, 2016
27 - Contingent Liabilities	
a) Bills discounted	**541.67**

b) The details of disputed demands are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at 31 March, 2016
Service Tax	High Court of Madras	2007-08	**53.39**
	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**
	Disputed Excise & Customs demand		**60.19**
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**36.74**
	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**
	High Court of Madras	Various Years	**3.44**
	Disputed Sales Tax demand		**56.98**
Income Tax		Assessment Year	
	Commissioner of Income Tax (Appeals)	2006-07	**1,080.74**
	Commissioner of Income Tax (Appeals)	2007-08	**1,192.08**
	Commissioner of Income Tax (Appeals)	2008-09	**518.45**
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**
	Deputy Commissioner of Income Tax	2010-11	**176.88**
	Assistant Commissioner of Income Tax	2012-13	**476.90**
	Disputed Income Tax demand **		**3,448.17**

** Against the above demands, the Company has paid Rs.100 lakhs

The above amounts are based on the notices of demand or the assessment orders or notifications by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. No reimbursements are expected.

c) During the year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 lakhs in favour of the Company. There is a probability that the Department may go on appeal.

d) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

28. There are no over due amount payable to Micro, Small & Medium Enterprises [MSME] during the year and no interest has been paid/payable. 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.

29 - Employee benefit plans

Defined contribution plans

The Company makes Provident fund and Superannuation contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 89.56 lakhs for Provident Fund contributions and Rs. 30.33 lakhs for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i) Gratuity (included as part of gratuity expense as per Note 24 : Employee benefits expense).

ii) Post-employment benefits (included as part of Post-employment benefits as per Note 24 : Employee Benefits Expense)

iii) Compensated absences (included as a part of contribution to Provident & other funds as per Note 24 : Employee Benefits Expense).

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

Net employee benefit expenses (recognised in employee cost)

[Rs. in lakh]

Particulars	Superannuation	Gratuity
	Year ended 31 March, 2016	Year ended 31 March, 2016
Current Service Cost	4.68	21.65
Interest cost on benefit obligation	8.48	21.71
Expected return on plan assets	(11.28)	(24.39)
Net actuarial (gain) / loss recognised in the year	(12.60)	14.81
Total expense recognised in the statement of Profit and Loss	(10.72)	33.78

Net Asset / (Liability) recognised in the Balance sheet

Particulars	Superannuation	Gratuity
	Year ended 31 March, 2016	Year ended 31 March, 2016
Fair value of plan assets at the end of the year	154.54	334.44
Present value of defined obligations at the end of the year	108.90	322.08
Planned Asset / (Liability) recognised in the Balance Sheet	45.64	12.36

Changes in defined benefit obligations during the year

Particulars	Superannuation	Gratuity
	Year ended 31 March, 2016	Year ended 31 March, 2016
Present value of defined benefit obligations at the beginning	109.34	277.00
Interest cost	8.48	21.71
Current service cost	4.68	21.65
Benefits paid	(6.58)	(13.58)
Actuarial (Gains) / losses	(7.02)	15.30
Present value of defined obligations at the end	108.90	322.08

Changes in the fair value of assets during the year

Particulars	Superannuation	Gratuity
	Year ended 31 March, 2016	Year ended 31 March, 2016
Plan assets at beginning of the year	144.26	290.79
Expected return on plan assets	11.28	24.39
Actual Company contribution	-	32.34
Benefits paid	(6.58)	(13.58)
Actuarial Gains (losses)	5.58	0.49
Plan assets at the end	154.54	334.43

[Rs. in lakh]

Composition of the Plan Assets is as follows:

Particulars	(As Percentage of Total Plan Assets) Superannuation Trust Year ended 31 March, 2016	(As Percentage of Total Plan Assets) Gratuity Trust* Year ended 31 March, 2016
Central and State Government Securities	43.21	46.65
Investment in other permitted securities	50.56	44.91
Others (to specify)	6.23	8.44
Total %	**100.00**	**100.00**

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

* 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.

Experience Adjustments

Superannuation	Year ended 31 March, 2016
Defined Benefit Obligations	108.90
Plan Assets	154.54
Surplus / (Deficit)	45.64
Experience Adjustments on Plan Liabilities	(11.87)
Experience Adjustments on Plan Assets	5.59

Gratuity	Year ended 31 March, 2016
Defined Benefit Obligations	322.08
Plan Assets	334.43
Surplus / (Deficit)	12.35
Experience Adjustments on Plan Liabilities	1.25
Experience Adjustments on Plan Assets	0.49

Principal Actuarial assumptions for Gratuity and Post Employment obligations

Particulars	Rate (%) 2015-16
a) Discount Rate	8.00
b) Future salary increase *	5.00
c) Attrition rate	3.00

* The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

Estimate of amount of contribution in the next year - Rs. 76.78 lakhs.

30 - Related Party Disclosures

i) The list of related parties as identified by the Management and relied upon by the Auditor are as under

List of Related Parties:

Associate Company : SIDD Life Sciences Private Limited

Key Management Person [KMP]:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Person exercises significant influence:

Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

Related Party Transactions:

The Company has identified all related parties and details of transactions are given below:

[Rs. in lakh]

Nature of Transaction	Related Party	FY 2015-16
Purchase of goods	Tamilnadu Petroproducts Limited	**669.49**
Purchase of services	Tamilnadu Petroproducts Limited	**11.10**
Sale of services	Tamilnadu Petroproducts Limited	**15.26**
Purchase of fixed assets	Tamilnadu Petroproducts Limited	**26.39**
Sale of fixed assets	Tamilnadu Petroproducts Limited	**0.33**
Discounts received	Tamilnadu Petroproducts Limited	**2.18**
Reimbursements of services	Tamilnadu Petroproducts Limited	**33.72**
Reimbursements received	Tamilnadu Petroproducts Limited	**34.05**
Remuneration paid	Mr Muthukrishnan Ravi	**80.42**

31 - Earnings Per Share (EPS)

The following reflects the profit and shares related data used in the Basic EPS computations:

Particulars	Year ended March 31, 2016
Net Profit after tax	**4,795.30**
No. of Shares used in computing earnings per share	**171,999,229**
Earnings Per Share - Basic and Diluted (in Rupees)	**2.79**
Face Value Per share (in Rupees)	**5.00**

32 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity in the	Particulars			
	Net Assets, i.e., total assets minus total liabilities		Share of Profit or Loss	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated Profit or Loss	Amount in Lakhs
Parent Manali Petrochemicals Limited	**99.91**	**28,270.13**	**100.54**	**4,821.25**
Subsidiary - Foreign				
1. AMCHEM Speciality Chemicals Private Limited, Singapore	**0.09**	**25.80**	**(0.54)**	**(25.95)**
Total	**100.00**	**28,295.93**	**100.00**	**4,795.30**

33 - Deferred Tax (Liability) / Asset

The components of Deferred Tax Liability [net] are as follows

[Rs. in lakh]

Tax effect of items constituting Deferred Tax liability	As at 31 March, 2015	For the year	As at 31 March, 2016
On difference between Book balance and Tax balance of fixed assets	1,948.87	**58.24**	**2,007.11**
Tax effect of items constituting Deferred Tax assets			
Provision for doubtful debts / advances	(96.52)	**93.97**	**(2.55)**
Disallowance under Section 43B of Income Tax Act, 1961 (Provisions)	(1,462.95)	**(284.07)**	**(1,747.02)**
Provision for compensated absences, Gratuity and other employee benefits	(62.40)	**3.94**	**(58.46)**
Tax effect on Depreciation transition change	(13.08)	**13.08**	**-**
Net Deferred Tax Liability / (Asset)	313.92	**(114.84)**	**199.08**

34 - Details on derivative instruments and unhedged foreign currency exposures

(a) Forward exchange contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

(i) Details of Foreign currency Exposure that are not hedged by derivative instrument

Particulars	As at 31st March, 2016	
	Foreign currency (In Lakhs)	Amount Rs. (In Lakhs)
Trade Receivables-USD	**4.64**	**307.86**

(ii) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2016

Particulars	As at 31st March, 2016	
	Amount in lakh	
	Foreign currency	Rs.
Trade Receivables-USD	31.99	2,196.55

35 - Details of operating leasing arrangements - Non cancellable leases

Bulk storage facility at Ennore Port - The lease is for a period of 15 years . In the event of premature termination of this agreement prior to the expiry of fifteen year firm period, the Company is liable to make payment of termination compensation as per terms of agreement. The lease agreement provides for an increase in the lease payments by 3% every year.

Storage of polyols at Meerut - The lease is for a period of 54 months. The lease agreement provides for an increase of 4% every year.

Office premises - The lease is for a period of 9 years. The lease agreement provides for an increase in the lease payment of 15% every 3 years.

[Rs. In lakh]

	Not later than one year	Later than one year and not later than five years	Later than five years
Future minimum lease payments	565.16	2,975.96	4527.53

36 - Segment Reporting:

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 Accountant of India. The Company does not disclose multiple geographical segments since its operations are primarily carried out in India.

37 - Research and Development expenditure incurred during the year is given below:

[Rs. In lakh]

Particulars	2015-16
Revenue Expenditure	149.55
Capital Expenditure (including work-in progress)	275.86

38 - Insurance claims submitted during the year:

During December 2015, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and Plant I and Plant II were shut down for 27 days and 18 days respectively. An adhoc advance of Rs. 600 Lakhs was received during the year and the final assessment is pending. The claim will be recorded in the books, upon completion of assessment by the Insurance company.

39 This is the first year in which the Company has prepared consolidated financial statements and hence presenting previous year figures does not arise.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part 'A'- Subsidiary

Particulars	**AMCHEM Specialty Chemicals Private Limited, Singapore**	
	31st March 2016	
	Rupees in Lakhs*	**In USD**
Capital	**494.16**	**745,000.00**
Reserves	**28.12**	**(42,396.00)**
Total Assets	**472.66**	**712,592.00**
Total Liabilities	**472.66**	**712,592.00**
Investments	**-**	**-**
Turnover (inc other income)	**-**	**-**
Loss before Tax	**25.68**	**38721.91**
Provision for Taxation	**-**	**-**
Loss after Tax	**25.68**	**38721.91**
% of shareholding	**100%**	

*** Translated at exchange rate prevailing as on 31.3.2016**

1 USD= Rs. 66.33

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

NOTES

Manali Petrochemicals Limited
Registered Office:
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