ANNUAL REPORT

2019 - 20

Manali Petrochemicals Limited

Financial Highlights

All amounts ₹ in crore unless stated otherwise

Details	Ind AS				Previous GAAP					
	2019-20	**2018-19**	**2017-18**	**2016-17$**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**
Net Revenue from operations	**676.64**	702.12	645.33	582.79	579.04	733.13	554.44	522.15	573.96	451.90
Other income	**8.74**	6.80	1.67	12.35	10.74	7.37	6.30	7.08	6.83	4.75
Total Revenue	**685.38**	708.92	647.00	595.14	589.78	740.50	560.74	529.23	580.79	456.65
EBIDTA	**71.60**	97.98	94.91	73.52	77.66	77.55	53.21	43.84	66.70	40.76
PBT	**44.98**	102.69	83.85	62.47	69.26	69.53	44.76	35.34	58.89	34.31
PAT	**38.64**	65.17	54.87	42.27	48.21	43.99	29.05	27.32	43.68	25.28
Total Comprehensive Income	**39.11**	65.86	54.53	42.33						
Equity Capital	**86.03**	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03
Reserves & Surplus	**371.01**	355.52	300.03	255.85	196.67	158.80	125.42	106.43	88.34	56.65
Net Worth	**457.04**	441.55	386.06	341.88	282.70	244.83	211.45	192.46	174.37	142.68
Net Fixed Assets	**200.37**	189.18	183.46	170.21	120.89	110.99	106.22	106.29	103.71	99.89
Face Value of share ₹	**5.00**	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Earnings per share ₹	**2.25**	3.83	3.17	2.46	2.80	2.56	1.69	1.59	2.54	1.47
Dividend	**15%#**	15%	10%	10%	10%	10%	10%	10%	12%	10%
Book value per share ₹	**26.57**	25.67	22.45	19.88	16.44	14.23	12.29	11.19	10.14	8.30
EBIDTA/Net Revenue	**10.58%**	13.95%	14.71%	12.62%	13.41%	10.58%	9.60%	8.40%	11.62%	9.02%
PBT/Net Revenue	**6.65%**	14.63%	12.99%	10.72%	11.96%	9.48%	8.07%	6.77%	10.26%	7.59%
PAT/Net Revenue	**5.71%**	9.28%	8.50%	7.25%	8.33%	6.00%	5.24%	5.23%	7.61%	5.59%
Return on Networth	**8.56%**	14.76%	14.21%	12.36%	17.05%	17.97%	13.74%	14.19%	25.05%	17.72%
Return on Capital Employed	**7.59%**	22.29%	21.33%	18.33%	24.96%	28.71%	20.31%	17.82%	31.93%	22.17%

$ Restated as per Ind AS

Subject to declaration at the AGM

Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
Gangadharan Chellakrishna	DIN: 01036398	Director
Sashikala Srikanth	DIN: 01678374	Director
Govindarajan Dattatreyan Sharma	DIN:08060285	Director
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	DIN: 08397818	Director
Dr. N. Sundaradevan, IAS (Retd.)	DIN: 00223399	Director
Thanjavur Kanakaraj Arun	DIN: 02163427	Director
Dr. K P Karthikeyan, IAS	DIN: 08218878	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
M Karthikeyan	DIN: 08747186	WTD (Operations)

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
Brahmayya & Co.
Chartered Accountants
48, Masilamani Road
Balaji Nagar, Royapettah
Chennai - 600 014

Cost Auditor
M Krishnaswamy & Associates
Cost Accountants
Flat 1K Ramaniyam Ganga
Door No. 27 to 30 First Avenve
Ashok Nagar, Chennai - 600083

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
IDBI Bank Limited
HDFC Bank Limited

Vision & Mission
To continuously enhance our customer centric approach towards product customization and to upgrade safety and environmental standards for the betterment of the community at large.

CONTENTS

Notice to Shareholders

NOTICE is hereby given that the 34th Annual General Meeting of the Company will be held at **2:00 PM (IST)** on Wednesday, the **16th September 2020** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following items of business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2020 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Stand Alone and Consolidated Financial Statements of the Company for the year ended 31st March 2020 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor are received, considered and adopted.

2. **To declare a dividend by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of seventy five paise per equity share on 17,19,99,229 Equity Shares of ₹ 5/- each, absorbing ₹ 12.90 crore (Rupees twelve crore ninety lakh only), subject to rounding off, is declared out of the profits for the year ended 31st March 2020 and the same be paid:

   i. In respect of shares held in physical form, to those Members whose names appear in the Register of Members on 16th September 2020 and

   ii. In respect of shares held in electronic form, to those Members whose names appear in the list of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 5th September 2020.

3. **To appoint a Director in the place of Mr. Thanjavur Kanakaraj Arun (DIN: 02163427) who retires by rotation and being eligible offers himself for re-appointment, by passing the following as an Ordinary Resolution:**

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

SPECIAL BUSINESS

4. **To ratify the remuneration to the Cost Auditor for the year 2019-20 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of ₹ 2,50,000 (Rupees two lakh fifty thousand only) to M Krishnaswamy & Associates, Cost Accountants, Chennai, the Cost Auditors of the Company for the year 2019-20 is ratified.

5. **To appoint Dr. K P Karthikeyan, IAS (DIN: 08218878) as a Director by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013, the Rules made thereunder for the time being in force and the Articles of Association of the Company, Dr. K P Karthikeyan IAS [DIN: 08218878] is appointed as a Director of the Company, liable to retire by rotation.

6. **To appoint Mr. M Karthikeyan (DIN: 08747186) as a Director by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any, of the Companies Act, 2013, the Rules made thereunder for the time being in force and the Articles of Association of the Company, Mr. M Karthikeyan [DIN: 08747186] is appointed as a Director of the Company, liable to retire by rotation.

7. To approve the transactions with Tamilnadu Petroproducts Limited during the year 2020-21 by passing the following as an Ordinary Resolution:

RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval is accorded for the transactions with Tamilnadu Petroproducts Limited during the year 2020-21 for purchase and sale of goods and services and other transactions for aggregate value upto ₹ 150 crore (Rupees one hundred and fifty crore only) plus applicable taxes.

8. To approve the appointment and remuneration of Mr. M Karthikeyan as Wholetime Director (Operations) by passing the following as a Special Resolution:

RESOLVED THAT pursuant to Sections 196 and 197 of the Companies Act, 2013 ("the Act"), Schedule V thereto, the applicable Rules and Article 146 of the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles, as may be applicable, the service rules of the Company and also subject to such other approvals as may be required, consent of the Members is accorded for the appointment of Mr. M Karthikeyan (DIN: 08747186) as Whole-time Director (Operations) of the Company on the following terms and conditions:

A. Period of appointment : Three years (28-05-2020 to 27-05-2023)

B. Nature of appointment : Contractual

C. Remuneration :

Mr. M Karthikeyan shall be eligible for the following remuneration:

a. Total annual remuneration shall be ₹ 51.76 lakh, including Annual Performance Pay of ₹ 19.80 lakh and all other allowances but excluding leave encashment as per the service rules of the Company and retirement benefits such as contribution to provident and other funds and gratuity.

b. Contribution to provident and other funds, leave, gratuity and other benefits shall be in accordance with the applicable law/service rules of the Company.

c. The quantum of Annual Performance Pay shall be as may be decided by the Board for each year, including for the years in which there is a loss or inadequacy of profits, subject to the condition that the total remuneration including the annual performance pay shall be within the limits prescribed under the Act.

d. In the event of loss or inadequacy of profits, the aforesaid remuneration, subject to (c) above shall be the minimum remuneration payable to Mr. M Karthikeyan.

e. The contribution to provident and other funds, gratuity and leave encashment at the end of the tenure shall not be included in computation of the ceiling for the aforesaid minimum remuneration.

f. The following shall not be deemed to be remuneration to Mr. M Karthikeyan:

- Provision of local travel facilities, telephone at residence and mobile phone and other communication facilities,
- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Managing Director from time to time and
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

D. The term of office of Mr. M Karthikeyan as a Director of the Company shall be coterminous with his term as Wholetime Director, unless otherwise decided by the Board.

9. To approve the reappointment of Mr. Muthukrishnan Ravi as the Managing Director of the Company by passing the following as a Special Resolution:

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

A. Period of appointment : Three years (29-07-2020 to 28-07-2023)

B. Nature of appointment : Contractual

C. Remuneration :

  a. Mr. Muthukrishnan Ravi shall not draw any remuneration from the Company, but shall be eligible for the following perquisites to be made available in such manner as may be decided by the Company from time to time and subject to such ceiling as may be fixed by the Chairman of the Board which shall be within the limits prescribed under the Act:

    i. Provision of car while in India for official and personal use and

    ii. Provision of drivers, security personnel, domestic helps and similar conveniences.

  b. The following facilities provided by the Company shall not be deemed to be remuneration or perquisites to Mr. Muthukrishnan Ravi:

    i. Provision of telephone, computer, communication and other devices and other similar facilities,

    ii. Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company and

    iii. Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

D. The term of office of Mr. Muthukrishnan Ravi as a Director of the Company shall be coterminous with his term as Managing Director, unless otherwise decided by the Board.

By Order of the Board
for Manali Petrochemicals Limited

Date: 5th August 2020
Registered Office:
SPIC HOUSE,
88 Mount Road, Guindy, Chennai – 600 032

R Kothandaraman
Company Secretary

IMPORTANT NOTES:

Statutory information:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 7th September 2020 to 16th September 2020 (both days inclusive) in connection with the Annual General Meeting (AGM) and payment of dividend.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to Special Business of the meeting is annexed hereto which may also regarded as the disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations).
3. Particulars of the Directors seeking reappointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their re-appointment.

Meeting through Video Conferencing (VC)/Other Audio Visual Means (OAVM):

4. Pursuant to the General Circular No. 20/2020 dated 5th May 2020 read with General Circulars No. 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020, the Meeting will be held through Video Conferencing/ Other Audio Visual Means.
5. In terms of the above Circulars, there is no provision for appointment of proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of bodies corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. **For participating in the Meeting through the VC/OAVM please see the guidance in Page No. 10**.
7. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent (RTA) Cameo Corporate Services Limited through the web-link: https://Investors.cameoindia.com.
8. The above facility for registration will be open from **9:00 AM on 8th September 2020 to 5:00 PM on 12th September 2020**. It may please be noted that there will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
9. Members who do not wish to speak during the AGM but need clarifications on the items to be transacted at the AGM may send their queries by e-mail to companysecretary@manalipetro.com on or before 12th September 2020, mentioning their names, demat account number/folio number, e-mail id and mobile number. These queries will be replied to by the Company suitably by email.

Despatch of Annual Report and Notice of the meeting:

10. Electronic copy of the Annual Report for the year 2019-20 and the Notice of the 34th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. Members may note that pursuant to the aforesaid Circulars and SEBI Circular dated 12.05.2020 there is no provision for providing printed copies of the Annual Reports.
11. Annual Report and the Notice of the AGM are available in the Company's website: www.manalipetro.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting during the AGM) i.e. www.evotingindia.com.

Facility for Remote E-voting and Voting during the meeting:

12. Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting through remote e-voting. The detailed process for participating in the said e-voting is furnished in Page No. 9.
13. A person who has participated in the remote e-voting is not debarred from participating in the meeting though he/she shall not be able to vote at the meeting again and his/her earlier vote cast electronically shall be treated as final. However, as per Rule 20 of the Companies (Management & Administration) Rules, 2014, facility for voting shall also be made available at the meeting and Members who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting which would also be through electronic means.

Payment of dividend and withholding tax thereon:

14. The dividend for the year 2019-20 upon declaration at the AGM, would be paid on 12th October 2020, as below:
    a. In respect of shares held in physical form to those Members whose names appear in the Register of Members on 16th September 2020 and
    b. In respect of shares held in electronic form, to those Members whose names appear in the list of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 5th September 2020.
15. As per the Finance Act, 2020, from1st April 2020, dividend is taxable in the hands of the recipient and the Company is required to deduct tax at source from dividend. Accordingly dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 7.5% in other cases.
16. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, the dividend would be aggregated for determining the TDS.
17. If the Member
    (a) is a resident individual and the amount of dividend does not exceed ₹ 5,000 or furnishes a declaration in Form 15G/15H, no such deduction will be made.
    (b) is a Non Resident or Foreign Institutional Investor or a Foreign Portfolio Investor, tax deduction would be @ 20%
    (c) is other than (a) or (b) above, TDS would be deducted @ 7.50% or as the case may be 20%, in the absence of a valid PAN.
    (d) in addition to the above surcharge and cess as applicable will be deducted.
18. Resident Individuals may submit their declarations to the RTA through https://Investors.cameoindia.com. It may please be noted that physical copies of the Forms will not be acceptable and so Members may provide the declaration only electronically. The facility for providing the declaration for Dividend 2019-20 will not be available after 23rd September 2020 5:00 PM.
19. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
20. Members may provide their bank account details through the Web-portal of the RTA https://Investors.cameoindia.com. Information provided after 30th September 2020 may not be considered by the RTA and warrants will be sent. Due to the current pandemic situation, there may be delays in receipt of the warrants by the shareholders.

Unpaid/Unclaimed Dividend:

21. As per Section 125 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹ 68,72,232/- being the unpaid and unclaimed dividend amount pertaining to the year 2011-12 to the IEPF on 27th September 2019. The details of such transfer are available in the website of the Company.
22. Pursuant to Section 124 (6) of the Act, during the year 5,35,294 equity shares relating the unpaid/unclaimed dividends for the year 2011-12 were also transferred to the IEPF. The total number of shares transferred to the IEPF till date is 64,53,896 covering the period upto 2011-12.
23. The details of unpaid dividend relating to the years 2012-13 to 2017-18 as on 5th August 2019 being the date of the last AGM is available in the website of the Company. The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2012-13 to 2018-19 will be uploaded in the website of the Company in due course.
24. Dividend for the year 2012-13 remaining unclaimed and unpaid will be transferred to IEPF during September 2020. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.

25. In addition to the above, the related shares would also be transferred to the IEPF, if the shareholder has not encashed any dividend during a period of seven consecutive years, for which notices have been sent to the concerned individuals. They are also requested to lodge their claims for unpaid dividend with the RTA immediately to avoid transfer of the dividend and the shares.

26. As per the extant law, the shareholders are entitled to claim the unpaid dividends and the equity shares transferred to the IEPF for which they are required to submit the request online in Form IEPF-5. The procedure for making the claims is available in the websites of the Company and also the IEPF.

General:

27. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holdings should be verified.

28. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the RTA through the web-link: https://Investors.cameoindia.com

29. SEBI vide Circular dated 20-04-2018 mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly in July 2018 individual letters were sent to those shareholders whose PAN and Bank account details were not available with the Company followed by two reminders. In spite of this, many shareholders have not come forward to provide the information. Such shareholders are requested to provide the information at the earliest to the Company/ RTA. As per the Circular the shareholders who have not furnished the information have been placed under "enhanced watch" and so their requests will be processed subject to enhanced due diligence.

30. Pursuant to proviso to Regulation 40 (1) of the Listing Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names are not to be processed by the Company in physical form. So, shareholders desirous of transferring their shares are requested to dematerialize their shares.

31. Members may avail nomination facility in respect of their holdings. Those holding shares in physical mode may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.

32. The documents and information to be made available for inspection by the Members during the AGM will be provided electronically through the e-voting facility of CDSL.

GUIDANCE TO SHAREHOLDRES FOR REMOTE E-VOTING

(i) The voting period begins at 9:00 AM on 13-09-2020 and ends on 15-09-2020 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., 09-09-2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5 p.m. on 15-09-2020.

(ii) For remote e-voting shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on "Shareholders" module.

(iv) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vii) If you are holding shares in demat mode and a first time user or if you are holding shares in Physical mode:

a) Enter the following details:

Applicable for Shareholders holding shares in Demat form and Physical form:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department If you have not updated the PAN with the Company/Depository Participant please use the sequence number which is available in the e-mail forwarding the Annual Report.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the Depository or Company please enter the member id / folio number as mentioned in instruction (iv).

b) After entering these details appropriately, click on "SUBMIT" tab.

c) Shareholders holding shares in physical form will then directly reach the Company selection screen. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

d) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

ix. Click on the EVSN for Manali Petrochemicals Limited and you will be directed to the e-voting screen.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii. Once you "CONFIRM" your vote on the resolution, your option would have been recorded and you will not be allowed to modify it thereafter.

xiv. After completing the voting, you can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xv. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

xvi. **SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE RTA OR DEPOSITORIES MAY USE THE WEBLINK OF THE RTA** https://Investors.cameoindia.com **AND FOLLOW THE INSTRUCTIONS THEREIN. In case of any difficulty please contact the RTA.** Upon registration of the E-mail ID as above, the RTA will provide the login credentials for the e-voting when the notice of the AGM is sent based on this registration.

GUIDANCE TO SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM

1. As mentioned earlier, the AGM will be held through Video Conferencing (VC) /Other Audio Visual Means (OAVM).
2. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under Shareholders/ Members login by using the remote e-voting credentials. The link for VC/OAVM will be available upon login where the EVSN of Company will be displayed.
3. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. In other words, the window for joining the meeting would be available from 1:45 PM on the AGM day.
4. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This shall not apply to Shareholders holding 2% or more shares and other categories of persons mentioned in the relevant Circular.
5. The attendance of the Members participating in the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Shareholders are encouraged to join the Meeting through Laptops / IPads / Desktops for better experience. Shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that participants connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. There is no provision for spot registration to speak at the meeting. Please refer to Sl. No.8 of the Important Note in Page No. 6 to register for speaking at the Meeting.
9. Shareholders are requested not to permit any other person to use their log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.

GUIDANCE TO SHAREHOLDERS FOR VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. E-voting facility during the meeting will be available from the beginning of the Meeting till 5 minutes after the close of the meeting. Shareholders may, at their option, vote at any time during this period. The voting facility will be closed thereafter.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

FOR THE ATTENTION OF NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Non Individual shareholders who have voted from the tab for individuals or not submitted the relevant documents in the CDSL E-voting system are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote by email, to the Scrutinizers bchandraassociates@gmail.com or to the Company at companysecretary@manalipetro.com.

CONTACT FOR FURTHER INFORMATION

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

Item No. 4

At the Board Meeting held on 6th August 2019 M Krishnaswamy & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditors of the Company for the year 2019-20 on a remuneration of ₹ 2.50 lakh as recommended by the Audit Committee. As per Section 148 of the Act, read with the relevant Rules, the remuneration to the Cost Auditor is to be approved by the Members. Accordingly, Board recommends the same for consideration and approval of the Members.

None of the directors or Key Managerial Personnel of the Company or their relatives are interested or concerned financially or otherwise in the above resolution.

Item No. 5

Dr. K P Karthikeyan, IAS, (DIN: 08218878), the Nominee of Tamilnadu Industrial Development Corporation Limited (TIDCO) was appointed as an Additional Director of the Company through Circular Resolution on 2nd March 2020 and he holds office till the Annual General Meeting. Proposal has been received for his appointment as a Director of the Company under S. 160 of the Act. Since the proposal has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointee is given in the enclosure.

Board recommends the resolution for consideration of the Members as an Ordinary Resolution. Except the appointee, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the above proposal.

Item No. 6 & 8

Mr. M Karthikeyan (DIN: 08747186) was appointed as an Additional Director of the Company with effect from 28th May 2020 and he holds office till the Annual General Meeting. Proposal has been received for his appointment as a Director of the Company under S. 160 of the Act. Since the proposal has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointee is given in the enclosure.

Mr. Karthikeyan has also been appointed as the Wholetime Director (Operations) for a period of 3 years from 28th May 2020 on the terms and conditions specified in the resolution.

Board recommends the resolutions for consideration of the Members as an Ordinary Resolution under Item 6 and as a Special Resolution under Item 8. Except the appointee, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the above proposals.

Item No. 7

The Company has been having transactions with Tamilnadu Petroproducts Limited (TPL) for more than 3 decades for purchase/sale of various goods/services such as Chlorine, Caustic Soda, etc. and from the year 2017-18 Propylene Oxide is also sourced from them. Though TPL is not a Related Party under the Companies Act, 2013 it has been so identified since the year 2017-18 under the IndAS- 24. Therefore, the requirements relating to transactions with Related Parties under the Listing Regulations are being complied with.

The total value of the transactions during the year 2020-21 is expected to be more than 10% of the consolidated turnover of MPL in FY 2019-20. So the transactions would be deemed material in terms of the Policy of the Company read with Regulation 23 of the Listing Regulations. Pursuant to Regulation 23 (4) all material related party transactions shall require approval of the public shareholders through resolution and accordingly the same is placed before the Members for approval.

All along the transactions between MPL and TPL have been in the ordinary course of business at arms' length. It is essential for the Company to continue the transactions with TPL as it is one of the major suppliers of the essential raw materials to the Company. The Audit Committee of MPL has accorded prior approval for the said transactions.

Board recommends the resolution for consideration and approval of the Members as an Ordinary Resolution. Only TIDCO and SPIC, the promoters of MPL hold 17.61% and 16.93% equity shares respectively in TPL. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in the aforementioned proposal.

Item No. 9

The term of office of Mr. Muthukrishnan Ravi, (DIN: 03605222) Managing Director, ended on 28th July 2020. At the meeting held on 16th June 2020, Board based on the recommendation of the Nomination and Remuneration Committee, has reappointed Mr. Ravi as the MD for a further period of 3 years on the terms and conditions set out in the resolution. The appointment will be subject to approval of the Central Government in the light of Mr. Ravi, being a Singapore Citizen, has not been an Indian resident since 1st April 2016.

Board recommends the resolution for consideration of the Members as a Special Resolution. Except the appointee, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the above proposal.

By Order of the Board
for Manali Petrochemicals Limited

Date: 5th August 2020
Registered Office:
SPIC HOUSE,
88 Mount Road, Guindy, Chennai – 600 032

R Kothandaraman
Company Secretary

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 34TH AGM

Items 3, 6, 7 & 9 of the Notice

Brief Profile of the proposed appointees

A. ***Mr. Thanjavur Kanakaraj Arun,*** (DIN: 02163427), 60, holds a Bachelor's Degree in Commerce from Loyola College, University of Madras and is an Associate Member of the Institute of Company Secretaries of India, New Delhi. He retired as the Senior General Manager and Secretary of TIDCO, wholly owned by the Government of Tamil Nadu after illustrious service of over 3 decades.

Mr. Arun has 35 years of experience in investment promotion and project development. He has worked in multiple state and central government organizations in sectors including, equity investments, investment promotion, ports, water supply and infrastructure. He has wide experience in commercial negotiations, contracting and contract management, structuring of PPP infrastructure projects in Ports, roads and IT sectors, procurement of developers for PPP projects, Management of PPP contracts, management of project contracts including financing, concession documents, arbitration and conciliation proceedings and asset re-structuring. Having served on the Boards and committees of several companies for over ten years, he has a good exposure to Corporate Governance. Post his retirement he is advising established corporates on legal, administrative and governance processes.

During his tenure with TIDCO he had served as Nominee Director of many companies assisted by TIDCO such as Titan Company Limited (TCL), Southern Petrochemical Industries Corporation Limited (SPIC), Tamilnadu Petroproducts Limited (TPL), Ascendas IT Park Chennai Limited (Ascendas), Tanflora Infrastructure Park Limited (Tanflora), TIDEL Park Limited (TIDEL), Titan Time Products Ltd. (TTPL), TRIL Info Park Limited (TRIL), Tamil Nadu Road Development Company Limited (TNRDCL), etc. He was Member of Audit Committees and various other committees of such companies. He was a Director of MPL from October 2009 till November 2017 and during this tenure was a Member of all the Committees of Directors of the Company.

Mr. Arun at present is a Director of Southern Petrochemical Industries Corporation Limited (SPIC). He is a Member of the Risk Management Committee of MPL and SPIC and a Member of Stakeholders Relationship Committee of SPIC.

Mr. Arun, does not hold any shares in MPL nor is related to any of its Directors.

B. ***Dr. K P Karthikeyan, IAS,*** (DIN: 08218878), 34, holds M.B.B.S degree. A 2014 batch IAS Officer, he has served in various departments in the Government of Tamil Nadu and also as Assistant Secretary in the Department of Commerce, Government of India. He was the Managing Director of Tamilnadu Salt Corporation Limited, Director of ELCOT and Executive Director of the Guidance Bureau.

At present he serves as Executive Director of Tamilnadu Industrial Development Corporation Limited and SIPCOT Limited and also as Officer on Special Duty, Investment Facilitation Cell. He is a Chairperson of Tanflora Infrastructure Park Limited and Director of TICEL Bio Park Limited, Southern Petrochemical

Industries Corporation Limited, Tamilnadu Petroproducts Limited, TIDEL Park Coimbatore Limited and Tamilnadu Trade Promotion Organization.

Dr. K P Karthikeyan, IAS does not hold any shares in MPL nor is related to any of its Directors.

C. ***Mr. M Karthikeyan,*** (DIN: 08747186), 53, is a Chemical Engineering graduate and in July 1988 joined Tamilnadu Petroproducts Limited (TPL) in the LAB Division as a Graduate Engineer Trainee. He ascended to higher ranks over the years in TPL and became its Vice President (Operations).

For more than 31 years Mr. Karthikeyan worked in the LAB Plant of TPL and moved to its Chlor Alkali Division in the year 2019 as Plant Head. He has functional experience encompassing plant operations, erection and commissioning, quality control, projects execution and related areas. He has proven skills in leading teams to work with tight deadlines to achieve corporate objectives and also handled various emergencies with young teams of professionals. He has undergone various trainings which have further honed his skills over the years. He joined MPL in April 2020 as Vice President (Operations) and has been appointed as Whole-time Director (Operations) in May 2020.

Mr. Karthikeyan, does not hold any shares in MPL nor is related to any of its Directors.

D. ***Mr. Muthukrishnan Ravi,*** (DIN: 03605222), 60, is a B.Tech in Chemical Engineering from Madras University and holds a PG Diploma in Business Management from Xavier School of Management, Jamshedpur popularly known as XLRI. He started his career as an Assistant Engineer with Indian Organic Chemicals Limited, Chennai in 1982 and has more than 38 years of experience in reputed organizations in India and abroad such as Madras Refineries Limited (now CPCL), Saudi Arabia Petroleum Company, (SADAF, Saudi Arabia), ESSO, Singapore, DOW Chemicals and Sanmar Chemplast. He was the Commercial Head for Asia Pacific and Country Head for Indian Subcontinent of DOW Chemicals from 1997 to 2009 and later served Sanmar Chemplast as its Executive Vice President for Strategy and Global Sourcing.

Mr. Ravi joined MPL as the Chief Operating Officer on 1st April 2011 and was appointed as the Wholetime Director with effect from 29th July 2011 for a period of three years. He became the Managing Director of the Company with effect from 1st October 2011. Mr. Ravi was also the Managing Director of Tamilnadu Petroproducts Limited for three years from 4th February 2013 to 3rd February 2016.

His term as MD of MPL was extended for 3 years in 2014 and then in 2017 which ended on 28th July 2020. He has been re-appointed by the Board for further period of 3 years with effect from 29th July 2020. Mr. Ravi is also the CEO of AMCHEM Speciality Chemicals Pvt. Ltd., Singapore, the Wholly Owned Subsidiary of MPL and Member of the Risk Management Committee and the Stakeholders Relationship Committee of MPL

Mr. Ravi, does not hold any shares in MPL nor is related to any of its Directors

STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISO TO PARAGRAPH B OF SECTION II OF PART II OF SCHEDULE V TO THE ACT

I. GENERAL INFORMATION

(1)	Nature of Industry	Petrochemicals – Manufacture of Propylene Oxide, Propylene Glycol and Polyols, intermediates with applications across a spectrum of industries including Pharmaceuticals, Polyurethane, Resin, Fragrances, Food, Refrigeration, Oil Drilling, etc.				
(2)	Year of Commencement of Commercial Production	1990				
(3)	Financial performance and Export data	**Year**	**Sales**	**PAT**	**Exports**	**Dividend %**
						₹ in lakh
		2019-20	67,663.95	3,864.03	546.87	15%
		2018-19	70,211.80	6,541.03	514.27	15%
		2017-18	66,290.48	5,487.02	1,064.43	10%
(4)	Foreign investments or collaborations, if any	NIL				

II. INFORMATION ABOUT THE APPOINTEE

a. Mr. M Karthikeyan

(1) Name	**Mr. M Karthikeyan (DIN: 08747186)**
(2) Background details	Furnished in the Explanatory statement for items 6 & 8
(3) Past remuneration	This is his first appointment as WTD of the Company.
(4) Job profile and his suitability	As the Whole-time Director (Operations), he will be responsible for the Plant operations, and other matters as may be delegated by the Managing Director from time to time. He will report to the Managing Director. Taking into account his previous experience with Tamilnadu Petroproducts Limited, educational background, knowledge about the industry, and the nature and size of operations of the Company, he is a fit and proper person to be appointed as the Whole-time Director (Operations) of the Company. The same has also been so determined by the Nomination and Remuneration Committee.
(5) Remuneration proposed	As given in the Special Resolution
(6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

b. Mr. Muthukrishnan Ravi

(1) Name	**Mr. Muthukrishnan Ravi (DIN: 03605222)**
(2) Background details	Furnished under Item 9 of the Explanatory statement
(3) Past remuneration	He is not in receipt of any remuneration from the Company since 1st April 2016 but draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore the WOS of the Company
(4) Job profile and his suitability	As a Managing Director of the Company, he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry, past performance in MPL and the nature and size of operations of the Company, he is a fit and proper person to be re-appointed as the Managing Director of the Company which has also been asserted by NRC.
(5) Remuneration proposed	NIL. Perquisites as given in the resolution.
(6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

III. DISCLOSURES

(1) Information on remuneration package	Details furnished in the relevant resolution.
(2) Other disclosures	Information on elements of remuneration, components, terms of service and stock option are furnished in the resolution/Corporate Governance Report annexed to the Report of the Board of Directors.

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

The Directors present their 34th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2020.

Financial Results

The highlights of the financial results for the year are given below which have been prepared as per the Indian Accounting Standards (Ind AS) adopted by the Company since the year 2017-18:

(₹ In crore)

DESCRIPTION	2019-20	2018-19
Profit Before Interest & Depreciation*	**64.49**	114.75
Interest	**5.67**	1.74
Depreciation	**13.85**	10.32
Profit Before Tax	**44.97**	102.69
Provision for Tax	**6.33**	37.27
Profit After Tax	**38.64**	65.42
Total Comprehensive Income	**39.11**	65.86

* including exceptional items

Operational Highlights

Total revenue during the year was ₹ 685 crore slightly lower than ₹ 709 crore in 2018-19. Though the fall in sales was not significant, during the year profitability was impacted mainly due to general economic slowdown. While the domestic demand had dropped, the imports continued at the same scale or went up, resulting in pricing pressure and lower margins. During the year, a part of the Captive Power Plant, which was defunct for over 5 years has been impaired by ₹ 7.11 crore, reducing the profits further. During the year 2019-20 total additions to fixed assets was ₹ 11.47 crore and the major spends were for plant and machinery.

The Company continues to source power from third parties besides the power supplied by TANGEDCO. During the year LNG supplies commenced for Plant 1 and stabilized towards the end of the year. Besides helping the Company to meet the stack emission norms, the changeover would also improve the boiler performance.

The bio mass Captive Power Plant housed in Plant 2 continued to remain inoperative during the year. It may be noted that MPL benefitted through this project immensely, when the power cuts were at a peak a few years ago. However under the present scenario, due to high cost of firewood and maintenance, low cost of alternate fuels and environmental issues it was viewed that it would no more be viable to operate the unit. Hence, it was thought prudent to permanently close this facility. Accordingly, a majority of the assets have been identified for use when the LNG supplies commence for Plant 2, expected in early 2021. Some of the assets have been provided to Plant 2 for use. As stated earlier, some asset identified as unusable have been impaired during the year, shown as exceptional item in the Statement of Profit & Loss.

Financial Review

The finance cost for the year under review at ₹ 5.67 crore appears to be higher than the previous year, due to change in method of accounting for leases under the new Ind AS-116. On account of this change ₹ 3.83 crore relating to leases have been included under Finance Cost, but the actual interest and related payout for the year was only ₹ 1.84 crore against ₹ 1.74 crore in the previous year.

As in the earlier years, capital expenditure was met from internal sources and the Company has been operating without any long term debt.

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

Dividend

Your Company has been following a consistent dividend policy, ensuring that the dividend payments are sustained even when the conditions are not favourable. You would be happy to note that the Company has an unbroken dividend track record of 14 years till last year.

Your Directors are happy to recommend a dividend of 15% i.e. seventy five paise per equity share of ₹ 5/- each fully paid-up, for the year 2019-20, aggregating to ₹ 12.90 crore. You may be pleased to note that the dividend has been maintained at the last year level, in spite of lower profits, considering that the tax burden has shifted to the investors.

Impact of COVID-19 pandemic situation on the Company

COVID-19, though started as a regional disturbance has global ramifications. The spread of the Virus has severely impacted businesses world-over. Almost all business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disturbances, travel bans, social distancing and other emergency measures.

In consequence of the lockdown and other measures imposed by the Governments, the entire operations of the Company were shut down in the last week of March 2020. Production of various products of the Company restarted in phases from the first week of April 2020, duly following the Government guidelines. The situation is being monitored closely and suitable actions taken based on exigencies and regulatory requirement to ensure smooth functioning of the plants and offices. Specifically, the Company followed the guidelines of the Government for safe restart and also strictly adheres to the standard operating procedures prescribed for the operations, such as social distancing, temperature checking and other precautions like wearing of masks, etc.

The pandemic situation has affected the normal business operations of the Company. Production, sales and profitability, inter alia, have been put at risk. Though sale of Propylene Glycol- IP, a pharmaceutical ingredient was not materially affected, demand for Polyols and related products have remained dormant in view of shut down by end-users due to lock down.

Polyols contribute nearly 70% to the revenue and so revival of demand for these products is very important for the Company. The end-use of Polyols is mainly in bedding, furniture, automobile, refrigeration, etc. and so improvement in off-take can be expected only when the demand in these segments go up. Thus for the situation to improve, the general consumption has to go up which would depend on the economic wellbeing of individuals.

Though some of the end-user industries have re-started operations in mid-June 2020, the capacity utilization has not been very encouraging. Further, materials imported during the last quarter of the previous year being available, sourcing from MPL has been muted. Even if all the user industries reopen and scale up, there could still be challenges due to uncontrolled dumping of products by MNCs. The disposal of by products has also been a tough task, which in turn affects the production plans. So, the Company continues to face challenges on revival of demand and as on date it is not clear when the uncertainties prevailing will get normalized.

Industry structure and development

Your company operates in the Polyurethanes industry. Polyurethane known as PU is a mixture of compounds containing urethane, urea, Isocyanates, allophanates etc. depending upon the starting raw materials and their reactions. In chemical terms it is a polymer containing carbamate or urethane linkage formed by reaction of Isocyanates with polyol.

PU is a versatile plastic polymer, available in various forms right from rigid foam, flexible foam to strong and hard elastomers. This helps polyurethane to be used in wide variety of consumer and industrial applications such as thermal insulation in building, refrigerators, household furniture, shoes, packaging plastics etc.

PU offers unique properties like good abrasion and wear resistance, elongation, resilience, flexibility, scratch resistance, mechanical strength, adhesion, low temperature, thermal insulation, electrical insulation etc. Owing to these, PU can be moulded to any shape to enhance its industrial applications by providing comfort, style and convenience to one's needs. Due to wider range of properties and forms, it finds applications in rigid and flexible foam, fiber, film, composites, elastomers, coatings, adhesives and mainly caters to industries like Automotive, Appliances, Building & Construction, Energy, Defense, Paints and Coatings, Soft furniture, etc.

PU is becoming popular in construction and infrastructure activity. Thus, growing demand of polyurethane owing to durability with low thermal conductivity and ability to withstand external impacts is augmented to drive the overall market. Further, increasing demand of high performance and lightweight interior components, cushion foams in automotive parts to foster energy saving will fuel the demand for polyurethane market growth.

Products of MPL

Your Company specializes in manufacture of propylene glycol, polyether polyol and related substances. Your Company is the only domestic manufacturer of Propylene Glycol. Also it is the first and largest Indian manufacturer of Propylene Oxide, the input material for the aforesaid derivative products.

Polyols are made in four grades, viz., Flexible Slabstock, Flexible Cold Cure, Rigid and Elastomers. These find application in the automobile, refrigeration and temperature control, adhesive, sealant, coatings, furniture and textile industries. Use of Polyols is gaining popularity in footwear and roofing applications.

Propylene Glycol (PG) is a colorless, clear, nearly odorless, viscous liquid with a faint sweet taste chemical produced by reaction of propylene oxide with water. It is chemically neutral and so does not react with other substances.

PG when mixed with water, chloroform and acetone can form a homogenous mixture and it tends to absorb moisture from air. PG remains without affecting the properties of the substances that are required to react. Thus, it is useful in mixing contrasting elements such as perfumes and is also consumed as solvent in a wide variety of applications.

PG is used most commonly as drug solubilizer in tropical, oral and injectable medications, stabilizer for vitamins and also as a water miscible co solvent. The Food and Drug Administration (FDA) has recognized PG as a safe additive for human consumption, especially for pharmaceutical and food formulations. In addition to the above PG is also used as moisturizer in cosmetic products and as a dispersant in fragrances. PG also has industrial applications like manufacture of resins and other products.

As stated above, PG is widely utilized 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 cheaper imported materials.

MPL supplies more of food and pharmaceutical grade PG to the Indian market, which like the Polyols is dominated by imports. In addition to PG, the by-products such as DPG are also bought by smaller players for food, flavours and related applications mainly as preservatives.

The other products of your Company include Propylene Glycol Mono Methyl Ether (PGMME), an environment-friendly solvent used in paints and coatings and electronics industries.

Indian Market Scenario

Indian PU industry has recorded steady growth over the years mainly on account of rapid urbanization and improved disposable incomes in the hands of the consumers. Items such as refrigerators, mattresses, etc. which were considered luxury have become essential in most of the households. Flexible financing options have further aided the market growth. PU has established itself as the preferred material in the coatings segment on account of the superiority and other advantages. Thus there has been major growth in the demand but the Indian market continues to be dominated by imports.

Though Indian PG market is also dominated by imports, your Company continues to get better realization from sale of PG compared to the other products.

During the year 2018-19 it had been reported that growth of almost all segments of PU in India such as Slab Stock Polyol, Rigid, Shoe Soles, HR Polyol, etc. was nearly twice the global average. Though the global projections for 2019-20 looked to be stagnant, it was hoped that in India there would be a good growth. Contrary to such expectations, the impact of global slowdown was more in India and during the year 2019-20, globally and also in India, industrial activities suffered, attributed to general economic meltdown. To highlight the trend it may be relevant to note that the manufacturing PMI during the year had been witnessing wild twists and turns, the trend of which was set in the previous year. After raising to an unexpected 14 months' high in February 2019, the PMI dived down to a six months' low in the next month. Excepting for May and July 2019, the index kept falling till November 2019, hitting 2 years' low in October 2019. The trend reversed from November 2019 and an 8 year high was recorded in January 2020 and another highlight was 90 months' high growth in employment. Services sector also witnessed a similar trend.

Your Company's sales during the first three quarters were seriously impacted reflecting the above trend with some occasional relief. In-spite of fall in domestic demand, imports continued at the same level, further widening the demand-supply gap, leading to pricing pressures. The Anti-Dumping Duties did not help in protecting the domestic industry as the exporters offered their products at a further discount to nullify the impact of the additional levy. Though some revival was seen in the last quarter, the COVID-19 related restrictions changed the situation totally and the market is yet to recover from the shock of inactivity for a long period.

Opportunities and threats

As explained earlier, 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. It is a polymer that helps in smart designing and achieving more with less. So, its popularity has been on the raise for the past several years with infinite opportunities.

It has been reported that the global PU market would be about US$ 81.70 billion in the next two years, with a CAGR of about 6.5% in the six years ending 2022. It has been observed that Asia-Pacific region has the highest market share, followed by Europe and North America. Asian market is dominated by China with high manufacturing and consumption of PU followed by Japan.

In India, PU Market and applications are still in the emergent stage but the increasing requirement for lightweight but durable materials from end-use industries has been driving the demand for the PU products in the recent years. The per capita consumption of PU is reported as 440 gm., which is set to grow quickly in the coming years. Reports suggest that the Indian PU industry has witnessed double digit growth in the past five years. It has been stated that the cumulative growth in the next 3 years would be about 60%. However, these forecasts were made before the pandemic situation and hence it is not certain if these would hold good after normalcy returns.

Though the market condition of Polyol segment is not very encouraging, PG provides some glimmer of hope. The total annual demand for PG is nearly five times higher than the domestic capacity, that of MPL. So, there are opportunities for your Company in this segment and accordingly plans are afoot to augment the capacity of PG in the coming years. Though scope existed in the past also, considering the competition from MNCs, aided by Free Trade Agreements and limited availability of feedstock, there were some reservations in proceeding with such plans. With the Government indicating that FTAs would be reviewed to protect the domestic sector and also the Atmanirbhar Bharat (Self-Reliant India) plan are encouraging the domestic companies to consider capacity build-up with confidence.

The major threat continues to be the lower margins due to ever increasing imports. Though the Company succeeded in its efforts for imposition of anti- dumping duty on imports from certain countries, there had been no real relief. While the earlier levy itself was inadequate to discourage imports the ADD on slabstock polyol, has been reduced by more than 30% further intensifying the price war. The Company continues with the actions for cost reduction and product development, but these have limitations and hence it may take a longer time to reap the benefits.

In addition to the above, the emergence of the pandemic situation, though not unique to your Company, has become a major hindrance as future looks to be uncertain and there is no indication as to when normalcy would return. Unless and until the situation changes, all the businesses would be in tenterhooks for very survival, given the frequent lockdowns.

Risk Management Policy

The Company has established 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).

The Company has two employee-level Committees viz., a sub-committee and an Apex Committee, headed by the Wholetime Director 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 risks. The mitigation actions are also suggested by the Committees and the report of the Chairman of the Apex Committee is submitted to the RMC.

The RMC meets periodically, reviews the reports, recommends and monitors actions to be taken in this regard. As at the year end the Committee comprised of Ms. Sashikala Srikanth as the Chairperson and Mr. T K Arun, Dr. K P Karthikeyan IAS and Mr. Muthukrishnan Ravi, as the other Members. During the year under review the Committee met four times on 20th May 2019, 6th August 2019, 12th November 2019 and 11th February 2020. The details of attendance of the Members are: Ms. Sashikala Srikanth and Mr. T K Arun attended all the four Meetings and Mr. Muthukrishnan Ravi attended three Meetings. Mr. Govindarajan Dattatreyan Sharma attended one Meeting held during his tenure as Member of the Company.

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

Risks and Concerns

The Indian Polyol and PG markets continue to be dominated by imports. The new facilities set up by major players such as DOW, BASF elsewhere with high capacities offer higher quantity of Polyols to Indian market at very low prices. As explained earlier, even imposition of Anti-Dumping duties has not alleviated woes of the domestic producers as the MNCs either supply the materials from places not covered under ADD or bear the additional cost.

The PU industry is concentrated globally and a major portion of the supplies are controlled by smaller number of producers. The top manufacturers control over 60% of the total PU production giving them enormous control over product pricing & other strategies. Such major multinationals enter into strategic alliances across the Globe to ensure that they have an upper hand in select regions. These arrangements jeopardize the interest of the smaller, domestic players in the industry with modest facilities.

Frivolous actions with ulterior motives by the self-styled environment protectors have become a new threat to industries, especially the chemical processing sector.

These call for higher outlay to have a relook at the existing processes resulting in disproportionate and at times more than required spend on effluent treatment and also the associated capital costs.

The Company has developed a new and better process for effluent treatment and the present parameters are duly met. Sustainability could be a concern in the long run as these are biological processes and so the Company would have to be very watchful on the developments and may be required to spend higher amounts, affecting the profitability. Further the norms are upgraded periodically by the Regulators, imposing tougher conditions.

The case filed with the National Green Tribunal against the marine disposal of the treated effluent is still pending. The case earlier transferred to NGT, New Delhi has been reverted to the Southern Bench, which has taken up the matter. The Company is confident that it can prove that the allegations are frivolous.

During the year 2017, the period of lease relating to Plant 2 expired and though the Company filed its request for extension well in advance with the Government of Tamilnadu, the same is yet to be renewed. Further an unsubstantiated claim for huge arrears has been received by the Company and shown as claims not acknowledged as debts. The Auditors have drawn their attention to these, but since the land has been put to use by the Company for the purpose for which it has been allotted and also as the matter is being closely followed up, your Company is confident that the renewal request would be considered favourably by the authorities. As regards the demand for arrears, the Company has disputed the claim and requested the Revenue department to re-determine the same as per the terms of the agreement and applicable government guidelines. Protective actions would be taken based on further developments as the Company believes that the claim is erroneous and without any valid basis.

Outlook

The World Economic Outlook released in June 2020, has described the present situation as “A crisis like no other and an uncertain recovery”, suggesting that future may not be easy. As per the report, the COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. Global GDP is projected to contract by 4.9% in 2020 which is 1.9 % below the April 2020 forecast. In 2021 global growth is projected at 5.4 percent. It has been stated that overall, the 2021 GDP would be about 6½ % lower than in the pre-COVID-19 projections of January 2020.

The WEO has further stated that the adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s. So, consumption levels could be much lower, impacting all major sectors.

As regards India, the WEO has projected GDP contraction of 4.5% in Fiscal 2020 against 4.2% growth in Fiscal 2019. The growth for 2021 is pegged at 6.0%. The projections by Asian Development Bank figures are slightly different at 4% contraction for 2020 and rebound of 5% in 2021.

In India total lockdowns have been lifted but the situation has not come under control yet since the restrictions are re-imposed from time to time. Also State Governments follow different schedules for shutdowns based on the local requirements, which further affects the movements and supplies. Even in the workplaces, there are a number of restrictions in deployment of personnel and work practices, which affect the efficiency.

At this juncture, it is not possible to reliably estimate the future operational and financial implications arising from the pandemic situation on the Company’s business and the time that may be taken for complete revival. The impact assessment is a continuing process and evolving, given the uncertainties associated with the nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required.

Subsidiaries

The Company has one Wholly Owned Subsidiary and two Step Down Subsidiaries (SDS), all of which are incorporated outside India. The financials of all these subsidiaries have been consolidated and the financial and other information have been furnished in the Consolidated Financial Statement (CFS) attached to this Report.

AMCHEM, Singapore

AMCHEM Speciality Chemicals Private Limited, Singapore, was set-up by the Company in 2015-16, to expand its global footprint and to hold all the foreign assets of the Company. The Company invested US$ 16.42 million (₹ 110.32 crore) in the WOS to part fund the acquisition of Notedome Limited, UK and also for further exploratory work.

During the year 2016-17 the WOS set up AMCHEM Speciality Chemicals UK Limited as its WOS which acquired Notedome Limited. Thus, AMCHEM, UK and Notedome are the SDS of MPL.

During the year under review, the total income of AMCHEM, Singapore was US$ 1.12 million (₹ 8.47 crore) and the profit for the year was US$ 29,125 (₹ 2.19 crore). AMCHEM, Singapore continues to explore other opportunities for acquisition of existing overseas facilities to further improve the global presence of MPL, besides taking up other activities such as trading, transaction facilitations, business and project consultancy.

AMCHEM, UK

AMCHEM Speciality Chemicals UK Limited, UK was established in September 2016 by AMCHEM Singapore as its WOS which completed the acquisition of Notedome Limited effective 1st October 2016 through the equity contributions from its holding company and bank loans. AMCHEM, UK continues to be the holding company of Notedome Limited, UK. the total income of AMCHEM UK was £ 120,000 (₹ 1.12 crore) and profit £ 21,602 (₹ 20.11 lakh) in FY 2019-20.

Notedome Limited, UK

Notedome, established in 1979, is a System House with more than 30 years' experience, manufacturing Neuthane Polyurethane Cast Elastomers catering to customers across 45 countries. Neuthane polyurethanes are used in diverse range of industries and applications, in the automotive sector for anti-roll bar, suspension and shock bushes for buses, trucks and other high performance vehicles, limit or bump stops, material handling etc. and in the agriculture sector for Rollers, Harvester components and idler wheels on track laying tractors.

Total revenue of the SDS for the year under review was £ 11.07 million (₹ 103 crore) and profit £ 0.62 million (₹ 5.78 crore).

Though the operations of the subsidiary were not stopped due to the pandemic situation, production, sales and profitability have been affected due to restrictions on movement of men and material 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 and first aid. Mock drills are conducted to ensure that the systems and procedures 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 Companies Act, 2013 (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 ability of its workforce to convert the plans into actions. Therefore, every effort is taken to retain talent 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 dialogue have succeeded largely with most of the workmen barring a few accepting the offer. The minority workmen are persisting with the case which is pending before the Madras High Court.

As on 31st March 2020, your company had 316 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 not at arms' length within the meaning of Section 188 of the Act or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., https://www.manalipetro.com/wp-content/uploads/2016/08/RPT-Policy-2019-final.pdf

As required under Regulation 23(2) of the Listing Regulations, approval of the Members was obtained through postal ballot for transactions with Tamilnadu Petroproducts Limited upto ₹ 200 crore in 2019-20. Approval for transactions during the year 2020-21 will be placed for approval of the Members at the ensuing AGM.

Board of Directors and related disclosures

As on the date of the Report the Board comprises of 10 directors of whom five are independent including a woman director. All the Independent Directors have furnished necessary declaration under Section 149 (7) of the Act and under Regulation 25(8) of the Regulations. As per the said declarations, they meet the criteria of independence as provided in Section 149 (6) of the Act and the Regulations. All of them have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

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

The Board has approved a 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 changes in the Key Managerial Persons after the last Annual General Meeting (AGM). The following changes took place in the composition of the Board since the last AGM:

a. Dr. Aneesh Sekhar S IAS, (DIN: 07887010) nominee of TIDCO resigned with effect from 26th February 2020. The Board places on record its appreciation for the invaluable services rendered by the Dr. Aneesh Sekhar during his association with the Company.

b. Dr. K P Karthikeyan, IAS (DIN: 08218878) has been appointed as an Additional Director with effect from 2nd March 2020, in the category of Non-Independent, Non-Executive Director. Pursuant to Section 161 of the Companies Act, 2013, (the Act) he holds office till the ensuing Annual General Meeting (AGM) and is seeking reappointment.

c. Mr. C Subash Chandrabose (DIN: 06586982), Wholetime Director (Works) retired at the end of his term on 27th May 2020. The Board places on record its appreciation for the invaluable services rendered by Mr. Bose during his tenure as a Director of the Company.

d. Mr. M Karthikeyan, (DIN: 08747186) has been appointed as an Additional Director and also as Wholetime Director (Operations) with effect from 28th May 2020. Pursuant to Section 161 of the Companies Act, 2013, (the Act) he holds office till the ensuing Annual General Meeting (AGM) and is seeking reappointment.

e. The term of office of Mr. Muthukrishnan Ravi (DIN: 03605222) ended on 28th July 2020 and the Board has, subject to the approval of the Members and the Central Government, reappointed him for a further period of 3 years from 29th July 2020.

Pursuant to proviso to S. 160 (1) there is no requirement of any deposit for the proposals for the appointment of Dr. K P Karthikeyan, IAS and Mr. M Karthikeyan as Directors.

In addition to the proposals under S. 160, Special Resolutions for appointment and remuneration of Mr. M Karthikeyan as Wholetime Director (Operations) and reappointment of Mr. Muthukrishnan Ravi as Managing Director will be considered by the Members at the ensuing AGM.

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 was done taking into account the various parameters such as the structure, meetings, functions, risk evaluation, management of conflict of interests, stakeholder value and responsibility, corporate culture and value, facilitation to the Independent Directors to function impartially and other matters. The evaluation of the Committees was done based on the mandate, composition, effectiveness, structure and meetings, independence and contribution to the decisions of the Board.

The evaluation of the individual directors, including the independent directors was done taking into account their qualification, experience, competency, knowledge, 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 IV 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 2020, 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 2020 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 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 2,08,280 shares, which remained unclaimed by 556 shareholders at the beginning of the year, 300 shares, were released to one shareholder during the year. Further, 18,450 shares relating to 80 shareholders were transferred to the Investor Education and Protection Fund in compliance with the requirements of S. 124 (6) of the Act. As at the end of the year 1,89,539 shares remained unclaimed by 475 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

Auditors

Brahmayya & Co., Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 31st Annual General Meeting held on 25th July 2017 and in the first term they will hold office for a period of five years till the conclusion of the 36th AGM to be held during 2022.

Maintenance of Cost Records & Cost Audit

The Company is required to maintain cost records as specified by the Central Government under S. 148 (1) of the Act and is also covered under Cost Audit, which are duly complied with.

M Krishnaswamy & Associates, Cost Accountants, Chennai was appointed as the Cost Auditors of the Company for the financial year 2019-20 on a remuneration of ₹ 2.50 lakh plus applicable taxes and reimbursement of out of pocket expenses which is to be ratified by the Members at the 34th Annual General Meeting. The Cost Auditor holds office till 30th September 2020 or submission of his report for the year 2019-20, whichever is earlier.

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 Audit and management review 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 and with the Statutory Auditors. The Statutory 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 given in **Annexure A** along with a Certificate from Practicing Company Secretary.

Secretarial Audit Report

As required under Section 204 of the Act, the Secretarial Audit Report for the year 2019-20 issued by Mrs. B Chandra, Company Secretary in Practice is annexed to this Report as **Annexure B**.

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

a. The ratio of remuneration of Mr. C Subash Chandrabose, Wholetime Director (Works) to the median remuneration of the employees of the Company in service throughout the year was 10.97.

b. The percentile increase in remuneration of the Wholetime Director (Works) was 98% and for the Company Secretary 15%.

c. The percentage increase in the median remuneration of the employees (other than workmen who are covered under wage settlement for which a litigation is pending before the Madras High Court) was 7%.

d. As at the year-end there were 275 permanent employees, including MD and WTD, and excluding trainees.

e. During the year the average percentile increase in the salaries other than managerial remuneration was 11% and the increase in managerial remuneration was 98%.

f. Information required under Rule 5(2) are given in **Annexure C** to this Report.

g. The remuneration paid to the employees are as per the remuneration policy of the Company.

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 D**.

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

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

d. 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.

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

f. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases were filed under the said Act.

g. The Company has complied with the requirements of all the applicable Secretarial Standards.

h. **Significant changes in key financial ratios**

During the year the gross margin and net margin were about 38% lower than the previous year. As explained elsewhere, the domestic demand in FY 2019-20 was depressed but there was no corresponding reduction in imports, resulting in lower price realizations. Due to the above, the Return Net Worth was also lower at 8.5% for the year 2019-20 against 14.8% for the preceding year. The variation in the other ratios was not more than 25%.

Acknowledgement

Your Directors express their sincere gratitude to the Government of India, the Government of Tamilnadu, the Promoters and the 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

M Karthikeyan DIN:08747186 **WTD (Operations)**	Muthukrishnan Ravi DIN: 03605222 **Managing Director**

Chennai
5th August 2020

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 2020.

2. Board of Directors:

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

As on 31st March 2020, the Board comprised of ten directors, as detailed below:

Name	Other Listed Companies of which he/she is a director and category	Membership	
		Other Boards	Other Board Committees
Non-Executive, Non Independent (NENI)			
Mr. Ashwin C Muthiah, Chairman	Southern Petrochemical Industries Corporation Limited, SICAGEN India Limited and Tamilnadu Petroproducts Limited (All NENI)	3(2)	1(1)
Mr. Thanjavur Kanakaraj Arun	Southern Petrochemical Industries Corporation Limited (NENI)	1	1
Dr. K.P. Karthikeyan, IAS	Southern Petrochemical Industries Corporation Limited and Tamilnadu Petroproducts Limited (All NENI)	7(1)	1
Non-Executive, Independent (NEID)			
Mr. G. Chellakrishna	Elnet Technologies Limited (NEID)	1	2(1)
Ms. Sashikala Srikanth	Southern Petrochemical Industries Corporation Limited, SICAGEN India Limited, Tamilnadu Petroproducts Limited and Mercantile Ventures Limited (All NEID)	6	7(4)
Mr. Govindarajan Dattatreyan Sharma	Tamilnadu Petroproducts Limited (NEID)	1	2
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	Tamilnadu Petroproducts Limited (NEID)	1	-
Dr. N. Sundaradevan, IAS (Retd.)	Tamilnadu Petroproducts Limited (NEID)	5	3(1)
Executive, Non Independent (ENI)			
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	-	-
Mr. C. Subash Chandra Bose, Whole-time Director (Works)	Executive, Non Independent	-	-

Notes:

a. Other Directorships exclude foreign companies/their Indian subsidiaries, 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 in Companies other than (a) above.

c. Figures in brackets denote the number of companies / committees of listed and unlisted public companies in which the Director is Chairperson.

d. Except Mr. Ashwin C Muthiah, Chairman, who is holding 13,648 shares, none of the other Directors hold any shares in the Company nor have any inter se relationship.

e. The details of familiarization programmes conducted for the Independent Directors are disclosed in the website of the Company at http://manalipetro.com/wp-content/uploads/2016/08/FAM_PROG_2019-20-1.pdf

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

The Board of Directors met five times during the year 2019-20 viz., on 20th May 2019, 12th June 2019, 06th August 2019, 12th November 2019 and 11th February 2020. The details of the attendance of the directors at the Board Meetings and the AGM are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended	Attendance at the Last AGM on 05.08.2019
Mr. Ashwin C Muthiah	Full year	Five	Four	Yes
Brig. (Retd.) Harish Chandra Chawla	Till 27.05.2019	One	One	Not applicable
Mr. G Chellakrishna	Full year	Five	Five	Yes
Ms. Sashikala Srikanth	Full year	Five	Five	Yes
Mr. Govindarajan Dattatreyan Sharma	Full year	Five	Five	Yes
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	From 20.05.2019	Four	Four	Yes
Dr. N. Sundaradevan, IAS (Retd.)	From 12.06.2019	Three	Three	Yes
Mr. Thanjavur Kanakaraj Arun	Full year	Five	Five	Yes
Dr. Aneesh Sekhar. S, IAS	From 02.04.2019 to 26.02.2020	Five	Two	Not attended
Dr. K P Karthikeyan, IAS	From 02.03.2020	-	-	Not applicable
Mr. Muthukrishnan Ravi	Full year	Five	Five	Yes
Mr. C. Subash Chandra Bose	Full year	Five	Five	Yes

iii. Skills / Expertise / Competence of the Board:

The following are the details of the skills/competencies determined as required for the discharge of the obligations by the Board and Directors identified to be having specific skills/competency/experise:

Major Classification	Sub Classification	Remarks	Directors having the skills
Industry	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.	Mr. Ashwin C Muthiah Mr. C S Shankar Mr. Muthukrishnan Ravi
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	Mr. Muthukrishnan Ravi Mr. C Subash Chandra Bose

Major Classification	Sub Classification	Remarks	Directors having the skills
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Mr. Ashwin C Muthiah Mr. Muthukrishnan Ravi
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Mr. G Chellakrishna Ms. Sashikala Srikanth Mr. C S Shankar Dr. N Sundaradevan IAS Mr. T K Arun
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr. Ashwin C Muthiah Mr. Muthukrishnan Ravi
Risk & Compliance	Operational	Identification of risks related to each area of operation	Mr. C Subash Chandra Bose
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements	Mr. Muthukrishnan Ravi Dr. N Sundaradevan IAS Mr. G D Sharma Mr. T K Arun
	Financial	Experience in accounting and finance, ability to analyze the financial statements presented, assess the viability of various financial proposals, oversee funding arrangements and budgets	Ms. Sashikala Srikanth Mr. G Chellakrishna Mr. T K Arun
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.	Mr. Ashwin C Muthiah Mr. G D Sharma Mr. Muthukrishnan Ravi
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyze issues and contribute at board level to solutions	
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	All the Directors of the Company
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.	All the Directors of the Company
	Experience	Previous experience in Board or senior management positions in reputed companies/ organizations/ government.	
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.	
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.	
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company	
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.	
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritize the Company	

- ✓ The Skills Matrix stated above are the broader skills, competencies and experience which, in the opinion of the Directors are required for the proper functioning of the Board of MPL.
- ✓ The above Skills Matrix sets out the mix of skills and diversity that the Board currently has or is looking to achieve.

- ✓ These skills are expected of the Directors as a Group and it is not a requirement that each Director should present all of the skills and experience listed. In other words it would be sufficient if the Board collectively present all of the skills and experience listed in the Board Skills Matrix.
- ✓ To ensure that the Directors for the time being as a Group provide the skills and experience required by the Board Skills Matrix, each Director's skills and experience will be assessed from time to time.
- ✓ Gaps, if any identified by such assessment would considered when filling any vacancies or appointing any additional director to the Board.
- ✓ The Skills Matrix would be reviewed periodically and changes made as deemed appropriate by the Board arising out of regulatory changes or otherwise.

In the opinion of the Board the above skills/competencies are actually available with the Directors as indicated in the above table which have been determined based on the qualification, experience and performance of the individual Director.

iv. Confirmation on Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations), and are independent of the Management.

3. Audit Committee:

i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory under the then 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 erstwhile Listing Agreements with Stock Exchanges. At present, the terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the Regulations.

ii. Composition

As on 31st March 2020, the Committee comprised of Mr. G. Chellakrishna as Chairman, Ms. Sashikala Srikanth, Mr. Govindarajan Dattatreyan Sharma and Dr. K P Karthikeyan, IAS 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 2019-20 viz., on 20th May 2019, 06th August 2019, 12th November 2019 and 11th February 2020 and the details of the attendance of the Members are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. G Chellakrishna	Full year	Four	Four
Ms. Sashikala Srikanth	Full year	Four	Four
Mr. Govindarajan Dattatreyan Sharma #	From 20.05.2019	Three	Three
Dr. K P Karthikeyan, IAS	From 02.03.2020	NA	NA
Brig. (Retd.) Harish Chandra Chawla	Upto 20.05.2019	One	One
Mr. Thanjavur Kanakaraj Arun	Upto 20.05.2019	One	One
Dr. Aneesh Sekhar. S, IAS #	From 20.05.2019 to 26.02.2020	Three	One

inducted as a member of the Committee at the Board Meeting held after the meeting of the Audit Committee held on 20.05.2019.

4. Nomination and Remuneration Committee:

(i) Composition, terms of reference and meeting

The Committee comprised of Mr. Govindarajan Dattatreyan Sharma as the Chairman, Mr. G. Chellakrishna, Dr. K.P. Karthikeyan, IAS and Mr. Ashwin C Muthiah 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 Regulations.

The Committee met four times during the year 2019-20 viz., on 20th May 2019, 12th June 2019, 06th August 2019 and 12th November 2019. The details of the attendance of the Members at the Meetings are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. Govindarajan Dattatreyan Sharma	Full year	Four	Four
Mr. G Chellakrishna #	From 20.05.2019	Three	Three
Dr. K.P. Karthikeyan, IAS	From 02.03.2020	NA	NA
Mr. Ashwin C Muthiah	Full year	Four	Three
Brig. (Retd.) Harish Chandra Chawla	Upto 20.05.2019	One	One
Dr. Aneesh Sekhar. S, IAS #	From 20.05.2019	Three	Two

Inducted as a member of the Committee at the Board Meeting held after the meeting of the Nomination and Remuneration Committee held on 20.05.2019.

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

The criteria for evaluation of the performance of Independent Directors, include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committee of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

5. Remuneration of Directors

(i) 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.

a. 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 recommended 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.

The performance linked pay is determined as per the appraisal system in vogue which takes into account the performance of the Company and also the individual, consistency in rating received and related matters. Based on the final rating, the PLP is varied every year, which may be high or lower than the amount fixed and paid during the subsequent year. Therefore the actual amount received may vary from the remuneration fixed.

b. 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.

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

(iii) **Details of remuneration paid to the Directors**

a. Executive Directors

✓ During the year 2019-20 the remuneration of Mr. C Subash Chandra Bose, Whole-time Director (Works) was ₹ 54.08 comprising salary & allowances of ₹ 36.67 lakh, performance linked pay of ₹ 15.12 lakh and perquisites of ₹ 2.29 lakh. In addition to the above, contribution to provident and superannuation funds are made as per applicable law/rules/terms of employment.

✓ No remuneration was paid to Mr. Muthukrishnan Ravi, Managing Director by the Company who draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore as approved by the Members vide Postal Ballot resolution dated 26th March 2016.

✓ The Executive Directors are under contracts 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.

b. Non-Executive Directors

During the year an aggregate amount of ₹ 34 lakh was paid to the Non-Executive Directors as Sitting Fees for attending the Board Meetings as stated below:

- Mr. G. Chellakrishna, Mrs. Sashikala Srikanth, Mr. Govindarajan Dattatreyan Sharma and Mr. Thanjavur Kanakaraj Arun ₹ 5 lakh each
- Mr. Ashwin C Muthiah and Lt. Col (Retd.) Chatapuram Swaminathan Shankar ₹ 4 lakh each
- Dr. N. Sundaradevan, IAS (Retd.) ₹ 3 lakh
- Dr. Aneesh Sekhar S, IAS ₹ 2 lakh - paid to TIDCO
- Brig (Retd.) Harish Chandra Chawla ₹ 1 lakh

c. No Employee Stock Option has been offered by the Company to any of the directors.

6. Stakeholders' Relationship Committee

i. Chairman and Compliance Officer

As on 31st March 2020, the Committee comprised of Mr. Ashwin C Muthiah, Chairman, Mr. Govindarajan Dattatreyan Sharma, Dr. K.P. Karthikeyan, IAS and Mr. Muthukrishnan Ravi as Members. Mr. R Kothandaraman, Company Secretary is the Compliance Officer. The Committee met four times during the year on

20th May 2019, 06th August 2019, 12th November 2019 and 11th February 2020. The details of the attendance of the Members at the Meetings are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. Ashwin C Muthiah	Full year	Four	Four
Mr. Govindarajan Dattatreyan Sharma	Full year	Four	Four
Dr. K.P. Karthikeyan, IAS	From 02.03.2020	NA	NA
Mr. Muthukrishnan Ravi	Full year	Four	Four
Mr. C Subash Chandra Bose	Upto 20.05.2019	One	One
Dr. Aneesh Sekhar. S, IAS #	From 20.05.2019 to 26.02.2020	Three	One

inducted as a member of the Committee at the Board Meeting held after the meeting of the Stakeholders' Relationship Committee on 20.05.2019.

ii. Details of complaints received and pending

As per the information provided by the RTA there was one pending complaint as at the beginning of the year. During the year 23 complaints were received. All the complaints including the 1 pending at the beginning of the year were redressed by the Company/RTA to the satisfaction of the shareholders. There were no pending complaints as at the year end.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
31st	2017	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	25.07.2017	10.30 AM
32nd	2018		06.08.2018	10.00 AM
33rd	2019		05.08.2019	10.00 AM

ii. Special Resolutions:

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

Date of AGM	Subject
25.07.2017	(a) Approving the reappointment of Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years with effect from 29th July 2017. (b) Approving the appointment and payment of remuneration to Mr. C Subash Chandra Bose as Whole-time Director (Works) for a period of three years with effect from 28th May 2017.
06.08.2018	Approving the increase in remuneration to Mr. C Subash Chandra Bose, Whole-time Director (Works) with effect from 1st April 2018.
05.08.2019	Approving the appointments of Mr. G. Chellakrishna, (DIN: 01036398) and Ms. Sashikala Srikanth, (DIN: 01678374) as Independent Directors of the Company for a second term of 5 years from 13th August 2019.

iii. Passing of Special Resolution by Postal Ballot:

During the year 2019-20, the Company passed a special resolution through postal ballot for approval of increase in remuneration to the Wholetime Director from 1st April 2019 with the assent of 99.966% of valid votes, 0.034% dissent votes. B. Chandra & Associates, Practising Company Secretaries, Chennai were the scrutinizers appointed for the Postal Ballot process. The same was completed on 7th May 2019 and the result declared on 9th May 2019.

8. Means of communication

As stipulated under Regulation 33 read with Regulation 47, the Quarterly and Annual 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 for the year 2020

The thirty fourth AGM of the Company is scheduled to be held on 16th September 2020 at 2.00 PM [IST] through Video Conferencing (VC)/Other Audit Visual Means (OAVM). For further information please refer the Notice of AGM.

ii. Financial year

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

iii. Dividend payment date

Dividend for the year 2019-20 will be paid on 12th October 2020 subject to declaration at the ensuing AGM.

iv. Listing Details and Stock Code

NAME AND ADDRESS OF EXCHANGE	STOCK CODE
BSE Limited (BSE) 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 2020-21 have been paid to the aforesaid exchanges.

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

Month & Year	NSE				BSE			
	Share Price (₹)		Nifty 50		Share Price (₹)		Sensex	
	High	Low	High	Low	High	Low	High	Low
2019 April	28.45	25.40	11,856.15	11,549.10	28.35	25.20	39,487.45	38,460.25
May	27.00	22.50	12,041.15	11,108.30	27.10	22.60	40,124.96	36,956.10
June	26.20	21.75	12,103.05	11,625.10	26.00	22.05	40,312.07	38,870.96
July	23.75	19.10	11,981.75	10,999.40	23.45	19.05	40,032.41	37,128.26
August	20.05	16.00	11,181.45	10,637.15	21.00	16.10	37,807.55	36,102.35
September	22.45	17.10	11,694.85	10,670.25	22.45	17.20	39,441.12	35,987.80
October	20.75	16.75	11,945.00	11,090.15	20.60	16.80	40,392.22	37,415.83
November	18.85	16.25	12,158.80	11,802.65	18.80	16.00	41,163.79	40,014.23
December	19.80	15.50	12,293.90	11,832.30	19.80	15.55	41,809.96	40,135.37
2020 January	25.50	18.25	12,430.50	11,929.60	25.45	17.95	42,273.87	40,476.55
February	21.90	16.10	12,246.70	11,175.05	21.80	16.10	41,709.30	38,219.97
March	16.00	7.95	11,433.00	7,511.10	16.90	8.00	39,083.17	25,638.90

vi. Registrars and Share Transfer Agent:

All share registry work in respect of both physical and demat segments are handled by a single common agency 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., are approved by the Managing Director / Whole-time Director (Works) / Company Secretary and the details are placed before the Stakeholders' Relationship Committee and the Board.

Pursuant to proviso to Regulation 40 (1) of the Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names would not be processed by the Company in physical form.

viii. Distribution of shareholding as on March 31, 2020:

Range of Shares		Holders		Shares	
From	**To**	**No**	**%**	**No**	**%**
1	100	19,024	18.46	9,66,715	0.56
101	500	61,988	60.14	1,48,44,535	8.63
501	1000	10,971	10.64	87,97,456	5.12
1001	2000	5,143	4.99	79,15,500	4.60
2001	3000	1,917	1.86	50,14,010	2.92
3001	4000	889	0.86	32,23,088	1.87
4001	5000	799	0.78	37,85,495	2.20
5001	10000	1,323	1.28	99,31,841	5.77
10001	& above	1,019	0.99	11,75,20,589	68.33
Total		**1,03,073**	**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, 2020, 16,41,49,318 shares were held in dematerialized form, representing about 95.44% 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 conflict 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 https://www.manalipetro.com/wp-content/uploads/2016/08/MATERIAL-SUBSIDIARY-2019-WEB.pdf.

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.

vii. Mrs. B Chandra, Practicing Company Secretary has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

viii. During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ix. There were no payments to the Statutory Auditor or other entities in the network firm/network entity of which the statutory auditor is a part by the Company or its subsidiaries, other than the audit fee and other payments as disclosed 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 Codes of Conduct.

Chennai
5th August 2020

Muthukrishnan Ravi
Managing Director

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To: The Members of Manali Petrochemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Manali Petrochemicals Limited, for the year ended on 31st March, 2020, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2019 to 31st March 2020, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 5th August 2020
Place: Chennai

B.CHANDRA
Practising Company Secretary
Membership No. 20879
Certificate of Practice No. 7859
UDIN: A020879B000550111

Annexure B

SECRETARIAL AUDIT REPORT FOR THE YEAR 2019-20

To
The Members,
Manali Petrochemicals Limited,
SPIC House 88, Old No. 97,
Mount Road, Guindy,
Chennai – 600 032

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate, also taking into account the peculiar circumstances leading to the national lockdown imposed by the Government of India due to the pandemic, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 5th August 2020
Place: Chennai

B.CHANDRA
Practising Company Secretary
Membership No. 20879
Certificate of Practice No. 7859

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
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 31.03.2020, 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 31.03.2020, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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;

   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.

   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 under:

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;

   b. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

   d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

(vi) In addition to the compliance with laws applicable to Factories and labour laws pertaining to the same, 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 (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 following industry specific statutes and the rules made there under to the extent it is applicable to them:

Factories Act, 1948 and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989; Drugs and Cosmetics Act, 1940; The Environmental Impact Assessment Notification, 2006; Explosives Act, 1884; The Environment (Protection) Act, 1986; The Water (Prevention and Control of Pollution) Act, 1974 and The Air (Prevention and Control of Pollution) Act, 1981

In addition to the above the following acts with respect to establishing a factory and labour laws have also been complied with:

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; Workmen's Compensation Act 1923; The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959; Tamil Nadu Labour Welfare Fund Act, 1972; Tamil Nadu Shops and Establishment Act, 1947; Tamil Nadu Industrial Establishments (National, festival and special holidays) Act, 1958; Conferment of Permanent Status Act, 1981; The Tamil Nadu Panchayats Act, 1994; The Legal Metrology Act, 2009; Industries (Development & Regulation) Act, 1951; Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003; The Electricity Act, 2003; The Energy Conservation Act, 2001; The Public Liability Insurance Act, 1991; The Sexual Harassment 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 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.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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.

B. CHANDRA
Practising Company Secretary
Membership No. 20879
Certificate of Practice No. 7859
UDIN: A020879B000550034

Date: 5th August 2020
Place: Chennai

Annexure C

DISCLOSURE 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 are as below:

Name	Designation	Rem. ₹ Lakh	Qualification	Exp. Yrs	DOJ	Age	Last Employment
Anis Tyebali Hyderi	Chief Financial Officer	65.39	B.Com, ACA, AICWA	24	07.04.2014	45	CFO, Switz International, Middle East
C. Subash Chandra Bose	WTD (Works)	59.75	B. Tech	24	01.01.1995	45	-
R Kothandaraman	Company Secretary	54.62	M.Com. ACS	37	03.11.2010	56	Company Secretary, TIDEL Park Limited
B Sekar	DGM (Purchase)	37.84	B.E.	29	01.06.2014	48	Head (SC & Plng.), Boshik India Pvt. Ltd.
T Thangasagaran	DGM (Operations)	27.28	M.Tech	26	04.11.1996	51	Asst. Engineer, Tirumalai Chemicals Ltd.
Krishnendu Ghosh $	Sr. Manager (Mktg)	26.53	B. Tech	18	04.12.2017	42	Technical Sales Manager, Chemtura Specialties India Pvt Ltd.
R Palaniappan	DGM (Mktg)	24.39	B.A. MBA	29	15.04.1991	52	-
T Muthukumarasamy	DGM (Maintenance)	21.92	B. Tech	28	06.03.1997	55	TANFAC Industries Limited
T Balaguru	AGM (Safety)	20.21	Dip. In Ind. Safety	37	21.07.1990	58	Madras Petrochem Ltd.
E Venkatasubramaniyan $	GM (Marketing)	19.79	B.Sc., B. Tech, PGDM	24	07.08.2018	46	Manager – Project & Business Support Covestro (I) Pvt Ltd.

$ Employed for part of the year

1. The above employments 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 except Mr. R Palaniappn, who holds 500 shares.
3. The remuneration shown above includes contributions to Provident and other Funds.

For and on behalf of the Board

Chennai
5th August 2020

M Karthikeyan
DIN:08747186
WTD (Operations)

Muthukrishnan Ravi
DIN: 03605222
Managing Director

Annexure D

PARTICULARS AS REQUIRED UNDER RULE 3 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH 2020

The Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as prescribed under Section 134 (3) (m) of the Companies Act, 2013, are furnished below for the year ended 31st March 2020, to the extent applicable:

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

- ✓ New ejector system for Polyol in Plant 1 commissioned in November 2019 with annual savings of 150 KL of fuel
- ✓ Low pressure condensate vessel for DM water heat recovery in PG facilities in Plant 1 commissioned in November 2019 with potential for annual saving of ₹ 70 lakh
- ✓ Installation of heat recovery exchanger in Plant 1 & 2 completed in November 2019 and January 2020 respectively with savings potential of 80 KL of fuel oil annually.

ii) Steps taken for utilizing alternate sources of energy

During the year LNG supplies commenced for Plant 1 and has been stabilized. So, use of furnace oil at this Plant has been stopped. Supplies to Plant 2 are expected to commence in the last quarter of FY 2020-21. Pending this, low viscose, low sulphur fuel oil is used at this Plant to meet the environmental norms, which incidentally is also energy efficient.

The Company commissioned a biomass based Captive Power Plant during the year 2008, 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 2. Though the Company took various steps to use alternate fuel, the cost of power/steam from the Unit had been spiraling and became comparatively uneconomical due to fall in oil prices. Hence, the CPP was shut down in December 2014. The wood prices continued to be high with no assurance on consistent supply due to consumption of the bio mass in paper industries. On account of prolonged shutdown, for restart the Unit needed to be refurbished, cost of which was prohibitive. Further certain environmental issues are faced in disposal of the fly ash. Also with the LNG supplies expected to commence in FY 2020-21 for Plant 2, it has been decided to close down the CPP permanently. Accordingly some of the assets have been transferred to Plant 2 and some have been impaired. A majority of the assets have been retained to explore the possibility of using them for LNG.

iii) Capital investment in conservation of energy

Project for installing a Vapor Absorption Machine (VAM) which will reduce the power consumption by about 75,000 units annually is in progress and expected to be completed during FY 2020-21.

B) Technology Absorption

i) Efforts made in technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution

Technology for manufacture has already been fully absorbed at the time of setting up the plant in the initial years for manufacture of Propylene Oxide, Propylene Glycol and Polyols. In the recent past, no new technology was imported by the Company for these operations.

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.

During the year 2018-19, the Company received and put to use technology for manufacture of Cast Elastomers from Notedome India Limited, the Step Down Subsidiary. Initially about 7 products were introduced and would be expanded in due course based on market conditions and customer requirements. MPL from FY 2019-20 pays royalty to Notedome for these services.

ii) Expenditure on Research & Development

A sum of ₹ 227.11 lakh was spent as recurring expenditure for R & D during the year 2019-20 and there was no capital spend during the year.

C) Foreign Exchange Earnings and outgo:

During the year 2019-20 actual inflow of Foreign Exchange was ₹ 429.23 lakh against actual out flow of ₹ 8,747.15 lakh.

For and on behalf of the Board

	M Karthikeyan	Muthukrishnan Ravi
Chennai	DIN:08747186	DIN: 03605222
5th August 2020	**WTD (Operations)**	**Managing Director**

Annexure E

EXTRACT OF THE ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2020

[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.: 28460390/394/718/1832, Fax 28460129 E-mail: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company are as below:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyols	20131	60%
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 subsidiaries 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)
AMCHEM Speciality Chemicals UK Limited Avery House, 8, Avery Hill Road, London, United Kingdom	Subsidiary (WOS of AMCHEM, Singapore)	NIL	Explanation (a) to Section 2(87)
Notedome Limited 34 Herald Way Binley Industrial Estate Coventry, CV3 2RQ	Subsidiary (WOS of AMCHEM, UK)	NIL	Explanation (a) to Section 2(87)

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 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change to total equity
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters 1) **Indian**									
a)Individual/ HUF	13,648	13,648	13,648	0.01	13,648	NIL	13,648	0.01	NIL
b) Bodies Corporate	6,58,56,053	6,58,56,053	6,58,56,053	38.29	6,58,56,053	NIL	6,58,56,053	38.29	NIL
c) Banks/FI	1,12,12,500	1,12,12,500	1,12,12,500	6.52	1,12,12,500	NIL	1,12,12,500	6.52	NIL
Total shareholding of Promoter	7,70,82,201	7,70,82,201	7,70,82,201	44.82	7,70,82,201	NIL	7,70,82,201	44.82	NIL
B. **Public Shareholding**									
1. Institutions a) Mutual Funds	17,850	1,65,900	1,83,750	0.11	17,850	1,65,900	1,83,750	0.11	NIL
b) Banks/FI	4,26,015	17,100	4,43,115	0.26	3,23,397	16,950	3,40,347	0.20	-0.06
c) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) FPI (Corporate Category II)	28,63,541	NIL	28,63,541	1.66	NIL	NIL	NIL	NIL	-1.66
e) FPI(Corporate Category III)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1):-	33,07,406	1,83,000	34,90,406	2.03	3,41,247	1,82,850	5,24,097	0.30	-1.72
2. Non- Institutions									
a) Bodies Corp.	64,78,854	1,81,500	66,60,354	3.87	61,26,902	1,78,050	63,04,952	3.67	-0.21
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4,78,69,340	77,85,826	5,56,55,166	32.36	4,91,90,547	70,87,386	5,62,77,933	32.72	0.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,52,64,230	1,02,210	1,53,66,440	8.93	1,63,77,797	74,910	1,64,52,707	9.57	0.63
c) Others	1,33,71,447	3,73,215	1,37,44,662	7.99	1,49,45,574	3,26,715	1,52,72,289	8.88	0.89
Sub-total (B) (2)	8,29,83,871	84,42,751	9,14,26,622	53.16	8,66,40,820	76,67,061	9,43,07,881	54.83	1.68
Total Public shareholding (B)=(B)(1)+ (B)(2)	8,62,91,277	86,25,751	9,49,17,028	55.18	8,69,82,067	78,49,911	9,48,31,978	55.14	-0.05
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	16,33,73,478	86,25,751	17,19,99,229	100	16,41,49,318	78,49,911	17,19,99,229	100	NIL

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% 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	1,12,12,500	6.52	NIL	1,12,12,500	6.52	NIL	NIL
2	Southern Petrochemical Industries Corporation Limited	10,000	0.01	NIL	10,000	0.01	NIL	NIL
3	SIDD Life Sciences Private Limited	6,58,46,053	38.28	NIL	6,58,46,053	38.28	NIL	NIL
4	Ashwin C Muthiah	13,648	0.008	NIL	13,648	0.008	NIL	NIL
5	Ranford Investments Limited	85,050	0.049	NIL	85,050	0.049	NIL	NIL
	Total	**7,71,67,251**	**44.87**	**NIL**	**7,71,67,251**	**44.87**	**NIL**	**NIL**

(iii) There were no changes in the shareholding of the Promoters, except for regrouping of the shareholder under Sl. No. 5 from Public based on declaration of significant beneficial interest received 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 01.04.2019)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2020)	
	Date wise Increase/Decrease in Shareholding during the year	No. of shares	%	No. of shares	%	No. of shares	%
1	Arial Holdings 1	22,60,000	1.31				
	Sale 13-Dec-2019	-22,60,000	-1.31	0	0	0	0
2	IL And FS Securities Services Limited	4,22,061	0.25				
	Sale 05-Apr-2019	-3,26,584	-0.19	95,477	0.06		
	Sale 12-Apr-2019	-22,161	-0.01	73,316	0.05		
	Sale 17-May-2019	-11,573	-0.01	61,743	0.04		
	Sale 07-Jun-2019	-9,291	-0.01	52,452	0.03		
	Sale 21-Jun-2019	-8,563	-0.01	43,887	0.02		
	Sale 05-Jul-2019	-1,147	-0.00	42,740	0.02		
	Sale 12-Jul-2019	-27,710	-0.01	15,030	0.01		
	Sale 26-Jul-2019	-15,030	-0.01	0	0	0	0
3	Gaurav Manocha	3,59,625	0.21				
	Sale 27-Dec-2019	-2,15,000	-0.13	1,44,625	0.08		
	Purchase 31-Dec-2019	2,15,000	0.13	3,59,625	0.21		
	Sale 10-Jan-2020	-3,59,625	-0.21	0	0	0	0
4	Edelweiss Custodial Services Limited	2,98,517	0.17				
	Purchase 05-Apr-2019	5,766	0.00	3,04,283	0.18		
	Purchase 12-Apr-2019	43,572	0.03	3,47,855	0.20		
	Purchase 19-Apr-2019	1,97,175	0.11	5,45,030	0.32		
	Sale 19-Apr-2019	-1,98,322	-0.12	3,46,708	0.20		
	Purchase 26-Apr-2019	24,461	0.01	3,71,169	0.22		
	Sale 03-May-2019	-25,951	-0.02	3,45,218	0.20		
	Sale 10-May-2019	-36,463	-0.02	3,08,755	0.18		
	Sale 17-May-2019	-3,360	-0.00	3,05,395	0.18		
	Purchase 24-May-2019	345	0.00	3,05,740	0.18		
	Purchase 31-May-2019	5,380	0.00	3,11,120	0.18		
	Sale 31-May-2019	-11,573	-0.01	2,99,547	0.17		
	Sale 07-Jun-2019	-213	-0.00	2,99,334	0.17		
	Sale 14-Jun-2019	-1,436	-0.00	2,97,898	0.17		
	Sale 21-Jun-2019	-3,489	-0.00	2,94,409	0.17		
	Purchase 28-Jun-2019	19,063	0.01	3,13,472	0.18		
	Sale 28-Jun-2019	-9,291	-0.01	3,04,181	0.18		
	Sale 29-Jun-2019	-600	-0.00	3,03,581	0.18		
	Sale 05-Jul-2019	-2,640	-0.00	3,00,941	0.17		
	Sale 12-Jul-2019	-2,297	-0.00	2,98,644	0.17		
	Sale 19-Jul-2019	-1,600	-0.00	2,97,044	0.17		
	Sale 26-Jul-2019	-10,123	-0.01	2,86,921	0.17		
	Sale 31-Jul-2019	-700	-0.00	2,86,221	0.17		
	Sale 02-Aug-2019	-6,334	-0.00	2,79,887	0.16		
	Sale 09-Aug-2019	-8,501	-0.01	2,71,386	0.16		
	Purchase 16-Aug-2019	6,528	0.00	2,77,914	0.16		
	Sale 23-Aug-2019	-959	-0.00	2,76,955	0.16		
	Sale 30-Aug-2019	-10,614	-0.01	2,66,341	0.16		
	Purchase 06-Sep-2019	8,198	0.01	2,74,539	0.16		
	Sale 06-Sep-2019	-8,181	-0.01	2,66,358	0.15		
	Sale 13-Sep-2019	-32,109	-0.02	2,34,249	0.14		
	Purchase 20-Sep-2019	1,611	0.00	2,35,860	0.14		
	Sale 27-Sep-2019	-2,01,301	-0.12	34,559	0.02		
	Sale 04-Oct-2019	-2,717	-0.00	31,842	0.02		
	Sale 15-Nov-2019	-398	-0.00	31,444	0.02		
	Purchase 07-Feb-2020	11,840	0.01	43,284	0.03	43,284	0.03
5	Joydeep Chatterjee	3,11,293	0.18			3,11,293	0.18
6	Lincoln P. Coelho	3,00,000	0.17			3,00,000	0.17
7	Mehul Shah	2,00,000	0.12			2,00,000	0.12
8	Leela Devi Jaju	1,94,886	0.11			1,94,886	0.11

Sl. No.	Name of the Shareholder / Date wise Increase/Decrease in Shareholding during the year	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2020)	
		No. of shares	%	No. of shares	%	No. of shares	%
9	Anand Rathi Global Finance Limited	4,19,948	0.24				
	Purchase 31-Jul-2019	1,51,052	0.09	5,71,000	0.33		
	Sale 09-Aug-2019	-5,71,000	-0.33	0	0	0	0
10	Sanjay Amilal Shah	3,60,000	0.21				
	Purchase 12-Jul-2019	20,000	0.01	3,80,000	0.22	3,80,000	0.22
11	Artico Sicav – Artico Global Small Cap	3,28,664	0.19				
	Sale 06-Sep-2019	-38,025	-0.02	2,90,639	0.17		
	Sale 13-Sep-2019	-1,58,156	-0.09	1,32,513	0.08		
	Sale 20-Sep-2019	-42,723	-0.03	89,790	0.05		
	Sale 22- No.2019	-56,977	-0.03	32,813	0.02		
	Sale 29-Nov-2019	-32,813	-0.02	0	0	0	0
12	Sunil Kumar Wadhwa	3,02,500	0.18				
	Purchase 24-May-2019	10,000	0.01	3,12,500	0.18		
	Purchase 31-May-2019	28,000	0.02	3,40,500	0.20		
	Sale 13-Dec-2019	-3,40,500	-0.20	0	0		
	Purchase 13-Dec-2019	3,40,500	0.20	3,40,500	0.20		
	Purchase 20-Dec-2019	29,000	0.02	3,69,500	0.22	3,69,500	0.22
13	Mercantile Ventures Limited	2,550	0.00				
	Purchase 31-May-2019	1,500	0.00	4,050	0.00		
	Purchase 13-Dec-2019	19,33,760	1.12	19,37,810	1.12		
	Purchase 20-Dec-2019	5,60,000	0.33	24,97,810	1.45	24,97,810	1.45
14	Mohammed Irfanali Baig	1,00,000	0.06				
	Purchase 05-Apr-2019	1,00,000	0.06	2,00,000	0.12		
	Purchase 12-Apr-2019	66,340	0.04	2,66,340	0.16		
	Purchase 19-Apr-2019	83,651	0.04	3,49,991	0.20		
	Purchase 26-Apr-2019	16,096	0.01	3,66,087	0.21		
	Purchase 03-May-2019	33,913	0.02	4,00,000	0.23		
	Purchase 12-Jul-2019	9,847	0.01	4,09,847	0.24		
	Purchase 19-Jul-2019	40,153	0.02	4,50,000	0.26		
	Purchase 13-Dec-2019	25,000	0.02	4,75,000	0.28	4,75,000	0.28
15	Ashish Jain	3,00,000	0.17				
	Sale 03-May-2019	-2,60,000	-0.15	40,000	0.02		
	Sale 10-May-2019	-40,000	-0.02	0	0		
	Purchase 27-Sep-2019	3,00,000	0.17	3,00,000	0.17		
	Sale 13-Mar-2020	-3,00,000	-0.17	0	0		
	Purchase 20-Mar-2020	3,00,000	0.17	3,00,000	0.17	3,00,000	0.17
16	Kaushik Mahendra Kumar	2,78,190	0.16	2,78,190	0.16	2,78,190	0.16

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2020)	
		No. of shares	%	No. of shares	%	No. of shares	%
01	Ashwin C Muthiah	13,648	<0.01	13,648	<0.01	13,648	<0.01

V. INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,437.53	NIL	NIL	1,437.53
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total(i+ii+iii)	1,437.53	NIL	NIL	1,437.53
Change in Indebtedness during the financial year				
Net Change				
Increase/(Decrease)	(541.60)	NIL	NIL	(541.60)
Indebtedness at the end of the financial year				
i) Principal Amount	895.93	NIL	NIL	895.93
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	895.93	NIL	NIL	895.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

No remuneration was paid to the Managing Director during the year except for certain perquisites such as vehicle with driver during his visit to India for both official and personal use. He draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore, as its CEO. The remuneration to the Wholetime Directors during the year was ₹ 54.08 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 ₹ 538 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 (₹ 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	51.06	60.68	111.74
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.71	2.18	3.89
	Total	**52.77**	**62.86**	**115.63**

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

M Karthikeyan
DIN:08747186
WTD (Operations)

Muthukrishnan Ravi
DIN: 03605222
Managing Director

Chennai
5th August 2020

Annexure F

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2019-20

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://www.manalipetro.com/wp-content/uploads/2016/08/Corporate-Social-Responsibility-CSR-Policy.pdf

Overview of projects or programmes

The Company has taken up projects for provision of drinking water and sanitation to the downtrodden through AM Foundation, the Section 8 company jointly promoted by MPL with six other corporates for carrying out CSR activities.

2. Composition of the CSR Committee

As on 31st March 2020, the CSR Committee comprised Mr. Ashwin C Muthiah as Chairman and Ms. Sashikala Srikanth and Dr K P Karthikeyan IAS as the other Members. During the year the Committee met four times, viz., on 20th May 2019, 6th August 2019, 12th November 2019 and 11th February 2020. Mr. Ashwin C Muthiah and Ms. Sashikala attended all the meetings. There were no meetings held after appointment of Dr K P Karthikeyan IAS as a Member of the Committee on 2nd March 2020. Mr. G D Sharma, who was a Member of the Committee till 20th May 2019, attended the meeting held on the said day. Dr Aneesh Sekhar, IAS, who was Member of the Committee from 20th May 2019 to 26th February 2020 attended two of the three meetings held after his appointment to the Committee.

3. Average net profit of the Company for the last three financial years : ₹ 8,404.72 lakh

4. Prescribed CSR Expenditure : 2% of the above

5. Details of CSR Spent during the financial year:

Against the total amount of ₹ 168.09 lakh to be spent during the year the actual amount spent was ₹ 178.05 lakh and so there was no amount unspent relating to the year 2019-20.

Manner of spending the amount as below:

a. Provision of drinking water at 3 villages

The Company has taken up a project for provision of drinking water facilities in the three villages viz., Sirungavur, Sirungavur Ambedkar Nagar, and Singlimedu, in Vilangadupakkam Panchayat of Tiruvallur District, near Manali. The proposal is being implemented through AM Foundation. The Foundation has retained IIT, Madras for advising on the execution of the proposal, in stages. As a first step a detailed survey was carried out by IIT, M to assess the water needs of the said villages. Based on its findings, further actions have been taken and IIT, M has identified the water resources and location for treatment plant, pumping etc. The design of the treatment units and conveyance from the source for treatment have been finalized and detailed engineering is in progress. The Revenue Department allotted land for locating the treatment plant and bore-wells. However the Animal Husbandry Department has raised objections stating that the land is meant for cattle grazing and has sought allotment of alternate land twice the extent provided by the Revenue Department.

Revenue Department has expressed its inability to allot alternate land due to non-availability. The matter has been taken up with the District Collector and his decision is awaited. However, there has been no actions by the concerned authorities to provide the land and hence the project has been put on hold. MPL has so far paid about ₹ 55 lakh to the Foundation to meet the survey and other expenses.

b. Provision of toilets at individual households

The Company took up project for provision of latrines at individual households in Tiruvottiyur area, near the factories. Out of the proposed 250 units 192 have been completed for which ₹ 45.65 lakh has been disbursed. Chennai Corporation did not provide further list of beneficiaries and hence the project has been closed.

In addition to the above 56 households were proposed to be covered in Tiruvallur District at a cost of about ₹ 13.25 lakh. Since the concerned authorities did not sign the MOU nor provided the list of beneficiaries, the project has been dropped.

c. Sanitation and Drinking water facilities at schools

The Board approved ₹ 6.21 crore for provision of sanitation and drinking water facilities in about 30 schools in and around the Manali area. Of these work have been completed in about 10 schools and in progress in about 15 schools. Approvals are pending for the remaining and so the projects are yet to commence. The total amount spent during the year 2019-20 was ₹ 1.71 crore out of the total of ₹ 3.71 crore since the year 2018-19.

d. Primary Health Care Clinic

Board has approved the proposal for setting up a Primary Health Care Clinic for the benefit of the poor people living near the Plants. This will have a Medical Officer and para medical staff for consultation and first aid. Treatment and medicines would be provided to outpatients and those requiring further treatment would be referred to suitable hospitals. During the year the premises has been identified and modification work commenced, but delayed due to lockdown. The facility is expected to start functioning during the year 2020-21.

e. Scholarship to students

MPL paid scholarship of ₹ 2.10 lakh to 30 meritorious, economically backward students studying in public schools, based on the recommendations of the Chennai Corporation Education Department.

6. Reasons for amount not spent

During the year the Company has spent over and above its CSR obligations for the year.

As informed in the earlier reports, 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 projects. The projects, by nature take a longer time to implement, mainly due to the steps involved in getting approvals from the various departments of the Government.

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**

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR 2019-20

[As per Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24294TN1986PLC013087
2. Name of the Company	Manali Petrochemicals Limited
3. Registered address	SPIC House, 88 Mount Road, Guindy, Chennai 600 032.
4. Website	www.manalipetro.com
5. E-mail id	companysecretary@manalipetro.com
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Petrochemicals
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Propylene Oxide Propylene Glycol Polyols
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations	NIL
(b) Number of National Locations	Two, both in Manali, Chennai.
10. Markets served by the Company – Local/ State/National/International	Mainly national Very few exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	86.03 crore
2. Total Turnover (INR)	676.64 crore
3. Total profit after taxes (INR)	38.64 crore
4. Total Spending on Corporate Social Responsibility (CSR) INR & as percentage of profit after tax (%)	1.78 crore – 4.61%
5. List of activities in which expenditure in 4 above has been incurred:-	(a) Provision of sanitation and drinking water facilities in schools. (b) Drinking water project for 3 villages (c) Scholarship to poor students.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	There are no Indian subsidiaries and the following are the foreign subsidiaries: a. AMCHEM Speciality Chemicals Private Limited, Singapore b. AMCHEM Speciality Chemicals UK Limited, UK c. Notedome Limited, UK Of the above (a) is the direct subsidiary of the Company and the other two are Step Down Subsidiaries
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries follow the BR activities to the extent applicable in their respective countries
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Suppliers and customers may be following their own BR policies. At present no other entities with whom the Company has business relations participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR	
(a) Details of the Director/Director responsible for implementation of the BR policy/policies	
1. DIN Number	03605222
2. Name	Muthukrishnan Ravi
3. Designation	Managing Director
(b) Details of the BR head	
1. DIN Number	06586982
2. Name	C Subash Chandra Bose
3. Designation	Wholetime Director (Works)
4. Telephone number	044-25941025
5. e-mail id	cscbose@manalipetro.com

2. Principle-wise (as per NVGs) BR Policy/policies

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
3	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
		All the policies of the Company are based on applicable laws, rules, regulations and guidelines applicable to the business of the Company. These take into account the other directives of the Central and State Governments, as may be applicable. Further, the Company an ISO 14001 and ISO 9001 certified, by Det Norske Veritas for Environmental Management System and Quality Management System, respectively. The policies, wherever relevant, also adhere to the above.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
6	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	N/A	-	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? The policies are reviewed through internal mechanisms	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

In respect of Sl. No. 7, the Company believes that the public and regulatory policies are framed by the governments for the common good of the people at large and so it is not inclined to influence the same for its benefits. In case of any difficulties, the Company approaches the concerned authorities for relief, either directly or through the trade bodies/associations, of which it is a Member. Hence no policy is proposed for the same.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Board has authorized the Managing Director (who is the CEO of the Company) to oversee the BR process, including framing of the policies, appointment of BR Head, periodical assessment of the performance, etc. Since the BRR has become applicable only from the year 2019-20, based on the market capitalization of the Company as at the end of the year, during the year there was no specific review of the BR performance, though the related policies and processes were being assessed in the normal course.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first year of Business Responsibility Reporting by the Company and the same would be available in the Annual Report for the year 2019-20 and can be downloaded from the website of the Company under the Menu Investors in the link https://manalipetro.com/financial-results/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

   Yes. The policy/guidelines relating to ethical behaviour applies to the Company and its subsidiaries. Company has also requested its other stakeholders to adhere to its policies in this regard

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the year there were no complaints received on any unethical incident, bribery, corruption, etc.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Propylene Oxide, (b) Polyols and (c) Propylene Glycol

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   During the year the Company has switched to tertiary treated water for its process, bringing down the use of fresh water substantially. Also in Plant 1 for steam production LNG is used, instead of furnace oil. For Plant 2 actions have been taken for use of LNG and pending this, in spite of higher cost, low viscosity-low sulphur furnace oil is used, to control stack emission. The details of other energy conservation measures are given in Annexure D to the Report of the Directors for the year 2019-20.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes. The major raw materials are propylene, chlorine and quick lime and are sourced in bulk. Of these quick lime is imported due to quality requirements and the other two are from local sources. The manufacturing Plants of the Company are located near these sources and supplies are through pipelines for Plant 1. For Plant 2 propylene alone is obtained through pipeline and chlorine in tonners.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes.

   ✓ Workmen in and around Manali are engaged in the Plants

   ✓ Printing, binding and other related requirements are sourced from the small units in and around Manali.

- ✓ For construction related activities local service providers are engaged.
- ✓ Most of the other vendors and service providers are in the MSME segment

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   This being a chemical processing plant, all the co-generated products are sold for value in the market. The major waste generated is spent lime which is disposed off to brick units, land filling etc. The foam wastes are sent to cement plants for co-processing.

Principle 3

1. Please indicate the total number of employees –

   As on 31st March 2020, there were 275 employees on the rolls of the Company at different locations excluding Trainees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   The Company does not directly employ temporary/ casual employees. However, work are awarded to external firms who engage manpower for their requirement.

3. Please indicate the Number of permanent women employees - Five
4. Please indicate the Number of permanent employees with disabilities - Two
5. Do you have an employee association that is recognized by Management: Yes
6. What percentage of your permanent employees is members of this recognized employee association? - About 19%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   There were no complains relating to child labour, forced labour, involuntary labour, sexual harassment, etc. during the year.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	61%
(b)	Permanent Women Employees	20%
(c)	Casual/Temporary/Contractual Employees	81%
(d)	Employees with Disabilities	-

Principle 4

1. Has the company mapped its internal and external stakeholders?

   Yes. These include Government and regulatory authorities, Shareholders, Vendors, Customers, Employees, public living near the Plants, Contractors and their personnel.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

   The inhabitants in and around the factory area are mostly downtrodden without access to even basic amenities and so are deemed to be marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company, through its CSR initiatives has taken up various projects for provision of drinking water and sanitation facilities at the individual households and also in the public schools run by the Government/Local Bodies, in which mostly the wards of the disadvantaged study. Scholarship is also given to meritorious students of such schools. Further a project for setting up a Primary Health Care Clinic is being implemented at which preliminary medical treatment and first aid would be provided.

   In addition to the above the Company during calamities provides food packs, dry rations, etc. to the needy.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company is aware of the human rights envisaged in the Constitution and other rules and regulations. The various policies of the Company are aligned to these and practiced in letter and spirit. Though these policies are internal, the Company expects that all the stakeholders would adhere to the basic principles. The Company provides opportunity to all the stakeholders to express their difficulties and takes steps to address the genuine issues.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No stakeholder complaints relating to human rights were received during the year under review.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

   The Company attaches utmost importance to environmental issues, which are to be followed universally by all stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   The Company takes part in addressing the environmental issues to the extent applicable to its operations.

   - ✓ World Environment Day is celebrated with vim and vigour and various programmes are conducted to create awareness among the employees.
   - ✓ Personnel engaged by the third party service providers are also encouraged to take part in the events so that they too gain knowledge on these.
   - ✓ Green initiatives are taken to avoid waste of energy, water, etc.
   - ✓ Green belt development is done in and around the Plant.
   - ✓ The Company has reduced the use of fresh water to almost NIL for industrial purposes and instead uses the secondary and tertiary treated water and also the waste water from nearby plants.
   - ✓ Various energy conservation measures, as described in the Directors' Report under Annexure D are taken.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. MPL is conscious of its responsibility towards environment and sustainable developments. Being a chemical process industry, it is keen to ensure that its operations are eco-friendly and as explained above has taken various steps to preserve the nature. For example all the water, a very scarce resource, is recycled to the maximum extent possible, and possibilities for further reduction in use of water are explored.

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

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   During the year, the Company participated in phasing out the use of HCFC, an ozone depleting chemical as blowing agent and introduced an alternate eco-friendly chemical. The schedules fixed by the Ozone Cell of the Ministry of Environment have been duly adhered to and the Company conducted special drives to make the customers aware of the need for the changeover and convinced them to adopt to the new blowing agent, successfully.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Towards clean energy, Company has started using LNG for its Plant 1 operations during the year 2019-20 and is in discussion for extending the supplies to Plant 2 also. Also, the Company uses low viscosity/low sulphur fuel oil in Plant 2 to control emission levels, pending commencement of supply of LNG do the Plant.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The Company complies with the parameters for effluent discharge and emissions. The Effluent Treatment Plants have been upgraded recently to bring down the environmental load further.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   There are no pending show cause or legal notices received from CPCB/TNPCB as at the end of the Financial Year, except for a private petition before the NGT, Southern Bench. Citing the direction of the NGT Principal Bench issued in July 2019 applicable to all over the country, TNPCB has sought payment of interim environmental compensation of ₹ 1 crore for each of the Plants, for which no substantial basis has been attributed. The Company has represented to the TNPCB to withdraw the demand, explaining that the data relied upon by them for the demand are incorrect.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) Confederation of Indian Industries (CII)

   (b) Southern India Chamber of Commerce & Industry (SICCI)

   (c) Manali Industries Association (MIA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   MPL does not participate in any sort of lobbying but only responds to the requests of these associations for opinion on various matters, such as Union Budget, government policies, etc.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   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 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.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

   The projects and programmes are implemented through AM Foundation the Section 8 company jointly promoted by MPL with six other corporates for carrying out CSR activities.

3. Have you done any impact assessment of your initiative?

   No specific exercise has been undertaken, but feedback is collected by the Foundation after the proposals are completed.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken:

The Company has between FY 2016-17 and FY 2019-20 spent ₹ 3.97 crore on various projects, encompassing the following:

a. Provision of drinking water in 3 villages near Manali.

b. Provision of individual household latrines to about 200 beneficiaries under the Swachh Bharat Mission.

c. Provision of drinking water and sanitary facilities to schools run by the Government/ local bodies.

d. Scholarship to poor students.

e. Setting up a Primary Health Care Clinic to meet the basic needs of people living in underdeveloped areas around the Plants.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   For the project relating to provision of drinking water in 3 Villages near Manali AM Fondation engaged Indian Institute of Technology (IIT), Madras to survey the villages and ascertain their requirements.

   In respect of the other proposals, before taking up the Projects, informal surveys are carried out by MPL and AMF Team, so that the projects are truly beneficial to them. Post completion inquiries are made with the beneficiaries and wherever required, support is provided, like maintenance of the facilities provided to the schools.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   The company supplies its products to industrial customers and so has a separate process to handle the customer complaints. The marketing and technical team interact with the customers and resolve the issues at the earliest. As at the yearend there were no complaints pending to be resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   Being industrial inputs all necessary information are shared with the customers, such as test reports, product specs, etc., which are in addition to the information in the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   As stated earlier, being an industrial input supplier, the Company interacts with the customers closely on the product performance and their requirements. The Company also develops new products to suit the customer/community requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Manali Petrochemicals Limited ("the Company"), which comprise the Balance sheet as at 31st March 2020, and the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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, 2020, and its profit and its total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying the audit opinion, attention is invited to

1) a) Note No. 49(a) to the Standalone Financial Statements, which explains the lease relating to the leasehold land on which one of the manufacturing units of the Company is operating has since expired on June 30, 2017 in respect of which requests seeking renewal have been filed by the Company with Govt. of Tamil Nadu, (the Lessor) and the extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Standalone Financial Statements for the year ended March 31, 2020 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management has confirmed that the efforts to obtain the lease extension are continuing and is confident of obtaining the renewal of the lease of the land.

   b) Note no 49(b) to the Standalone Financial Statements, which explains the position of the pendency of renewal of Lease of Land and fixation of lease rent by Government of Tamilnadu in respect of land on which Company's manufacturing plant (unit-II) is operating, in view of which no adjustments have been made in the financial statements for the year and in the opening retained earnings towards any possible impact arising on account of implementation of Ind AS 116 – "Leases" since the same is not ascertainable at this point of time.

   c) Note no 38(i)(a) to the standalone financial statements, which explains the demand notice received from the Tahsildar, Thiruvottiyur demanding payment of ₹ 19,836 Lakhs towards arrears of lease rent. The management based on a legal advice believes that demand for alleged arrears of lease rent is baseless, unsubstantiated, erroneous and is arbitrary and not tenable, accordingly no provision has been considered necessary. Taking into consideration the efforts of the management in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained in the demand notice) and subsequent representations made by the company to Government explaining the unreasonableness and arbitrariness of the demand and also based on pending request seeking revision and withdrawal of the same which is currently pending before Government of Tamilnadu and pending the outcome of representations by the company no adjustments have been made in the Standalone financial Statements.

2) Attention is invited to Note no 50 to the standalone financial statements, which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the below matters described to be the key audit matters to be communicated in our Report.

1) Revenue recognition and discounts:

Key Audit Matter	Auditor's Response
Revenue is measured net of discounts given to the customers on the Company's sales. The estimation towards measurement of discounts given to its customers corresponding to the sales made during the year is material and is considered to be complex and judgmental. ***(Revenue recognition and discounts)*** This is an area of significant judgement and with varying complexity, depending on nature of arrangement which differs from customer to customer. Therefore, there is a risk of revenue being misstated as a result of faulty estimations relating to discounts to its customers	(i) We have assessed the appropriateness of the Company's Revenue recognition accounting policies, including those relating to estimation of discounts given to its customers. (ii) We have tested the effectiveness of the entity's internal controls over calculation of discounts. (iii) We have evaluated the documentation associated with the transactions of sale including credit notes and appropriate approvals for discounts offered to customers from the samples selected, to determine whether revenue was recognised net of discounts in the relevant reporting period. The results of our tests are satisfactory and we considered the estimate of the accrual relating to discounts and the amount of revenue recognised is found to be acceptable on comparing current year discounts accruals to the prior year and, where relevant, completing further inquiries and testing.

2) Evaluation of Contingent Liabilities

Key Audit Matter	Auditor's Response
The Company has contingent liabilities comprising claims against the company not acknowledged as debts and demands from various statutory authorities which are inherent to the normal course of their business, filed by third parties, former employees, and statutory authorities. In general, the settlement of these proceedings takes a long time and involve not only discussions on the matter itself, but also complex process-related aspects, depending on the applicable legislation. Among other things, the aspects used to establish the likelihood of a loss attributed to each proceeding are subjective and the evolution of the jurisprudence over these disputes are not always uniform. In certain litigation and regulatory matters significant judgement is required by the Management to determine if there is a present obligation under relevant accounting standard. The complex nature of the Regulations and jurisprudence make this an ongoing area of Evaluation of Contingent Liabilities judgement, and taking into consideration Management's judgement in assessing the likelihood that the pending claim will succeed, or a liability will arise , time period for resolution have been a matter of significance during the audit and the exposure of each case there is a risk that such cases may not be adequately provided for or disclosed in the standalone financial statements and hence considered as a key audit matter.	Our audit procedures included the following: (i) We have evaluated and tested the procedures and controls relating to the identification, recognition and measurement of provisions for disputes and disclosures in relation to matters concerning the contingent liabilities; (ii) We have considered the list of various orders/notices/ demands received with respect to various litigations from the management; (iii) Reviewed the confirmations obtained by the Company from their legal counsel / consultants on a sample basis and also discussed and analysed material legal cases with the Company's Legal department. We have also analysed the responses obtained from the Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which the status of the cases and possible/expected manner of proceedings were described. (iv) We held discussions with the Management to understand their assessment of the quantification and likelihood of significant exposures and the provision required for specific cases; (v) Assessed the objectivity and competence of the Management and independence of the legal experts; and (vi) Evaluated the Management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the standalone financial statements. (vii) Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters. Based on the procedures stated above we found that the criteria and assumptions adopted by Management for determining the provision for contingent liabilities, as well as the information disclosed relating to contingent liabilities in the financial statements, are appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information as identified above when made available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B".

   g) With respect to the other matters to be included in the Auditor's 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 positions in Note 38(i) to the standalone financial statements.

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

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

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Brahmayya & Co.,**
Chartered Accountants
FRN: 000511S

N Sri Krishna
Partner
Membership No: 026575
UDIN 20026575AAAADO2294

Place: Chennai
Date: June 16, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the Members of Manali Petrochemicals Limited on the Standalone Financial Statements for the year ended March 31, 2020

i. **In respect of company's fixed assets:**

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

b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

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. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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) on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited as on 31 March 2020 on account of disputes are given below:

₹ in Lakhs

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved	Amount unpaid
Central Excise Act, 1944	Excise Duty	High Court of Madras	2007-08	53.39	-
		High Court of Madras	2012-13	380.89	380.89
Customs Tariff Act 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	Various Years	383.08	354.35

₹ in Lakhs

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved	Amount unpaid
Finance Act,1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
TNVAT & CST Acts	Sales Tax	TN Sales Tax Appellate Tribunal	2000-01	10.74	10.74
		TN Sales Tax Appellate Tribunal, Chennai	2008-09	6.06	6.06
		TN Sales Tax Appellate Tribunal, Chennai	2008-09	10.76	10.76
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	**Assessment Year**		
			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)	2010-11	29.13	29.13
		Commissioner of Income Tax (Appeals)	2011-12	344.84	-
		Commissioner of Income Tax (Appeals)	2012-13	476.90	381.10
		ITAT	2013-14	30.46	30.46
		Commissioner of Income Tax (Appeals)	2014-15	78.08	66.37
		Commissioner of Income Tax (Appeals)	2015-16	108.22	86.58
		Commissioner of Income Tax (Appeals)	2016-17	232.14	232.14
		Commissioner of Income Tax (Appeals)	2017-18	42.35	42.35
Total				**2,892.29**	**2,233.06**

viii. Based on the audit procedures and according to the information and explanations given to us, the Company is generally regular in repayment of loans or borrowings from any financial institution, banks, government or debenture holders.

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. According to the information and explanations given to us, no fraud by the Company or 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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company

For **Brahmayya & Co.,**
Chartered Accountants
FRN: 000511S

N Sri Krishna
Partner
Membership No: 026575
UDIN 20026575AAAADO2294

Place: Chennai
Date: June 16, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Standalone Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Company") as of 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 ('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 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to the explanation 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 31 March 2020, 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 **Brahmayya & Co.,**
Chartered Accountants
FRN: 000511S

N Sri Krishna
Partner
Membership No: 026575
UDIN 20026575AAAADO2294

Place: Chennai
Date: June 16, 2020

Standalone Balance Sheet as at March 31, 2020

[₹ In Lakh]

	Particulars	Note No	As at March 31, 2020	As at March 31, 2019
A.	**ASSETS**			
I	**Non Current Assets**			
	a) Property, Plant and Equipment	3A	**17,393.86**	18,283.57
	b) Capital work-in-progress	3B	**2,642.87**	634.62
	c) Right of Use Assets	3C	**2,589.98**	-
	d) Investment Property	3D	**4.98**	-
	e) Financial Assets:			
	i) Investments	4	**11,044.83**	11,043.25
	ii) Other Financial Assets	5	**15.63**	15.63
	f) Other Non-Current Assets	6	**2,067.76**	2,104.23
	TOTAL NON-CURRENT ASSETS		**35,759.91**	32,081.30
II	**Current Assets**			
	a) Inventories	7	**7,462.11**	9,988.61
	b) Financial Assets:			
	i) Current Investments	8	**4,059.16**	-
	ii) Trade Receivables	9	**7,789.68**	8,185.45
	iii) Cash and Cash Equivalents	10	**4,059.33**	4,487.65
	iv) Bank balances other than iii) above	11	**560.91**	745.49
	v) Loans	12	**38.15**	3,538.40
	vi) Other Financial Assets	13	**33.79**	65.41
	c) Other Current Assets	14	**904.75**	1,010.06
	TOTAL CURRENT ASSETS		**24,907.88**	28,021.07
	TOTAL ASSETS		**60,667.79**	60,102.37
B.	**EQUITY AND LIABILITIES**			
I	**Equity**			
	a) Equity Share Capital	15	**8,603.47**	8,603.47
	b) Other Equity		**37,100.71**	35,552.07
	TOTAL-EQUITY		**45,704.18**	44,155.54
II	**Liabilities**			
A	**Non-Current Liabilities**			
	a) Financial Liabilities			
	i) Other Long-Term Liabilities	16	**3,471.33**	-
	b) Provisions	17	**276.91**	227.17
	c) Deferred Tax Liabilities (net)	18	**1,039.85**	2,016.79
	d) Other Non-Current Liabilities	19	**417.26**	449.38
	TOTAL NON-CURRENT LIABILITIES		**5,205.35**	2,693.34
B	**Current Liabilities**			
	a) Financial Liabilities			
	i) Borrowings	20	**895.93**	1,437.53
	ii) Trade Payables	21		
	1 Total outstanding dues to Micro Enterprises and Small Enterprises		**154.53**	10.98
	2 Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		**4,380.37**	7,853.26
	iii) Other Financial Liabilities	22	**397.71**	417.97
	b) Provisions	23	**1,705.80**	1,600.19
	c) Other Current Liabilities	24	**2,223.92**	1,933.56
	TOTAL CURRENT LIABILITIES		**9,758.26**	13,253.49
	TOTAL LIABILITIES		**14,963.61**	15,946.83
	TOTAL EQUITY AND LIABILITIES		**60,667.79**	60,102.37

See accompanying notes to Financial Statements

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

N. Sri Krishna
Partner
Membership No. 026575

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Place: Chennai
Date: June 16, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

[₹ In Lakh]

	Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Revenue**			
	a) Revenue from Operations	25	**67,663.95**	70,211.80
	b) Other Income	26	**874.27**	679.52
	Total Revenue (Gross) [a+b]		**68,538.22**	70,891.32
2	**Expenses**			
	a) Cost of materials consumed	27	**45,267.08**	47,270.79
	b) Changes in inventories of finished goods and work-in-progress.	28	**1,532.68**	(2,196.39)
	c) Employee benefits expense	29	**2,466.94**	2,567.91
	d) Finance costs	30	**566.61**	173.71
	e) Depreciation & Amortisation expense	31	**1,384.81**	1,032.44
	f) Utility Expenses	32	**7,613.01**	9,005.28
	g) Other expenses	33	**4,498.87**	4,446.08
	Total Expenses		**63,330.00**	62,299.82
3	**Profit Before Exceptional items and Tax [1-2]**		**5,208.22**	8,591.50
4	**Exceptional Items**		**(710.79)**	1,677.00
5	**Profit Before Tax [3+4]**		**4,497.43**	10,268.50
6	**Tax Expenses**	34		
	a) Current Tax		**1,343.35**	2,945.78
	b) Short/(Excess) Provision for tax relating to prior years		**(85.04)**	178.58
	c) Deferred Tax		**(624.91)**	603.11
	Total Tax Expenses [a+b+c]		**633.40**	3,727.47
7	**Profit for the period [5-6]**		**3,864.03**	6,541.03
8	**Other Comprehensive Income**			
	Items that will not be classified to profit or (loss)			
	Changes in Fair Value of Equity Investments		**(1.06)**	(0.28)
	Remeasurement Cost of net defined employee benefits	29	**64.99**	69.31
	Income Tax relating to items that will not be re-classified to Profit or Loss		**(16.65)**	(24.22)
9	**Total Comprehensive Income [7+8]**		**3,911.31**	6,585.84
10	**Earnings per equity share [Face value of ₹ 5 each]**	35		
	a) Basic (in ₹)		**2.25**	3.80
	b) Diluted (in ₹)		**2.25**	3.80

See accompanying notes to Financial Statements

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Changes in Equity

A. Equity share capital

For the year ended 31st March 2020		[₹ In Lakh]
Balance as at April 01, 2019	**Changes in Equity Share Capital during the year**	**Balance as at March 31, 2020**
8603.47	-	8,603.47

For the year ended 31st March 2019		
Balance as at April 01, 2018	**Changes in Equity Share Capital during the year**	**Balance as at March 31, 2019**
8603.47	-	8,603.47

B. Other Equity

Statement of changes in Other Equity (2019-20)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings			
Balance at the beginning of reporting Period (01.04.2019)	91.45	109.20	84.00	35,249.96	0.92	16.54	35,552.07
Profit for the year	-	-	-	3,880.68	(1.06)	48.34	3,927.96
Dividend paid during the year	-	-	-	(1,555.53)	-	-	(1,555.53)
Reclassification of Investment property				(168.39)			(168.39)
Transition adjustment to Ind AS 116	-	-	-	(655.39)	-	-	(655.39)
Balance at the end of reporting Period (31.03.2020)	**91.45**	**109.20**	**84.00**	**36,751.32**	**(0.14)**	**64.88**	**37,100.71**

Statement of changes in Other Equity (2018-19)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings			
Balance at the beginning of reporting Period (01.04.2018)	91.45	109.20	84.00	29,745.73	1.20	(28.55)	30,003.03
Profit for the year	-	-	-	6,541.02	(0.28)	45.09	6,585.84
Dividend paid during the year	-	-	-	(1,036.80)	-	-	(1,036.80)
Balance at the end of reporting Period (31.03.2019)	**91.45**	**109.20**	**84.00**	**35,249.96**	**0.92**	**16.54**	**35,552.07**

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Cash Flows for the year ended March 31, 2020

[₹ In Lakh]

	Particulars		For the year ended March 31, 2020		For the year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		**4,497.43**		10,268.50
	Adjustments for				
	Depreciation	**1,072.78**		1,032.44	
	Provisions no longer required written back	**(148.45)**		(1,764.97)	
	Dividend income	**(69.37)**		(229.15)	
	Finance costs	**566.61**		173.71	
	Interest income	**(623.91)**		(195.36)	
	Provision for doubtful debts	**-**		3.23	
	Net unrealised exchange (gain) / loss	**69.71**		134.33	
	Loss on sale / write-off of assets	**790.60**		135.61	
	Net Adjustments		**1,657.97**		(710.16)
	Operating Profit		**6,155.40**		9,558.34
	Changes in Working Capital				
	Adjustments for (increase) / decrease in operating assets				
	Inventories	**2,526.50**		(4,320.54)	
	Trade Receivables	**395.77**		(542.40)	
	Other Financial Assets	**3,500.26**		(3,478.21)	
	Other Current Assets	**136.93**		(387.58)	
	Other Non-Current Assets	**(48.30)**		128.56	
	Adjustments for increase / (decrease) in operating liabilities				
	Trade payables	**(3,399.05)**		3,210.19	
	Other financial liabilities	**(20.28)**		(2.32)	
	Other Current liabilities	**263.59**		790.43	
	Short-term provisions	**105.61**		(161.36)	
	Other Non Financial Liabilities	**(32.12)**		(32.12)	
	Long-term provisions	**49.74**		95.49	
	Net Adjustments		**3,478.65**		(4,699.86)
	Net income tax paid		**(1,251.45)**		(3,003.64)
	Net cash from / (used in) Operating activities [A]		**8,382.60**		1,854.84
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets, including capital advances		**(3,077.38)**		(1,957.95)
	Sale / (Investments) in Equity shares		**(2.64)**		1.19
	Interest income		**623.91**		195.36
	Dividend income		**69.37**		229.15
	Bank balances not considered as cash and cash equivalents		**184.58**		(190.78)
	Net cash from / (used in) Investing activities [B]		**(2,202.16)**		(1,723.03)

[₹ In Lakh]

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from Short-term borrowings	**(541.60)**	(274.38)
Interest paid	**(452.47)**	(173.71)
Dividend paid	**(1,290.00)**	(860.00)
Tax on dividend	**(265.53)**	(176.80)
Net cash from / (used in) Financing Activities [C]	**(2,549.60)**	(1,484.89)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**3,630.84**	(1,353.08)
Cash and cash equivalents at the beginning of the period	**4,487.65**	5,840.73
Cash and cash equivalents at the end of the period	**8,118.49**	4,487.65

Components of Cash & Cash Equivalents:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and Cash Equivalents (Note:10)		
Cash on hand	**1.00**	2.35
Cheques on hand	**16.21**	-
Balance(s) In current accounts (including debit balance(s) in cash credit)	**242.14**	5.30
Balances in Fixed deposit original maturity period less than 3 months	**3,799.98**	4,480.00
Current Investments (Note:8)	**4,059.16**	-
Total Cash and Cash Equivalents	**8,118.49**	4,487.65

Reconciliation between opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities:

Particulars	As at March 31, 2019	Cash Flows	Fair Value Changes	**As at March 31, 2020**
Short term Borrowings	1,437.53	(541.60)	-	**895.93**
Total Liabilities from Financing Activities	1,437.53	(541.60)	-	**895.93**

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Standalone Financial Statements for the year ended March 31, 2020

1. GENERAL 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. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

2.2. Basis of Preparation and Presentation

The financial statements of the Company have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and Employee defined benefit plan as per actuarial valuation, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

Fair value is the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Standalone financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within level 1,that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or a liability.

The principal accounting policies are set out below:

2.3. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Sale of goods

Sales are recognized, 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 the customers.

Sales prior to July 1, 2017 include excise duty but post introduction of Goods and Services Tax (GST) exclude GST.

2.3.2 Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred

2.3.3 Export Incentive

Export benefits in the nature of focus market scheme are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations/policies and when there is no uncertainty in receiving the same. Adjustments, if any, to the amounts recognized in accordance with this accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance

2.4 Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is accounted for when the right to receive income is established.

2.4.1 Government Grants:

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants that are receivable towards capital investments under State Investments Promotion Scheme are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

2.4.2 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery
- Buildings
- Land

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.5 Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

2.6 Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.7 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Employee benefits

Employee benefits include provident fund, Super annuation Scheme, employee state insurance scheme, gratuity fund and compensated absences.

2.8.1 Defined Contribution Plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Define Contribution Plan for Superannuation scheme of officers and the staff of the Plant I and II 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.

2.8.2 Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.3 Short-term employee benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

2.8.4 Other long-term employee benefits:

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9 Earnings per share:

Basic earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss,except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

2.11 Property, Plant and Equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Componentization:

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Expenditure during the Construction period:

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc. Any Preliminary and Pre-operative expenditure incurred during the construction of properties is charged off to Profit and Loss Account.

i) Certain Plant and Machinery – 20 years

ii) Software – 5 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12 Impairment of tangible assets:

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

2.13 Inventories:

Stores and spares, packing materials, fuels, raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

1. Raw material, Stores and spares and packing materials – Weighted average cost.
2. Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
3. Stock-in-trade – Weighted average cost

2.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.15 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets:

All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.17 Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.18 Effective interest method:

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.19 Investments in subsidiaries:

On initial recognition, these investments are recognized at cost plus any directly attributable transaction cost. Subsequently measured at cost and tested for impairment.

2.20 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

2.21 Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.22 Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The company recognizes a loss allowance for the expected credit losses on financial asset. In case of trade receivables, the company follows the simplified approach permitted by Ind AS 109 – Financial instruments for recognition of impairment loss allowance. The application of simplified approach does not require the company to track changes in credit risk. The company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

2.23 De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts."

2.24 Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.25 Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss.

The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortized cost Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

2.26 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:"

a. **Useful lives of property, plant and equipment**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

b. **Provision for doubtful receivables**

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

c. **Estimation of net realisable value of inventories**

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

d. **Provision for employee benefits**

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

e. **Provision for taxes**

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

f. **Significant judgement in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2.27. Changes in accounting policies and disclosures

New or amended standards

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases effective from 1 April 2019 The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, hav3 a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is as follows:

(₹ in lakh)

	Amount
Assets	
Right-of-use assets	
Property, plant and equipment	2,717.45
Buildings	184.56
Total assets	**2,902.01**
Liabilities	
Lease liabilities	3,909.43
Deferred tax liabilities / (Asset)	(352.03)
Total liabilities	**3,557.40**
Total adjustment on equity:	
Retained earnings	655.39

Nature and effect of adoption of Ind AS 116

The Company has lease contracts for items of Land, Buildings and Plant and Machinery. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

3. PROPERTY, PLANT AND EQUIPMENT

A. Tangible Assets

(₹ in lakh)

Particulars	Land	Develepment on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At March 31, 2018	**3,099.33**	**1.26**	**1,324.45**	**13,999.58**	**204.12**	**126.22**	**59.68**	**36.96**	**18,851.60**
Additions	-	-	59.80	2,246.33	-	3.36	7.68	9.95	2,327.12
Disposals	-	-	0.19	166.36	4.44	0.58	7.55	1.71	180.83
As At March 31, 2019	**3,099.33**	**1.26**	**1,384.06**	**16,079.55**	**199.68**	**129.00**	**59.81**	**45.20**	**20,997.89**
Additions	-	-	128.95	1,017.86	-	0.03	-	-	1,146.84
Disposals	-	-	0.03	948.90	0.01	0.24	-	-	949.18
Reclassification of Investment property	173.37	-	-	-	-	-	-	-	173.37
As At March 31, 2020	**2,925.96**	**1.26**	**1,512.98**	**16,148.51**	**199.67**	**128.79**	**59.81**	**45.20**	**21,022.18**
Depreciation and Amortisation									
As At March 31, 2018	**-**	**1.22**	**178.93**	**1,465.84**	**35.50**	**24.04**	**14.98**	**6.57**	**1,727.08**
Charged during the year	-	-	99.53	889.30	27.94	11.16	-	4.52	1,032.45
Disposals	-	-	0.04	39.71	1.70	0.21	2.74	0.80	45.20
As At March 31, 2019	**-**	**1.22**	**278.41**	**2,315.43**	**61.74**	**34.99**	**12.24**	**10.29**	**2,714.32**
Charged during the year	-	-	91.15	942.19	25.66	9.36	-	4.42	1,072.78
Disposals	-	-	0.01	158.56	-	0.21	-	-	158.78
As At March 31, 2020	**-**	**1.22**	**369.55**	**3,099.06**	**87.40**	**44.14**	**12.24**	**14.70**	**3,628.32**
Net Book Value									
As At March 31, 2019	**3,099.33**	**0.04**	**1,105.65**	**13,764.12**	**137.94**	**94.01**	**47.57**	**34.91**	**18,283.57**
As At March 31, 2020	**2,925.96**	**0.04**	**1,143.43**	**13,049.45**	**112.27**	**84.65**	**47.57**	**30.49**	**17,393.86**

B. Capital Work in Progress

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	**634.62**	1,221.10
Additions during the year	**3,155.09**	1,740.64
Capitalisation during the year	**(1,146.84)**	(2,327.12)
Balance at the end of the period	**2,642.87**	634.62

C. Right of Use Assets

	As at March 31, 2020			As at March 31, 2019
Particulars	Buildings	Plant and Machinery	Total	
Deemed Cost				
Opening Value	-	-	-	-
Addition	-	-	-	-
Transition adjustments Ind AS 116	184.56	2,717.45	**2,902.01**	-
Disposal	-	-	-	-
Closing Value	**184.56**	**2,717.45**	**2,902.01**	-
Depreciation & Amortisation				
Opening Value	-	-	-	-
Charged during the year	40.28	271.76	**312.03**	-
Disposal	-	-	-	-
Closing Value	**40.28**	**271.76**	**312.03**	-
Net Book Value	**144.28**	**2,445.69**	**2,589.98**	-

D. Investment Property - Land

Particulars	As at March 31, 2020	As at March 31, 2019
Deemed Cost		
Opening Value	-	-
Addition	-	-
Transfers to and from owner occupied property	**4.98**	-
Disposal	-	-
Closing Value	**4.98**	-
Depreciation & Amortisation		
Opening Value	-	-
Charged during the year	-	-
Disposal		
Closing Value	-	-
Net Book Value	**4.98**	-

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
4	**Other Non-Current Investments**		
	Non-Current Investments		
a)	**Investments in equity instruments at FVTOCI**		
	Quoted Investments		
	Chennai Petroleum Corporation Limited	**0.30**	1.36
	(500 Equity shares [500 in 2018-19] of ₹ 10 each fully paid)		
	Total of Quoted Investments	**0.30**	1.36
	Unquoted Investments		
	OPG Power Generation Private Limited *	**12.18**	9.54
	(1,12,900 [90,000 in 2018-19] Equity shares of ₹ 10 each fully paid)		
	AM Foundation	**0.17**	0.17
	(1,700 Equity shares [1700 in 2018-19] of ₹ 10 each fully paid)		
	Total of unquoted Investments	**12.35**	9.71
	Total of Investments at FVTOCI (a)	**12.65**	11.07
b)	**Investment in equity shares of wholly owned subsidiary**		
	Unquoted Investments		
	M/s. AMCHEM Speciality Chemicals Private Limited, Singapore	**11,032.18**	11,032.18
	(1,64,21,208 Equity Shares [1,64,21,208 in 2018-19] of USD 1 each fully paid)		
	Total of Investments in Wholly Owned Subsidiary (b)	**11,032.18**	11,032.18
	Total Other Non-Current Investments (a+b)	**11,044.83**	11,043.25
	Aggregate book value of quoted investments	**0.30**	1.36
	Aggregate market value of quoted investments	**0.30**	1.36
	Aggregate carrying value of unquoted investments	**11,044.83**	11,043.25
	Aggregate amount of impairment in value of investments	**-**	-

* The shares are held as captive consumer of power and are subject to restrictions on transfers in terms of the agreements entered into for this purpose.

5 Other Financial Assets

	Non -Current		
	Security deposits	**15.63**	15.63
	Total Other Financial Assets	**15.63**	15.63

6 Other Non-Current Assets

	Capital advances	**171.52**	249.43
	Advance tax (Net of provision for tax)	**958.68**	876.41
	Other Advances	**937.56**	978.39
	Total Other Non-Current Assets	**2,067.76**	2,104.23

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
7	**Inventories**		
	Inventories (lower of cost and net realisable value)		
	Raw materials	**3,704.41**	2,730.21
	Raw materials in transit	**843.43**	2,812.40
	Work-in-progress	**39.36**	155.98
	Finished goods	**2,593.27**	4,009.33
	Stores and spares	**281.64**	280.69
	Total Inventories	**7,462.11**	9,988.61
8	**Current Investments**		
	Quoted Investments		
	Investment in Mutual Funds	**4,059.16**	-
	Total Other Current Investments	**4,059.16**	-
	Aggregate Book value of quoted Investments	**4,059.16**	-
	Aggregate Market value of quoted Investments	**4,059.16**	-
9	**Trade Receivables**		
	Current:		
	Trade Receivables - Considered good, unsecured	**7,789.68**	8,185.45
	Trade Receivables - Credit Impaired	**26.75**	26.75
	Allowance for doubtful debts	**(26.75)**	(26.75)
	Total Trade Receivables	**7,789.68**	8,185.45
10	**Cash and Cash Equivalents**		
	Balances with Banks:		
	In current accounts	**242.14**	5.30
	In Fixed deposit with original maturity period of less than 3 months	**3,799.98**	4,480.00
	Cheques on hand	**16.21**	-
	Cash on hand	**1.00**	2.35
	Cash and Cash Equivalents	**4,059.33**	4,487.65
	Cash on hand includes ₹ Nil (2018-19 - ₹ 1.19 Lakh) of various Foreign Currencies		
11	**Bank balances other than Cash and Cash equivalents**		
	Fixed Deposit with original maturity period more than 3 months	**-**	103.29
	Margin money deposit Accounts	**163.20**	224.23
	Unpaid dividend accounts	**397.71**	417.97
	Total Bank balances	**560.91**	745.49

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

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
12 Loans		
Current		
Security deposits		
Considered Good - Unsecured	**9.59**	9.59
Other Loans:		
Considered Good - Unsecured		
Loans and advances to employees	**28.56**	28.81
Loan - Others *	**-**	3,500.00
Total Loans	**38.15**	3,538.40

* Loans-Others represent 14% Inter-Corporate Deposits ₹ Nil (previous year ₹ 3500 Lakh) advanced for working capital purposes.

Particulars	As at March 31, 2020	As at March 31, 2019
13 Other Financial Assets		
Interest Accrued on Deposits	**33.79**	65.41
Total Other Financial Assets	**33.79**	65.41
14 Other Current Assets		
Advances given to vendors	**464.53**	497.87
Prepaid expenses	**310.46**	397.39
Unamortised premium on forward contracts	**3.32**	23.45
Balances with Government authorities		
GST / CENVAT / VAT Credit receivable	**126.44**	91.35
Total Other Current Assets	**904.75**	1,010.06

15 Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Authorised share capital				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	**240,000,000**	**12,000.00**	240,000,000	12,000.00
Movements during the year	**-**	**-**	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	**240,000,000**	**12,000.00**	240,000,000	12,000.00

Issued, Subscribed and paid up shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**171,999,229**	**8,599.96**	171,999,229	8,599.96
Forfeited Share capital (Face Value of ₹ 5 each)		**3.51**		3.51
Total Equity Share Capital	**171,999,229**	**8,603.47**	171,999,229	8,603.47

There has been no movement in the Share Capital during the year.

a) Reconciliation of number of shares outstanding [₹ In Lakh]

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	171,999,229	8,603.47	171,999,229	8,603.47
Issued / Forfeited during the year	-	-	-	-
Outstanding at the end of the year	171,999,229	8,603.47	171,999,229	8,603.47

b) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	Holding %	No of shares	Holding %
Fully paid equity shares				
M/s. SIDD Life Sciences Private Limited	65,846,053	38.28	65,846,053	38.28
M/s. Tamilnadu Industrial Development Corporation Limited	11,212,500	6.52	11,212,500	6.52

c) Terms / rights attached to equity shares

The company has only one class of shares referred to as equity shares having a Face value of ₹5. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held. Each fully paid up equity share holders is entitled to one vote per share and carries rights to dividends as may be declared by the Company.

	Particulars	As at March 31, 2020	As at March 31, 2019
16	**Other Long-Term Liabilities**		
	Operating Lease Liabilities (Ind AS 116)	3,471.33	-
	Total Other Long-Term Liabilities	3,471.33	-

Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to ₹ 655.39 lakh (net of deferred Tax Asset of ₹ 352.03 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e., April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

17 Non-Current Provisions

Employee Benefits		
Post employment benefits	176.57	135.59
Compensated absences	100.34	91.58
Total Non-Current Provisions	276.91	227.17

18 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities		
Property, Plant & Equipment	1,859.67	2,681.58
(Difference between book balance and tax balance)		
Tax Effect of Items Constituting Assets		
Provision for Lease Assets / (Liability) - Ind AS 116	(282.28)	-
Provision for doubtful debts / advances	(6.73)	(9.35)
Provisions Disallowed u/s. 43B of Income Tax Act, 1961	(440.82)	(567.19)
Provisions for Compensated absences, Gratuity and Other employee benefits	(89.99)	(88.25)
Net Deferred Tax Liabilities	1,039.85	2,016.79

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
19	**Other Non-Current Liabilities**		
	Unsecured - at amortised cost		
	Deposits	**99.69**	115.02
	Deferred Income	**317.57**	334.36
	Total Non-Current Liabilities	**417.26**	449.38
	The deposits have been classified as under:		
	As Non-Current Liabilities	**99.69**	115.02
	As Current Liabilities	**15.33**	15.33
	Total Deposits	**115.02**	130.35
	Interest free deposit movement:		
	Opening Deposit Balance	**130.35**	145.68
	Less: Deposit refunded during the year	**15.33**	15.33
	Closing Balance	**115.02**	130.35

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 October 2012.

The Deferred Income have been classified as under:

As Non-Current Deferred Income	**317.57**	334.36
As Current Deferred Income	**16.79**	16.79
Total Deferred Income	**334.36**	351.15

The above Deferred Income was received as subsidy from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC and the same has been considered for Deferred Income as per Ind AS 20: Accounting for Government Grants and Disclosure of Government Assistance. The current portion of the above said subsidy is shown under Other Current Liabilities in Note: 24

20 Current Borrowings

Secured - at amortised cost		
From Banks:		
Cash Credit & Bills Discounted	**895.93**	1,437.53
Total Current Borrowings	**895.93**	1,437.53

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.

21 Trade Payables

Trade Payables		
Dues to Micro and Small enterprises	**154.53**	10.98
Dues to Related Parties	**1,012.78**	1,170.16
Dues to Others	**3,367.59**	6,683.10
Total Trade Payables	**4,534.90**	7,864.24

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

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
22	**Other Financial Liabilities**		
	Unpaid dividend	**397.71**	417.97
	Total Other Financial Liabilities	**397.71**	417.97
23	**Current Provisions**		
	Employee benefits		
	Gratuity	**58.24**	7.50
	Compensated absences	**22.41**	17.89
	Others		
	Provision for wage arrears *	**511.36**	469.19
	Other Provisions #	**1,113.79**	1,105.61
	Total Current Provisions	**1,705.80**	1,600.19

*** Provision for wage arrears**

In 2004, a claim was made against the Company by its workmen, demanding wage revision for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008, which was challenged by the Company in the Supreme Court. In October 2015, the employees' union filed an Interim Application (IA) No. 12 of 2015 in the Supreme court. Upon hearing both sides, the Supreme court gave directions to withdraw the SLP and approch the High Court. Accordingly a fresh application has been filed in the Madras High Court which is pending.

In the meantime based on the Management's efforts most of the workmen have opted for out of court settlement to whom payments were made and adjusted against the earlier provisions. The provision carried is in respect of the remaining workmen, who have not yet come forward for out of court settlement and would be subject to the final outcome of the case.

Particulars	As at March 31, 2020	As at March 31, 2019
The movement in the provision for wage arrears is given below:		
Balance at the beginning of the year	**469.19**	434.11
Charge for the year	**63.61**	199.81
Payments made during the year	**(21.44)**	(164.73)
Balance at the end of the year	**511.36**	469.19

Other Provisions include ₹ 1,083 Lakh (Previous Year ₹ 1,083 Lakh) relating to claim by an erstwhile customer being contested by the Company in the Bombay High Court.

	Particulars	As at March 31, 2020	As at March 31, 2019
24	**Other Current Liabilities**		
	Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST, ED, VAT, Service Tax, etc)	**197.52**	56.69
	Contractually reimbursable expenses	**17.01**	19.59
	Deposits	**15.33**	15.33
	Deferred Income	**16.79**	16.79
	Operating Lease Liabilities (Ind AS 116) - Current	**240.21**	-
	Other Current Liabilities *	**1,737.06**	1,825.16
	Total Other Current Liabilities	**2,223.91**	1,933.56

* Other Current Liabilities include provision of ₹ 1,096 Lakh (Previous year ₹ 1,096 Lakh) relating to dispute in rate of customs duty for one of the imported raw materials, contested by the Company before the appropriate forum.

[₹ In Lakh]

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
25	**Revenue from Operations**		
	Sale of Products		
	Finished Goods	**67,301.61**	69,972.99
	Sale of Services	**116.99**	25.00
	Other Operating Revenues		
	Scrap Sales	**96.90**	125.84
	Provisions no longer required written back	**148.45**	87.97
	Total Revenue from Operations	**67,663.95**	70,211.80
	Details of Sales (Net):		
	Manufactured Goods:		
	Propylene Oxide	**1,027.12**	1,508.81
	Propylene Glycol	**19,259.03**	21,943.71
	Polyol	**41,764.65**	40,605.21
	Others	**7,221.21**	7,954.26
	Total Manufactured Goods	**69,272.01**	72,011.99
	Less: Trade Discounts	**1,970.40**	2,039.00
	Total Sale of Products	**67,301.61**	69,972.99

26	**Other Income**		
a)	**Interest income**		
	On Bank deposits (at amortised cost)	**197.40**	140.93
	From Customers	**96.07**	49.06
	On Inter-corporate deposits	**330.44**	5.37
b)	**Dividend income**		
	From current investments in Mutual funds	**69.37**	229.15
c)	**Other non-operating income** (Net of expenses directly attributable to such income)		
	Insurance claims received	**-**	161.09
	Miscellaneous Income	**180.99**	93.92
	Total Other Income	**874.27**	679.52
27	**Cost of materials consumed**		
	Opening Stock	**5,542.61**	3,525.95
	Add: Purchases	**44,272.31**	49,287.45
	Less: Closing Stock	**4,547.84**	5,542.61
	Total Cost of materials consumed	**45,267.08**	47,270.79
28	**Changes in inventories of finished goods and work-in-progress.**		
	Inventories at the end of the year		
	Finished Goods	**2,593.27**	4,009.33
	Work-in-progress	**39.36**	155.98
		2,632.63	4,165.31
	Inventories at the beginning of the year		
	Finished Goods	**4,009.33**	1,858.76
	Work-in-progress	**155.98**	110.16
		4,165.31	1,968.92
	Net Decrease / (Increase) in Inventories	**1,532.68**	(2,196.39)

[₹ In Lakh]

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
29	**Employee Benefits Expenses**		
	Salaries and Wages *	**1,726.81**	1,864.58
	Contribution to provident and other funds	**112.60**	101.48
	Gratuity expense	**69.26**	8.38
	Post-Employment benefits	**52.41**	114.39
	Staff welfare expenses	**440.87**	409.77
	Employee Benefits Expenses (Gross)	**2,401.95**	2,498.60
	(Add) / Less: Remeasurement Cost of net defined employee benefits	**(64.99)**	(69.31)
	Total Employee Benefits Expenses	**2,466.94**	2,567.91

* Salaries and Wages include ₹ 75.31 lakh (Previous Year ₹ 106.50 lakh) towards R & D Expenses

30 Finance Costs

	Interest on working capital borrowings	**132.09**	81.24
	Other Finance cost *	**434.52**	92.47
	Total Finance Costs	**566.61**	173.71

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

31 Depreciation and Amortisation Expenses

	Depreciation of property, plant and equipment pertaining to continuing operations *	**1,384.81**	1,032.44
	Total Depreciation Expenses	**1,384.81**	1,032.44

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

32 Utility Expenses

	Power	**2,714.88**	2,728.06
	Fuel	**3,738.34**	5,133.52
	Water	**1,159.79**	1,143.70
	Total Utility Expenses	**7,613.01**	9,005.28

[₹ In Lakh]

Particulars			For the year ended March 31, 2020	For the year ended March 31, 2019
33	**Other Expenses**			
	a)	Consumption of Stores and Spares	**417.56**	481.76
	b)	Repairs and Maintenance		
		Building	**161.80**	164.53
		Plant and machinery	**1,199.87**	1,061.27
		Information Technology	**33.59**	37.78
		Others	**92.76**	94.86
	c)	Legal and Professional	**588.66**	565.75
	d)	Directors sitting fees	**34.00**	14.00
	e)	Expenditure on Corporate Social responsibility	**178.05**	134.70
	f)	Loss on Property, Plant and Equipment sold/scrapped/written off	**79.81**	135.61
	g)	Provision for Bad and Doubtful Debts	**-**	3.23
	h)	Payments to Statutory auditors:		
		For audit services	**11.00**	8.50
		For Taxation matters	**2.50**	1.50
		For other services	**4.20**	2.25
	i)	Payments to Other auditors	**15.10**	14.08
	j)	Rent	**37.14**	113.61
	k)	Insurance	**299.42**	128.06
	l)	Rates & Taxes	**255.99**	371.32
	m)	Agency Commission	**225.70**	255.41
	n)	Freight Outward	**240.86**	145.25
	o)	Net foreign exchange losses	**69.71**	134.33
	p)	Miscellaneous Expenses	**551.15**	578.28
	Total Other Expenses		**4,498.87**	4,446.08

The above other expenses include to R&D spend aggregating to ₹ 151.80 Lakh (Previous Year ₹ 145.82 Lakh) under various items comprised therein

34 Income Tax recognised in Statement of Profit and Loss

Current Tax		
In respect of current year	**1,343.35**	2,945.78
In respect of prior years	**(85.04)**	178.58
Deferred Tax		
In respect of current year	**(624.91)**	603.11
Total Tax Expenses	**633.40**	3,727.47

Reconciliation of Effective Tax Rate:

Applicable tax rate (%)	**15.97%**	34.56%
Effect of Tax on Exempt Income (%)	**0.47%**	0.76%
Effect of Non-Deductible expenses (%)	**8.81%**	-1.01%
Effective Tax Rate (%)	**25.25%**	34.31%

[₹ In Lakh]

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
35 Earnings Per Share (EPS)		
The following reflects the profit and shares related data used in the Basic EPS computations:		
Profit for the period	**3,864.03**	6,541.03
No. of Shares used in computing earnings per share	**171,999,229**	171,999,229
Earnings Per Share - Basic and Diluted (in Rupees)	**2.25**	3.80
Face Value Per share (in Rupees)	**5.00**	5.00

36 Exceptional Item

During the year the fixed assets of Captive Power Plant (which has not been in operation since December 2014) were evaluated. Of these, assets with carrying value of ₹ 710.79 lakh have been identified to have no further use and so impaired and written off from the books of accounts. [Exceptional credit of ₹1,677 lakh in the previous year represents reversal of lease rent provision made during the financial year 2014-15].

37 Segment Reporting (IND AS 108):

The Company is exclusively engaged in the business of Manufacture and sale of Petrochemical products primarily in India. As per Ind AS 108 "Operating Segments" specified under Section 133 of the Companies Act, 2013, there are no reportable operational or geographical segments applicable to the Company.

38 Contingent Liabilities and Commitments (to the extent not provided for) (IND AS 37)

i) Contingent Liabilities

a) Claims against the Company not acknowledged as debt:

Nature of the Dues	As at March 31, 2020	As at March 31, 2019
1 Claim for arrears of lease rent by Thasildar, Tiruvottiyur	**19,836.00**	19,836.00
2 Claim from TNPCB	**200.00**	-

1 During FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of ₹ 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for ₹ 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur.

In this regard, the Company had received legal advise that the amounts claimed through the said two notices are misconceived in as much as the demand for alleged arrears of lease rent appears to be baseless, unsubstantiated, erroneous and so is arbitrary and not tenable. Accordingly, taking into account the arbitrariness involved, it is viewed that the said claims are devoid of any merits and so need not be reckoned as any kind of obligation on the Company. The Company would decide on further course of action in the matter once the details are received.

Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2020 which have been accepted and realized by the Thasildhar. In the light of this and also that the latter demand covers the period mentioned in the demand received in FY 2013-14, the earlier provision of ₹ 1,677 lakh in FY 2014-15 was no longer necessary and hence the same was reversed as shown under Exceptional items in the previous year. However the Company continues to provide for lease rent based on the contract terms for the fixation of lease rent and in terms of the extant Government guidelines for such lands.

The Auditors have included an Emphasis of Matter para in their report on the above along with the note 49(a) & 49(b).

2 During the year the Company received demand from Tamilnadu Pollution Control Board (TNPCB) seeking payment of ₹ 200 lakh as interim environmental compensation for causing damages to the environment. TNPCB has made the demand citing an order of the National Green Tribunal (NGT). Further the NGT has directed to identify the industries that are causing pollution and collect the environmental compensation. In the opinion of the Company the PCB has made the demand without following the above direction. The notices have been examined and it is seen that the data relied upon by the TNPCB are incorrect as the alleged excesses were all due to technical/server error in CARE-AIR Centre. The Company has disputed the allegations and submitted the documents with a request to withdraw the demand for which no response has been received. Since the claim is arbitrary and without justification, the same has not been acknowledged as debts due by the Company.

b) Other money for which the Company is contingently liable:

[₹ In Lakh]

Nature of the Dues	**Forum before which the dispute is pending**	**Period to which it relates**	**As at March 31, 2020**	As at March 31, 2019
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39
	High Court of Madras	2012	**380.89**	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80
	Disputed Excise & Customs Demand		**441.08**	441.08
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**-**	21.62
	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		**20.24**	41.86
Income Tax	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12
	Commissioner of Income Tax (Appeals)	2010-11	**176.88**	176.88
	Commissioner of Income Tax (Appeals)	2012-13	**476.90**	476.90
	Income Tax Appellate Tribunal	2013-14	**30.46**	30.46
	Commissioner of Income Tax (Appeals)	2014-15	**78.08**	78.08
	Commissioner of Income Tax (Appeals)	2015-16	**108.22**	108.22
	Commissioner of Income Tax (Appeals)	2016-17	**232.14**	232.14
	Commissioner of Income Tax (Appeals)	2017-18	**42.35**	-
	Disputed Income Tax Demand **		**1,666.60**	1,624.25

** Against the above demands, the Company has not paid any amount during the year (₹ NIL in 2018-19)

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.

ii) Commitments

Particulars	**As at March 31, 2020**	As at March 31, 2019
Estimated amount of contracts remaining to be executed (net of advances):	**4,669.08**	1,645.43
Total Commitments	**4,669.08**	1,645.43

39 Payable to MSME

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no over due amounts payable to Micro, Small & Medium Enterprises [MSME] as on the Balance sheet date or anytime during the year and hence no interest has been paid/payable. Such parties have been identified by the Company on the basis of information available with the Company and relied upon by the auditors.

40. Employee Benefits (Ind AS 19):

Defined contribution plans

The Company makes Provident fund and Pension (Funded) 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 ₹ 102.38 lakh (year ended 31 March, 2019 - ₹ 86.74 lakh) for Provident Fund contributions and ₹ 52.41 lakh (year ended 31 March, 2019 - ₹ 114.39 lakh) for Pension (Funded) 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 29 : Employee benefits expense).

ii) Post-employment benefits (included as part of Post-employment benefits as per Note 29 : Employee Benefits Expense)

iii) Compensated absences (included as a part of contribution to Provident & other funds as per Note 29 : Employee Benefits Expense).

Gratuity- Plant 1:

Gratuity payable to employees is based on the employees' service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for the payment of Gratuity.

Inherent Risk:

The Plan is Defined Benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the Plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying Plan assets. This may result in an increase in cost of providing these benefits to its employees in future. Since these benefits are lumpsum in nature, the Plan is not subject to any longivity risk.

Gratuity- Plant 2:

The Gratuity Fund relating to Plant -II is being maintained with Life Insurance Corporation of India and the Company contributes to the fund.

Pension

The Company considers Pension for its employees at Plant 1, in accordance with the Rules of the Company.

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

[₹ In Lakh]

Assumptions	**Pension (Funded)**		**Gratuity (Funded)**	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Discount Rate (%)	**6.85%**	7.70%	**6.85%**	7.75%
Estimated Rate of Return on Plan Assets (%)	**7.70%**	7.25%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**24.14**	33.86
Weighted Average Duration of Defined Benefit Obligation (Years)	**5.00**	5.00	**6.00**	6.00

Net Employee benefit expense recognized in the employee cost in Total Comprehensive Income

[₹ In Lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019	**For the Period Ended March 31, 2020**	For the Period Ended March 31, 2019
Expense recognised in Statement of Profit or Loss				
Current service cost	**0.59**	12.76	**21.49**	27.88
Past service cost	**-**	-	**-**	-
Interest cost on benefit obligation	**13.71**	9.81	**26.52**	23.03
Expected return on plan assets	**(14.11)**	(32.61)	**16.19**	(24.19)
Sub Total	**0.19**	(10.04)	**64.20**	26.72
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	**0.02**	3.79	**11.38**	11.38
ii. Financial Assumptions on obligation	**8.59**	2.79	**(0.50)**	(0.50)
iii. Experience Adjustments on obligation	**(0.68)**	20.56	**11.98**	11.98
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**3.10**	(1.44)	**(25.94)**	(42.07)
Sub Total	**11.03**	25.70	**(3.08)**	(19.21)
Net benefit expense	**11.22**	15.66	**61.12**	7.51

Balance Sheet

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019	**For the Period Ended March 31, 2020**	For the Period Ended March 31, 2019
Benefit asset / liability				
Present value of defined benefit obligation	**186.83**	177.66	**383.12**	341.54
Fair value of plan assets	**180.88**	182.92	**324.86**	334.03
Assets / (Liability) recognized in the balance sheet	**(5.95)**	5.26	**(58.26)**	(7.51)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**177.66**	129.33	**341.54**	288.32
Benefit transferred in	**-**	-	**-**	-
Benefit transferred Out	**-**	-	**-**	-
Benefits paid	**(13.05)**	(1.38)	**(26.41)**	(20.55)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**0.59**	12.76	**21.49**	27.88
Interest cost on benefit obligation	**13.71**	9.81	**26.52**	23.03
Recognised in Other Comprehensive Income	**11.02**	25.70	**36.16**	(19.21)
Actuarial (gain)/loss on obligation	**(3.10)**	1.44	**(16.18)**	42.07
Closing defined benefit obligation	**186.83**	**177.66**	**383.12**	**341.54**

Movement in the fair value of plan assets

[₹ In Lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019	**For the Period Ended March 31, 2020**	For the Period Ended March 31, 2019
Opening fair value of plan assets	**182.92**	169.55	**334.03**	229.49
Contributions by employer	**-**	(19.30)	**7.50**	58.83
Contributions transfer in	**-**	-	**-**	-
Benefits paid	**(13.05)**	(1.38)	**(26.41)**	(20.55)
Expenses Recognised in Profit and Loss Account				
Expected return	**14.11**	32.61	**(16.19)**	24.19
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**(3.10)**	1.44	**25.94**	42.07
Closing fair value of plan assets	**180.88**	182.92	**324.86**	334.03

Percentage allocation of plan assets by category:

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Government Securities	**86.21%**	42.96%	**50.39%**	54.90%
Debentures / bonds	**-**	35.66%	**39.91%**	37.31%
Equity instruments	**-**	3.93%	**4.76%**	4.21%
Savings/Fixed deposits	**13.79%**	17.45%	**4.94%**	3.58%
Total	**100.00%**	100.00%	**100.00%**	100.00%

Maturity Profile of the DBO and Expected Cashflows in the following period:

Particulars	Pension (Funded)		Gratuity (Funded)	
	31-3-2020	31-3-2019	**31-3-2020**	31-3-2019
Within next 12 Months	**101.53**	145.63	**53.23**	47.73
Between 1 and 5 years	**19.78**	14.25	**157.35**	151.48
5 years and above	**65.50**	17.78	**172.45**	142.33

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Pension (Funded)

Particulars	Increase		Decrease	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19
Impact of the change in discount rate - 1%	**(5.30)**	(4.80)	**6.40**	5.80
Impact of the change in salary increase - 1%	**0.80**	(0.50)	**(0.70)**	(1.90)
Impact of the change in Mortality - 5%	**(0.30)**	(0.30)	**0.30**	0.30

Gratuity

[₹ In Lakh]

Particulars	Increase		Decrease	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19
Impact of the change in discount rate - 1%	**(3.10)**	(3.10)	**3.30**	3.30
Impact of the change in salary increase - 1%	**3.20**	3.30	**(3.10)**	(3.20)
Impact of the change in Mortality - 5%	**-**	-	**-**	-

The composition of investments in the fair value of plan assets relating to gratuity as given above is relating to employees of Plant -I only. The Gratuity fund relating to Plant - II is being maintained with Life Insurance Corporation of India (LIC) and as per the information provided by LIC the total fair value of plan assets and present value of obligations as on March 31, 2020 were ₹ 117.52 lakh and ₹ 116.55 lakh respectively. [March 31, 2019- ₹ 111.94 lakh and ₹ 99.50 lakh]

41 Related Party Disclosures (Ind AS 24):

a) List of Related Parties where control exists:

Name of the Related Party	Principal Place of Business	Shareholding and Voting Power	
		As at March 31, 2020	As at March 31, 2019
Subsidiary Companies			
a) AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016) (AMCHEM, Singapore)	Singapore	**100.00%**	100.00%
b) AMCHEM Speciality Chemicals UK Limited (w.e.f. 29th September, 2016) (AMCHEM, UK) *	UK	**100.00%**	100.00%
c) Notedome Limited (w.e.f. 1st October, 2016) #	UK	**100.00%**	100.00%

* 100% Subsidiary Company of AMCHEM, Singapore

100% Subsidiary Company of AMCHEM, UK

b) Other related parties with whom there were transactions during the year:

Name of the Related Party	Relationship
SIDD Life Sciences Private Limited	Investment Company / Venturer Company
Southern Petrochemical Industries Corporation Limited	Associate Company having significant Influence
Tamilnadu Industrial Development Corporation Limited	Associate Company having significant Influence
Tamilnadu Petroproducts Limited	Joint Venture of the entity to which the company is an Associate
CNGSN & ASSOCIATES LLP	Firm in which a relative of director is a partner
MPL Employees Superannuation Trust	Post Employment Benefit Plan Entity
MPL Employees Gratuity Fund Trust	Post Employment Benefit Plan Entity

c) **Transactions with Investing Company, Associate Companies and Other Related parties during the Year:**

[₹ In Lakh]

Sl No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**493.85**	329.23
	Tamilnadu Industrial Development Corporation Limited	**84.09**	56.06
	Southern Petrochemical Industries Corporation Limited	**0.08**	0.05
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited	**11,106.70**	2,911.27
	Notedome Limited	**0.03**	2.29
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited	**13.99**	13.45
	CNGSN & Associates LLP	**5.90**	7.38
	Southern Petrochemical Industries Corporation Limited	**6.96**	
	AMCHEM Speciality Chemicals Private Limited	**336.71**	335.69
4	**Royalty paid:**		
	Notedome Limited	**14.68**	-
5	**Purchase of Fixed Assets/ Property, Plant and Equipment:**		
	Tamilnadu Petroproducts Limited	**-**	23.50
6	**Sale of services**		
	Tamilnadu Petroproducts Limited	**133.73**	17.65
7	**Sale of Goods:**		
	Tamilnadu Petroproducts Limited	**2,847.60**	74.46
8	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust	**31.56**	30.35
	MPL Employees Gratuity Fund Trust	**7.50**	58.83
9	**Refund of Contribution**		
	Refund received from MPL Employees Superannuation Trust #	**95.12**	34.30

Amount received during the current year represents accumulated contributions claimed back from LIC relating to employees who are ineligible to receive the benefits. Amount received during the previous year was the accumulated contributions relating to employees who had opted out of the Scheme and refunded to them.

d) **Outstanding Balances:**

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
1	**Trade Payables**		
	Tamilnadu Petroproducts Limited	**1,012.78**	1,170.16
2	**Other payables**		
	Tamilnadu Petroproducts Limited	**81.88**	100.03
	Notedome Limited	**3.60**	-
3	**Trade Receivables**		
	Tamilnadu Petroproducts Limited	**8.66**	47.44

Note: Managing Director is not in receipt of any remuneration but in respect of his service would be eligible for post retirement benefits as per the applicable law and service rules of the Company. The details of remunerations to Whole Time Director, Chief Financial Officer, Company Secretary and sitting fees to other Non-Executive Directors are disclosed in the Corporate Governance Report.

42 Operating Leases (Ind AS 116):

Effective from 1st April, 2019, the Company has adopted Ind AS 116 - Leases, using modified retrospective method where comparative periods have not been restated.

Details of operating leasing arrangements - Non cancellable leases:

Bulk storage facility at Ennore Port-

The lease is for a period of 15 years from 1st April, 2014 . 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.

Corporate Office premises-

The lease is for a period of 9 years from 1st November 2014. The lease agreement provides for an increase in the lease payments by 15% every 3 years.

Plant-2 premises-

Since period of lease for the lease hold land in which one of manufacturing unit of the company is located has expired before effective date. Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact unascertainable. Refer Note 49.

[₹ In Lakh]

Sl No	Particulars	2019-20	2018-19
(a)	Weighted average lessee's incremental borrowing rate	**10.00%**	~ NOT APPLICABLE ~
(b)	Lease liabilities recognised in the balance sheet at the date of initial application	**3,909.43**	
(c)	Depreciation charge for the year		
	- Buildings	**40.28**	
	- Plant and Machinery	**271.76**	
(d)	Interest expense on lease liabilities	**383.18**	
(e)	Total cash outflow for Operating leases	**581.07**	
(f)	Transition adjustments Ind AS 116		
	- Buildings	**184.56**	
	- Plant and Machinery	**2,717.45**	
(g)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset		
	- Buildings	**144.28**	
	- Plant and Machinery	**2,445.69**	

43 Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profits of the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013 as below:

- Gross amount required to be spent by the company during the year ₹ 168.09 Lakh (Previous year ₹ 144.88 lakh)
- Amount spent during the year on:

S. No	Particulars	2019-20	2018-19
1	Construction / acquisition of any property	**175.85**	134.70
2	On purpose other than above	**2.21**	-

44 Research and Development expenditure incurred during the year is given below

S. No	Particulars	2019-20	2018-19
1	Revenue Expenditure	**227.11**	252.32
2	Capital Expenditure (including capital work-in-progress)	**-**	-

45 Distribution Made and Proposed (Ind AS 1):

[₹ In Lakh]

Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: ₹ 0.75 per share (March 31 2018: ₹ 0.5 per share)	**1,290.00**	860.00
Dividend Distribution Tax on Final Dividend	**265.53**	176.80
Total Distribution made	**1,555.53**	1,036.80
Proposed Dividend on Equity Shares		
Final dividend for the year ended on March 31, 2020: ₹ 0.75 per share (March 31 2019: ₹ 0.75 per share)	**1,290.00**	1,290.00
DDT of Proposed Dividend	**-**	265.16
Total Dividend Proposed	**1,290.00**	1,555.16

Proposed dividend on equity shares is subject to approval at the annual general meeting and not recognised as a liability as at March 31, 2020

46 Capital Management (Ind AS 1):

The objective of the Company's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. Management monitors the long term cash flow requirements including externally imposed capital requirements of the business in order to assess the requirement for changes to the capital structure to meet the said objective. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2020.

The Company's capital and net debt were made up as follows:

S. No	Particulars	March 31, 2020	March 31, 2019
1	Net debt (Long term debt less Cash and Cash equivalent)	**-**	-
2	Total equity	**45,704.18**	44,155.54

47 Financial Risk Management Objectives and Policies (IND AS 107):

Financial Risk Management Framework

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Risk Exposures and Responses

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowing.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Company's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

Sensitivity Analysis

An increase/decrease of 100 basis points in interest rate at the end of the reporting period for the variable financial instruments would (decrease)/increase profit after taxation for the year by the amounts shown below. This analysis assumes all other variables remain constant.

[₹ In Lakh]

Particulars	Profit / (Loss) after taxation	
	March 31, 2020	March 31, 2019
Financial Liabilities - Borrowings		
+1% (100 basis points)	**34.48**	9.35
-1% (100 basis points)	**(34.48)**	(9.35)
Financial Assets - Loans		
+1% (100 basis points)	**0.29**	23.02
-1% (100 basis points)	**(0.29)**	(23.02)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the, raw materials and consumables, capital expenditure, exports of Polyols and the Company's net investments in foreign subsidiaries. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged item, the Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established forex risk management policies and standard operating procedures. It uses derivative instruments forwards contract to hedge exposure to foreign currency risk.

Company's Total Foreign currency exposure:

Particulars	Currency	March 31, 2020		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Payables	USD	**73.6865**	**11.26**	**829.71**
Trade Receivables	USD	**75.3859**	**0.47**	**35.12**
		March 31, 2019		
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.2263	52.70	3,648.09

Company's Unhedged Foreign currency exposure:

Particulars	Currency	March 31, 2020		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Payables	USD	**75.3859**	**1.22**	**91.97**
Trade Receivables	USD	**75.3859**	**0.47**	**35.12**
		March 31, 2019		
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.1713	0.00	0.05

Sensitivity

If foreign currency rates had moved as illustrated in the table below, with all other variables held constant, currency fluctuations on unhedged foreign currency denominated financial instruments, post tax profit would have been affected as follows:

[₹ In Lakh]

Particulars	Profit / (Loss) after taxation	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD- increase by 5%	**(4.76)**	1.09
INR/USD- decrease by 5%	**4.76**	(1.09)

Commodity Risk

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

ii. Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, foreign exchange transactions and financial guarantees.

Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined.

Total Trade receivable as on March 31, 2020 is ₹ 7,789.68 Lakhs (March 31, 2019 ₹ 8,185.45 Lakh)

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2020.

iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	**At 31 March 2020**			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	895.93	-	-	895.93
Trade and other payables	6,240.70	-	-	6,240.70
Operating Lease Liabilities (Ind AS 116)	240.21	287.99	1,062.16	1,590.35
Total	**7,376.84**	**287.99**	**1,062.16**	**8,726.98**
Current Investments	**4,059.16**	**-**	**-**	**4,059.16**
Particulars	**At 31 March 2020**			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	1,437.53	-	-	1,437.53
Trade and other payables	9,464.43	-	-	9,464.43
Operating Lease Liabilities (Ind As 116)	-	-	-	-
Total	**10,901.96**	**-**	**-**	**10,901.96**
Current Investments	**-**	**-**	**-**	**-**

48 A) Classification of Financial Assets and Liabilities (IND AS 107):

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Fair Value through Profit and Loss		
Investments	**4,059.16**	-
Fair Value through Other Comprehensive Income		
Equity Shares	**12.65**	11.07
Amortised Cost		
Trade receivables	**7,789.68**	8,185.45
Loans	**38.15**	3,538.40
Cash and cash equivalents	**4,059.33**	4,487.65
Bank Balances	**560.91**	745.49
Other Financial Assets	**33.79**	65.41
Total	**16,553.66**	17,033.47
Financial liabilities		
Amortised Cost		
Borrowings	**895.93**	1,437.53
Trade payables	**4,534.90**	7,864.24
Other Financial Liabilities	**397.71**	417.97
Operating Lease Liabilities (Ind AS 116)	**3,711.54**	-
Total	**9,540.08**	9,719.74

B) Fair value measurements (Ind AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets at Fair Value Through Profit and Loss		
Investments - Level - 1	**4,059.16**	-
Financial assets at Fair Value Through Other Comprehensive Income		
Investments in Listed Equity Shares - Level - 1	**0.30**	1.36
Investments in Unlisted Equity Shares - Level - 2	**12.35**	9.71

Valuation Techniques used to determine the fair value

The significant Inputs used in the fair value measurement categorised within the fair value hierarchy are as shown below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in listed equity shares	Market Value	Closing Price as at 31st March in Stock Exchange
Investment in unlisted equity shares	Market Approach	Based on information provided and considering the availability of information in the public domain

49 Note on Leasehold Land

a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company is operating expired on June 30, 2017 for which requests for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however are unascertainable at this point in time), are deemed necessary in the financial results.

b) Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact unascertainable

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the above.

50 Note on impact of COVID-19 situation

a) The spread of COVID 19 has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. In consequence of the lockdown and other measures imposed by the Governments under the Disaster Management Act, 2005, the operations of both the plants of MPL were shut down in the last week of March 2020. Production of various products of the Company restarted in phases from 2nd week of April 2020, duly following the Government guidelines. The pandemic situation has affected the normal business operations of the Company and production, sales and profitability, inter alia, have been impacted.

Though the sale of Propylene Glycol- IP, a pharmaceutical ingredient was not materially impacted, the demand for Polyols and related products have remained dormant in view of shut down by users due to lock down. The company continues to face challenges on revival of demand and it is not clear when the uncertainties prevailing will get normalised.

b) The Company also has assessed recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventory and investments as at balance sheet date. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated. The Company evaluated the internal controls including internal controls with reference to financial statements which have been found to be operating effectively given that there have been no dilution of such controls due to factors caused by COVID 19 situation.

c) Management believes that it has taken into account all the factors that can have any possible impact arising from COVID 19 pandemic on the preparation of the financial statements and results including the ability of the Company to continue as going concern. However, as at the date of approval of these results, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Company's operations as normalcy is yet to return business operations. Further, the impact assessment is a continuing process and evolving, given the uncertainties associated with nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the same.

51 Regrouping

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure

52 Approval of Financial Statements

The financial statements of Manali Petrochemicals Limited were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on June 16, 2020

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Manali Petrochemicals Limited ("the Holding Company") and its subsidiaries, the Holding Company and its subsidiaries together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

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 Companies Act, 2013 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, 2020, of consolidated profit, Total Comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year then ended

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying the audit opinion, attention is invited to

1) a) Note No. 50(a) to the Consolidated Financial Statements, which explains the lease relating to the leasehold land on which one of the manufacturing units of the Holding Company is operating has since expired, on June 30, 2017 in respect of which requests seeking renewal have been filed by the Holding Company with Govt. of Tamil Nadu, (the Lessor) and the decision for extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Consolidated Financial Statements for the year ended March 31, 2020 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management has confirmed that the efforts to obtain the lease extension are continuing and is confident of obtaining the renewal of lease of land.

   b) Note No.50(b) to the Consolidated financial Statements, which explains that the position of pendency of renewal of lease of land and fixation of lease rent by Government of Tamilnadu in respect of land on which Holding Company's manufacturing plant (unit-II) is operating, in view of which no adjustments have been made in the financial Statements for the year and in the opening retained earnings towards any possible impact arising on account of implementation of Ind AS 116 – "Leases" since the same is not ascertainable at this point of time

   c) Note no 38(i)(a) to the Consolidated financial statements, which explains the demand notice received from the Tahsildar, Thiruvottiyur demanding payment of ₹ 19,836 Lakhs towards arrears of lease rent. The management based on a legal advice believes that demand for alleged arrears of lease rent is baseless, unsubstantiated, erroneous and is arbitrary and not tenable, accordingly, no provision has been considered necessary. Taking into consideration the efforts of the management in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained in the demand notice) and subsequent representations made by the Holding company to Government explaining the unreasonableness and arbitrariness of the demand and also based on pending request seeking revision and withdrawal of the same which is currently pending before Government of Tamilnadu and pending the outcome of representations by the company no adjustments have been made in the financial Statements.

2) Note No.51 to the Consolidated financial Statements, which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1) Revenue recognition and discounts:

Key Audit Matter	Auditor's Response
Revenue is measured net of discounts given to the customers on the Group's sales. The estimation towards measurement of discounts given to its customers corresponding to the sales made during the year is material and is considered to be complex and judgmental. This is an area of significant judgement and with varying complexity, depending on nature of arrangement which differs from customer to customer. Therefore, there is a risk of revenue being misstated as a result of faulty estimations relating to discounts to its customers	(i) We have assessed the appropriateness of the Group's Revenue recognition accounting policies, including those relating to estimation of discounts given to its customers. (ii) We have tested the effectiveness of the entity's internal controls over calculation of discounts. (iii) We have evaluated the documentation associated with the transactions of sale including credit notes and appropriate approvals for discounts offered to customers from the samples selected, to determine whether revenue was recognised net of discounts in the relevant reporting period. The results of our tests are satisfactory and we considered the estimate of the accrual relating to discounts and the amount of revenue recognised is found to be acceptable on comparing current year discounts accruals to the prior year and, where relevant, completing further inquiries and testing.

2) Evaluation of Contingent Liabilities:

Key Audit Matter	Auditor's Response
The Group has contingent liabilities comprising claims against the Group not acknowledged as debts and demands from various statutory authorities which are inherent to the normal course of their business, filed by third parties, former employees, and statutory authorities. In general, the settlement of these proceedings takes a long time and involve not only discussions on the matter itself, but also complex process-related aspects, depending on the applicable legislation. Among other things, the aspects used to establish the likelihood of a loss attributed to each proceeding are subjective and the evolution of the jurisprudence over these disputes are not always uniform. In certain litigation and regulatory matters significant judgement is required by the Management to determine if there is a present obligation under relevant accounting standard. ***(Evaluation of Contingent Liabilities)*** The complex nature of the Regulations and jurisprudence make this an ongoing area of judgement, and taking into consideration Management's judgement in assessing the likelihood that the pending claim will succeed, or a liability will arise , time period for resolution have been a matter of significance during the audit and the exposure of each case there is a risk that such cases may not be adequately provided for or disclosed in the Consolidated financial statements and hence considered as a key audit matter.	Our audit procedures included the following: (i) We have evaluated and tested the procedures and controls relating to the identification, recognition and measurement of provisions for disputes and disclosures in relation to matters concerning the contingent liabilities; (ii) We have considered the list of various orders/notices/ demands received with respect to various litigations from the management; (iii) Reviewed the confirmations obtained by the Company from their legal counsel / consultants on a sample basis and also discussed and analysed material legal cases with the Company's Legal department. We have also analysed the responses obtained from the Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which the status of the legal cases and possible / expected manner of proceeding were described. (iv) We held discussions with the Management to understand their assessment of the quantification and likelihood of significant exposures and the provision required for specific cases; (v) We assessed the objectivity and competence of the management and independence of the legal experts; and (vi) Evaluated the Management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the consolidated financial statements. (vii) Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters. Based on the procedures stated above we found that the criteria and assumptions adopted by Management for determining the provision for contingent liabilities, as well as the information disclosed relating to contingent liabilities in the financial statements, are appropriate.

3) Valuation of Goodwill on Consolidation:

Key Audit Matter	Auditor's Response
As at March 31, 2020, the Group's assets include goodwill aggregating to ₹ 85.48 Crores arising on acquisition of businesses of Notedome Limited which is engaged in the business of Petrochemicals. Goodwill is carried at cost and is tested for impairment, if any, in accordance with Ind AS 36 "Impairment of Assets". However, there is a potential risk that the goodwill will be impaired if assumptions for the projected cash flows are not met. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. We identified this as a key audit matter for current year audit of the Consolidated Financial Statements owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of the recoverable value through estimation of future cash flows.	Our audit procedures in relation to testing of impairment of goodwill, are as follows i. Assessed and tested the design and operating effectiveness of the Company's controls over recognition of impairment assessment process. ii. Obtained the impairment analyses and tested the appropriateness of the impairment model and reasonableness of the key assumptions used. iii. Compared the prior year budgets with the actual results to determine the efficacy of the management's budgeting process. iv. Obtained and evaluated sensitivity analysis performed by the Management on aforesaid key assumptions and v. Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian Accounting Standards. Based on the procedures stated above we found Management's key assumptions to be reasonable in determining the carrying value of the goodwill.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated financial statements and our auditors' report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, Consolidated Changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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; 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the Financial Statements and other financial information of the three overseas subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect total assets of ₹ 33,108.73 Lakhs and net assets of ₹ 28,496.78 Lakhs as at 31st March, 2020, total revenues (including other income) of ₹ 10,896.23 Lakhs, net cash flows of ₹ 395.91 Lakhs and net profit of ₹ 785.40 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. The Financial Statements and other financial information of these subsidiaries have been audited by the other auditors whose reports have been furnished to us by the Management and our report on the Consolidated Financial Statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion is not modified in respect of this matter.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

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 relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company 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, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the holding Company as on 31st March, 2020 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, 2020 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 Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure.

   g) With respect to the other matters to be included in the Auditor's 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. Refer Note 38(i) to the Consolidated financial statements.

      ii. The Group did not have any material foreseeable losses due to long-term contracts including derivative contracts.

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

2. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Brahmayya & Co.,**
Chartered Accountants
FRN: 000511S

N Sri Krishna
Partner
Membership No: 026575
UDIN 20026575AAAADN9719

Place: Chennai
Date: June 16, 2020

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Holding Company") as of that date. The Holding Company does not have any subsidiary companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Holding 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 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 Holding 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to the explanation 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 31 March 2020, based on the internal control over financial reporting criteria established by the Holding 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 **Brahmayya & Co.,**
Chartered Accountants
FRN: 000511S

N Sri Krishna
Partner
Membership No: 026575
UDIN: 20026575AAAADN9719

Place: Chennai
Date: June 16, 2020

Consolidated Balance Sheet as at March 31, 2020

[₹ In Lakh]

		Particulars			Note No	As at March 31, 2020	As at March 31, 2019
A.	ASSETS						
I	Non Current Assets						
	a)	Property, Plant and Equipment			3A	18,859.83	19,716.08
	b)	Goodwill on Consolidation				8,795.45	8,549.59
	c)	Capital work-in-progress			3B	2,642.87	634.62
	d)	Right of Use Assets			3C	2,589.98	-
	e)	Investment Property			3D	4.98	-
	f)	Financial Assets:					
		i)	Investments		4	12.65	11.07
		ii)	Other Financial Assets		5	15.63	15.63
	g)	Other non-current assets			6	2,067.76	2,282.82
	TOTAL NON-CURRENT ASSETS					34,989.15	31,209.81
II	Current Assets						
	a)	Inventories			7	8,890.16	11,791.05
	b)	Financial Assets:					
		i)	Current Investments		8	4,059.16	-
		ii)	Trade Receivables		9	10,843.19	11,412.49
		iii)	Cash and Cash equivalents		10	5,461.70	5,431.23
		iv)	Bank balances other than iii) above		11	560.91	745.49
		v)	Loans		12	38.14	3,538.39
		vi)	Other Financial Assets		13	34.62	65.41
	c)	Other Current assets			14	1,155.27	1,166.70
	TOTAL CURRENT ASSETS					31,043.15	34,150.76
	TOTAL ASSETS					66,032.30	65,360.57
B.	EQUITY AND LIABILITIES						
I	Equity						
	a)	Equity share capital			15	8,603.47	8,603.47
	b)	Other Equity				39,520.78	36,893.86
	TOTAL-EQUITY					48,124.25	45,497.33
II	Liabilities						
A.	Non-Current Liabilities						
	a)	Financial Liabilities					
		i)	Other Long-Term Liabilities		16	3,471.33	-
			a)	Provisions	17	276.91	227.17
			b)	Deferred Tax Liabilities (net)	18	1,114.79	2,095.68
			c)	Other non-current Liabilities	19	417.26	682.73
	TOTAL NON-CURRENT LIABILITIES					5,280.29	3,005.58
B	Current Liabilities						
	a)	Financial Liabilities					
		i)	Borrowings		20	2,564.57	3,381.61
		ii)	Trade Payables		21		
			1	Total outstanding dues of Micro Enterprises and Small Enterprises		154.53	10.98
			2	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		5,410.45	9,320.87
		iii)	Other financial liabilities		22	397.71	417.97
	b)	Provisions			23	1,716.39	1,600.36
	c)	Other current liabilities			24	2,384.11	2,125.87
	TOTAL CURRENT LIABILITIES					12,627.76	16,857.66
	TOTAL LIABILITIES					17,908.05	19,863.24
	TOTAL EQUITY AND LIABILITIES					66,032.30	65,360.57

See accompanying notes to Financial Statements

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Profit and Loss for the period ended March 31, 2020

[₹ In Lakh]

	Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
1	**Revenue**			
	a) Revenue from Operations	25	**80,305.31**	81,024.58
	b) Other Income	26	**1,286.25**	1,150.89
	Total Revenue (Gross) [a+b]		**81,591.56**	82,175.47
2	**Expenses**			
	a) Cost of materials consumed	27	**54,688.29**	55,043.06
	b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	**1,546.74**	(1,994.57)
	c) Employee benefits expense	29	**3,929.18**	4,064.46
	d) Finance costs	30	**626.07**	232.47
	e) Depreciation expense	31	**1,447.15**	1,104.56
	f) Utility Expenses	32	**7,757.70**	9,155.46
	g) Other expenses	33	**5,464.55**	4,897.40
	Total Expenses		**75,459.68**	72,502.84
3	**Profit Before Exceptional items and Tax [1-2]**		**6,131.88**	9,672.63
4	**Exceptional Items**		**(710.79)**	1,677.00
5	**Profit Before Tax [3+4]**		**5,421.09**	11,349.63
6	**Tax Expenses**	34		
	a) Current Tax		**1,467.24**	2,896.88
	b) Short/(Excess) Provision for tax relating to prior years		**(85.04)**	178.58
	c) Deferred Tax		**(626.84)**	614.85
	Total Tax Expenses [a+b+c]		**755.36**	3,690.31
7	**Profit for the period [5-6]**		**4,665.73**	7,659.32
8	**Other Comprehensive Income**			
	Items that will not be classified to profit or (loss)			
	Changes in Fair Value of Equity Investments		**(1.06)**	(0.28)
	Remeasurement Cost of net defined employee benefits	29	**64.99**	69.31
	Income Tax relating to items that will not be re-classified to Profit or Loss		**(16.65)**	(24.22)
	Items that will be classified to profit or (loss)			
	Changes in Foreign Currency Translation		**293.22**	(341.07)
9	**Total Comprehensive Income [7+8]**		**5,006.23**	7,363.06
10	Earnings per equity share	35		
	a) Basic (in ₹)		**2.71**	4.45
	b) Diluted (in ₹)		**2.71**	4.45

See accompanying notes to Financial Statements

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Changes in Equity

A. Equity share capital [₹ In Lakh]

For the year ended 31st March 2020

Balance as at April 01, 2019	Changes in Equity Share Capital during the year	Balance as at March 31, 2020
8,603.47	-	8,603.47

For the year ended 31st March 2019

Balance as at April 01, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
8,603.47	-	8,603.47

B. Other Equity

Statement of changes in Other Equity (2019-20)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2019)	91.45	109.20	84.00	36,373.42	0.92	16.54	218.33	36,893.86
Profit for the year	-	-	-	4,665.73	(1.06)	48.34	293.22	5,006.23
Dividend paid during the year	-	-	-	(1,555.53)	-	-	-	(1,555.53)
Reclassification of Investment property				(168.40)				(168.40)
Transition adjustment to Ind AS 116	-	-	-	(655.39)	-	-	-	(655.39)
Balance at the end of reporting Period (31.03.2020)	**91.45**	**109.20**	**84.00**	**38,659.83**	**(0.14)**	**64.88**	**511.56**	**39,520.78**

Statement of changes in Other Equity (2018-19)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2018)	91.45	109.20	84.00	29,750.90	1.20	(28.55)	559.40	30,567.60
Profit for the year	-	-	-	7,659.32	(0.28)	45.09	(341.07)	7,363.06
Dividend paid during the year	-	-	-	(1,036.80)	-	-	-	(1,036.80)
Reclassification of Investment property								
Transition adjustment to Ind AS 116	-	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2019)	**91.45**	**109.20**	**84.00**	**36,373.42**	**0.92**	**16.54**	**218.33**	**36,893.86**

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2020

[₹ In Lakh]

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		**5,421.09**		11,349.63
Adjustments for				
Depreciation	**1,135.12**		1,104.56	
Provisions no longer required written back	**(148.45)**		(1,764.97)	
Dividend income	**(69.37)**		(229.15)	
Finance costs	**626.07**		232.47	
Remeasurement Cost of net defined employee benefits	**48.34**		45.09	
Interest income	**(624.38)**		(195.94)	
Provision for doubtful debts	**191.27**		3.23	
Net unrealised exchange (gain) / loss	**111.19**		122.88	
Loss on sale / write-off of assets	**798.67**		135.61	
Net Adjustments		**2,068.46**		(546.22)
Operating Profit		**7,489.55**		10,803.41
Changes in Working Capital				
Adjustments for (increase) / decrease in operating assets				
Inventories	**2,900.90**		(4,544.01)	
Trade Receivables	**378.03**		(1,305.40)	
Other Financial Assets	**3,531.04**		(3,695.51)	
Other Current Assets	**11.43**			
Other Non-Current Assets	**6.39**		(767.64)	
Adjustments for (increase) / decrease in operating liabilities				
Trade payables	**(3,885.59)**		2,642.38	
Other financial liabilities	**(20.26)**		(283.84)	
Other Current liabilities	**(234.45)**		688.48	
Short-term provisions	**116.03**		999.83	
Other non-current Liabilities	**(265.47)**		(281.52)	
Long-term provisions	**49.74**		95.49	
Net Adjustments		**2,587.79**		(6,451.74)
Net income tax paid		**(1,336.49)**		(3,003.64)
Net cash from / (used in) Operating activities [A]		**8,740.85**		1,348.03
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances		**(2,936.69)**		(1,940.45)
Proceeds from sale of fixed assets				
Transition adjustment				
Investments in Equity shares		**(1.58)**		1.46
Interest income		**624.38**		195.94
Dividend income		**69.37**		229.15
Bank balances not considered as cash and cash equivalents		**184.58**		(190.78)
Net cash from / (used in) Investing activities [B]		**(2,059.94)**		1,704.68)

[₹ In Lakh]

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from Short-term borrowings	**(817.04)**	1,074.47
Interest paid	**(511.93)**	(232.47)
Dividend paid	**(1,290.00)**	(860.00)
Tax on dividend	**(265.53)**	(176.80)
Net cash from / (used in) Financing Activities [C]	**(2,884.50)**	(194.80)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**3,796.41**	(551.45)
Cash and cash equivalents at the beginning of the period	**5,431.23**	6,323.75
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**293.22**	(341.07)
Cash and cash equivalents at the end of the period	**9,520.86**	5,431.23

Components of Cash & Cash Equivalents:

Cash and Cash Equivalents (Note:10)		
Cash on hand	**1.00**	2.35
Cheques on hand	**16.21**	-
Balance(s) In current accounts (including debit balance(s) in cash credit)	**1,644.51**	948.88
Balances in Fixed deposit original maturity period less than 3 months	**3,799.98**	4,480.00
Current Investments (Note:8)	**4,059.16**	-
Total Cash and Cash Equivalents	**9,520.86**	5,431.23

Reconciliation between opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities:

Particulars	As at March 31, 2019	**Cash Flows**	**Fair Value Changes**	**As at March 31, 2020**
Short term Borrowings	3,381.61	(817.04)	-	**2,564.57**
Total Liabilities from Financing Activities	3,381.61	(817.04)	-	**2,564.57**

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

N. Sri Krishna
Partner
Membership No. 026575

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Place: Chennai
Date: June 16, 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1. GENERAL INFORMATION

Manali Petrochemicals Limited (the 'Holding 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. SIGNIFICANT ACCOUNTING POLICIES

2.1 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Manali Petrochemicals Limited (the ' Holding Company') and AMCHEM Speciality Chemicals Private Limited, Singapore, AMCHEM Speciality Chemicals UK Limited, UK and Notedome Limited UK, all are wholly owned subsidiaries of the Company. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2020.

(ii) The financial statements of the Company and its subsidiary companies 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 companies 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.

2.2. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

2.3. Basis of Preparation and Presentation

The financial statements of the Company have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and Employee defined benefit plan as per actuarial valuation, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

Fair value is the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or a liability.

The principal accounting policies are set out below:

2.4. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

2.4 (a) Sale of goods

Sales are recognized, 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 the customers. Sales prior to July 1, 2017 include excise duty but post introduction of Goods and Services Tax (GST) exclude GST.

2.4. (b) Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred

2.4. (c) Export Incentive

Export benefits in the nature of focus market scheme are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations/policies and when there is no uncertainty in receiving the same. Adjustments, if any, to the amounts recognized in accordance with this accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance

2.5. Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is accounted for when the right to receive income is established.

2.5. (a) Government Grants:

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants that are receivable towards capital investments under State Investments Promotion Scheme are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

2.5.1 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery
- Buildings
- Land

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.6. Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

2.7. Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.8. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9. Employee benefits

Employee benefits include provident fund, Super annuation Scheme, employee state insurance scheme, gratuity fund and compensated absences.

2.9. (a) Defined Contribution Plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Define Contribution Plan for Superannuation scheme of officers and the staff of the Plant I and II 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.

2.9. (b) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

2.9. (c) Short-term employee benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

2.9. (d) Other long-term employee benefits:

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10. Earnings per share:

Basic earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss,except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised

2.12 Property, Plant and Equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Componentization:

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Expenditure during the Construction period:

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

i) Certain Plant and Machinery – 20 years

ii) Software – 5 years

Any Preliminary and Pre-operative expenditure incurred during the construction of properties is charged off to Profit and Loss Account.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Impairment of tangible assets:

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

2.14. Inventories:

Stores and spares, packing materials, fuels, raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

1. Raw material, Stores and spares and packing materials – Weighted average cost.
2. Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
3. Stock-in-trade – Weighted average cost

2.15. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.16. Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.17. Financial assets:

All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.18. Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

  All other financial assets are subsequently measured at fair value.

2.19. Effective interest method:

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.20. Investments in subsidiaries:

On initial recognition, these investments are recognized at cost plus any directly attributable transaction cost. Subsequently measured at cost and tested for impairment.

2.21. Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, including that of the subsidiaries. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the ‘Other income’ line item.

2.22. Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.23. Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The company recognizes a loss allowance for the expected credit losses on financial asset. In case of trade receivables, the company follows the simplified approach permitted by Ind AS 109 – Financial instruments for recognition of impairment loss allowance. The application of simplified approach does not require the company to track changes in credit risk. The company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

2.24. De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.25. Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

  For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.26. Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss.

The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability’s credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortized cost Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in ‘Other income’.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

2.27. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

b. Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

c. Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

d. Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

e. Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

f. Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2.28. Changes in accounting policies and disclosures New or amended standards

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases effective from 1 April 2019 The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is as follows:

[₹ In Lakh]

	Amount
Assets	
Right-of-use assets	
Property, plant and equipment	2,717.45
Buildings	184.56
Total assets	**2,902.01**
Liabilities	
Lease liabilities	3,909.43
Deferred tax liabilities / (Asset)	(352.03)
Total liabilities	**3,557.40**
Total adjustment on equity:	
Retained earnings	655.39

Nature and effect of adoption of Ind AS 116

The Company has lease contracts for items of Land, Buildings and Plant and Machinery. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

3. Property, Plant and Equipment

A. Tangible Assets

[₹ In Lakh]

Particulars	Land	Development on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At March 31, 2018	**3,099.33**	**1.26**	**2,380.72**	**14,581.51**	**204.12**	**126.22**	**59.68**	**72.49**	**20,525.33**
Additions	-	-	59.80	2,335.50	-	3.36	7.68	9.95	2,416.29
Disposals	-	-	0.19	166.36	4.44	0.58	7.55	1.71	180.83
Effect of foreign currency translation	-	-	(20.84)	79.38	-	-	-	(0.55)	58.00
As At March 31, 2019	**3,099.33**	**1.26**	**2,461.17**	**16,671.27**	**199.68**	**129.00**	**59.81**	**81.28**	**22,702.80**
Additions	-	-	-	1,174.24	0.47	0.03	-	-	1,174.74
Disposals		-	0.03	948.90	0.01	0.24	-	-	949.17
Reclassification of Investment property	173.37	-	-	-	-	-	-	-	173.37
Effect of foreign currency translation	-	-	26.78	(95.36)	-	-	-	0.70	(67.88)
As At March 31, 2020	**2,925.96**	**1.26**	**2,461.14**	**16,999.97**	**200.15**	**128.79**	**59.81**	**80.58**	**22,822.87**
Depreciation and Amortisation									
As At March 31, 2018	**-**	**1.22**	**199.93**	**1,643.74**	**35.59**	**24.04**	**14.98**	**19.38**	**1,938.89**
Charged during the year			110.53	940.38	27.94	11.16	2.09	12.46	1,104.56
Disposals			0.04	39.71	1.70	0.21	2.74	0.80	45.20
Effect of foreign currency translation			(0.87)	(13.93)				3.26	(11.53)
As At March 31, 2019	**-**	**1.22**	**309.55**	**2,530.48**	**61.83**	**34.99**	**14.33**	**34.31**	**2,986.71**
Charged during the year			142.25	949.83	25.66	9.36	-	8.01	1,135.11
Disposals			0.01	158.56	-	0.21	-	-	158.78
Effect of foreign currency translation	-	-	-	-	-	-	-	-	-
As At March 31, 2020	**-**	**1.22**	**451.79**	**3,321.76**	**87.49**	**44.14**	**14.33**	**42.32**	**3,963.04**
Net Book Value									
As At March 31, 2019	**3,099.33**	**0.04**	**2,151.61**	**14,140.79**	**137.85**	**94.01**	**45.48**	**46.97**	**19,716.08**
As At March 31, 2020	**2,925.96**	**0.04**	**1,982.56**	**13,670.22**	**112.66**	**84.64**	**45.48**	**38.26**	**18,859.83**

B. Capital Work in Progress [₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	**634.62**	2,839.98
Additions during the year	**3,182.99**	210.93
Capitalisation during the year	**(1,174.74)**	(2,416.29)
Balance at the end of the period	**2,642.87**	634.62

C. Right of Use Assets

	As at March 31, 2020			
Particulars	**Buildings**	**Plant and Machinery**	**Total**	As at March 31, 2019
Deemed Cost				
Opening Value	-	-	-	-
Addition	-	-	-	-
Transition adjustments Ind AS 116	**184.56**	**2,717.45**	**2,902.01**	-
Disposal	-	-	-	-
Closing Value	**184.56**	**2,717.45**	**2,902.01**	-
Depreciation & Amortisation				
Opening Value	-	-	-	-
Charged during the year	**40.28**	**271.76**	**312.03**	-
Disposal	-	-	-	-
Closing Value	**40.28**	**271.76**	**312.03**	-
Net Book Value	**144.28**	**2,445.69**	**2,589.98**	-

D. Investment Property - Land		
Particulars	**As at March 31, 2020**	As at March 31, 2019
Deemed Cost		
Opening Value	-	-
Addition	-	-
Transfers to and from owner occupied property	**4.98**	-
Disposal	-	-
Closing Value	**4.98**	-
Depreciation & Amortisation		
Opening Value	-	-
Charged during the year	-	-
Disposal	-	
Closing Value	-	-
Net Book Value	**4.98**	-

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
4	**Other Non-Current Investments**		
	Non-Current Investments		
a)	**Investments in equity instruments at FVTOCI**		
	Quoted Investments		
	Chennai Petroleum Corporation Limited	**0.30**	1.36
	(500 Equity shares [500 in 2018-19] of ₹ 10 each fully paid)		
	Total of Quoted Investments	**0.30**	**1.36**
	Unquoted Investments		
	OPG Power Generation Private Limited *	**12.18**	9.54
	(1,12,900 [90,000 in 2018-19] Equity shares of ₹ 10 each fully paid)		
	AM Foundation [Formerly AM Corporate Social Responsibility Foundation]	**0.17**	0.17
	(1,700 Equity shares [1700 in 2018-19] of ₹ 10 each fully paid)		
	Total of unquoted Investments	**12.35**	9.71
	Total of Investments at FVTOCI	**12.65**	11.07
	Total Investments	**12.65**	11.07
	Aggregate book value of quoted investments	**0.30**	1.36
	Aggregate market value of quoted investments	**0.30**	1.36
	Aggregate carrying value of unquoted investments	**-**	-
	Aggregate amount of impairment in value of investments	**-**	-

* The shares are held as captive consumer of power and are subject to restrictions on transfers in terms of the agreements entered into for this purpose.

5 Other Financial Assets

	Non -Current		
	Security deposits	**15.63**	15.63
	Total Other Financial Assets	**15.63**	**15.63**

6 Other Non-Current Assets

	Capital advances	**171.52**	249.43
	Advance tax (Net of provision for tax)	**958.68**	1,055.00
	Other Advances	**937.56**	978.39
	Total Other Non-Current Assets	**2,067.76**	2,282.82

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
7 Inventories		
Inventories (lower of cost and net realisable value)		
Raw materials	**3,405.44**	2,791.57
Raw materials in transit	**843.43**	2,812.40
Work-in-progress	**39.36**	155.98
Finished goods	**4,320.29**	5,750.41
Stores and spares	**281.64**	280.69
Total Inventories	**8,890.16**	11,791.05

8 Current Investments

Quoted Investments		
Investment in Mutual Funds	**4,059.16**	-
Total Other Current Investments	**4,059.16**	**-**
Aggregate Book value of quoted Investments	**4,059.16**	**-**
Aggregate Market value of quoted Investments	**4,059.16**	**-**

9 Trade Receivables

Current:		
Trade Receivables - considered good unsecured	**10,843.19**	11,412.48
Trade receivables - Credit impaired	**26.75**	26.75
Allowance for bad and doubtful debts	**(26.75)**	(26.75)
Total Trade Receivables	**10,843.19**	11,412.49

10 Cash and Cash Equivalents

Balances with Banks:		
In current accounts	**1,644.51**	948.88
In Fixed deposit with original maturity period of less than 3 months	**3,799.98**	4,480.00
Cheques on hand	**16.21**	-
Cash on hand	**1.00**	2.35
Cash and Cash Equivalents	**5,461.70**	5,431.23

Cash on hand includes ₹ Nil (2018-19 - ₹ 1.19 Lakh) of various Foreign Currencies

11 Bank balances other than Cash and Cash equivalents

Fixed Deposit with original maturity period more than 3 months	**-**	103.29
Margin money deposited Accounts	**163.20**	224.23
Unpaid dividend accounts	**397.71**	417.97
Total Bank balances	**560.91**	745.49

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

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
12 Loans		
Current		
Security deposits		
Considered Good - Unsecured	**9.58**	9.58
Other loans:		
Considered Good - Unsecured:		
Loans and advances to employees	**28.56**	28.81
Loans-Others*	**-**	3,500.00
Total Loans	**38.14**	3,538.39

* Loans-Others represent 14% Inter-Corporate Deposits ₹ Nil (previous year ₹ 3500 Lakh) advanced for working capital purposes.

13 Other Financial Assets

Interest accrued on Deposits	**34.62**	65.41
Total Other Financial Assets	**34.62**	65.41

14 Other Current Assets

Advances given to vendors	**659.03**	578.42
Prepaid expenses	**365.28**	473.48
Unamortised premium on forward contracts	**3.32**	23.45
Balances with Government authorities		
GST / CENVAT / VAT Credit receivable	**127.64**	91.35
Total Other Current Assets	**1,155.27**	1,166.70

15 Equity share capital

[₹ In Lakh]

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	**Amount**	No of shares	Amount
Authorised share capital				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	**240,000,000**	**12,000.00**	240,000,000	12,000.00
Movements during the year	**-**	**-**	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	**240,000,000**	**12,000.00**	240,000,000	12,000.00

Issued, Subscribed and paid up shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	**Amount**	No of shares	Amount
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**171,999,229**	**8,599.96**	171,999,229	8,599.96
Forfeited Share capital -Amount paid up		**3.51**		3.51
Total Equity Share Capital	**171,999,229**	**8,603.47**	171,999,229	8,603.47

There has been no movement in the Share Capital during the year.

a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	**Amount**	No of shares	Amount
Outstanding at the beginning of the year	**171,999,229**	**8,603.47**	171,999,229	8,603.47
Issued / Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**171,999,229**	**8,603.47**	171,999,229	8,603.47

b) **Details of shareholders holding more than 5% shares in the company**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of shares	**Holding %**	No of shares	Holding %
Fully paid equity shares				
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

c) **Terms / rights attached to equity shares**

The company has only one class of shares referred to as equity shares having a Face value of ₹5. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held. Each fully paid up equity share holders is entitled to one vote per share held.

[₹ In Lakh]

	Particulars	As at March 31, 2020	As at March 31, 2019
16	**Other Long-Term Liabilities**		
	Operating Lease Liabilities (Ind AS 116)	**3,471.33**	-
	Total Long-Term Liabilities	**3,471.33**	-

Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to ₹ 655.39 lakh (net off deferred Tax Asset of ₹352.03 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

17 Non-Current Provisions

Employee Benefits		
Post employment benefits	**176.57**	135.59
Compensated absences	**100.34**	91.58
Total Non-Current Provisions	**276.91**	227.17

18 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities		
Property, Plant & Equipment	**1,946.31**	1,313.49
(Difference between book balance and tax balance)		
Deferred Tax of Subsidiaries	**(1.93)**	(0.22)
Tax Effect of Items Constituting Assets		
Provision for Lease Assets / (Liability) - Ind AS 116	**(282.28)**	-
Provision for doubtful debts / advances	**(6.73)**	(9.35)
Provisions Disallowed u/s. 43B of Income Tax Act, 1961	**(450.59)**	880.01
Provisions for Compensated absences, Gratuity and Other employee benefits	**(89.99)**	(88.25)
Net Deferred Tax Liabilities	**1,114.79**	2,095.68

19 Other non-current Liabilities

Unsecured - at amortised cost		
Deposits	**99.69**	115.02
Deferred Income	**317.57**	334.36
Other Long-term Payables	**-**	233.35
Total Non-Current Borrowings	**417.26**	682.73
The deposits have been classified as under:		
As Non-Current Liabilities	**99.69**	115.02
As Current Liabilities	**15.33**	15.33
Total Deposits	**115.02**	130.35
Interest free deposit movement:		
Opening Deposit Balance	**130.35**	145.68
Less: Deposit refunded during the year	**15.33**	15.33
Closing Balance	**115.02**	130.35

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 adjustable in fifteen equal annual installments commencing from October 2012.

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
The Deferred Income have been classified as under:		
As Non-Current Deferred Income	**317.57**	334.36
As Current Deferred Income	**16.79**	16.79
Total Deferred Income	**334.36**	351.15

The above Deferred Income was received as subsidy from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC. Stage I was completed in all aspects by December 2016. Ozone Cell appointed an Independent consultant to inspect the facility and the same was carried out in May 2017. The company had received 100% subsidy of ₹ 369.34 Lakh and the same has been considered for Deferred Income as per Ind AS: 20 Accounting for Government Grants and Disclosure of Government Assistance. The current portion of the above said subsidy is shown under Other Current Liabilities in Note: 24

20 Current Borrowings

Secured - at amortised cost		
From Banks:		
Cash Credit and Bill Discounted	**2,564.57**	3,381.61
Total current borrowings	**2,564.57**	3,381.61

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.

21 Trade Payables

Trade Payables		
Due to Micro and Small Enterprises	**154.53**	10.98
Due to Related Parties	**1,012.78**	1,170.16
Due to Others	**4,397.67**	8,150.71
Total Trade Payables	**5,564.98**	9,331.85

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

22 Other Financial Liabilities

Unpaid dividend	**397.71**	417.97
Total Other Financial Liabilities	**397.71**	417.97

23 Current Provisions

Employee benefits		
Gratuity	**58.24**	7.50
Compensated absences	**22.41**	17.89
Others		
Provision for wage arrears *	**511.36**	469.19
Other Provisions#	**1,124.38**	1,105.78
Total Current Provisions	**1,716.39**	1,600.36

* Provision for wage arrears

In 2004, a claim was made against the Company by its workmen, demanding wage revision for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008, which was challenged by the Company in the Supreme Court. In October 2015, the employees' union filed an Interim Application (IA) No. 12 of 2015 in the Supreme court. Upon hearing both sides, the Supreme court gave directions to withdraw the SLP and approch the High Court. Accordingly a fresh application has been filed in the Madras High Court which is pending. In the meantime based on the Management's efforts most of the workmen have opted for out of court settlement to whom payments were made and adjusted against the earlier provisions. The provision carried is in respect of the remaining workmen, who have not yet come forward for out of court settlement and would be subject to the the final outcome of the case.

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
The movement in the provision for wage arrears is given below:		
Balance at the beginning of the year	**469.19**	434.11
Charge for the year	**63.61**	199.81
Payments made during the year	**(21.44)**	(164.73)
Balance at the end of the year	**511.36**	469.19

Other Provisions include ₹ 1,083 Lakh (Previous Year ₹ 1,083 Lakh) relating to claim by an erstwhile customer being contested by the Company in the Bombay High Court.

24 Other Current Liabilities

Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST, ED, VAT, Service Tax, etc)	**177.57**	44.93
Contractually reimbursable expenses	**17.01**	38.59
Deposits	**15.33**	15.33
Deferred Income	**16.79**	16.79
Operating Lease Liabilities (Ind AS 116) - Current	**240.21**	-
Other Current Liabilities	**1,917.20**	2,010.23
Total Other Current Liabilities	**2,384.11**	2,125.87

* Other Current Liabilities include provision of ₹ 1,096 Lakh (Previous year ₹ 1,096 Lakh) relating to dispute in rate of customs duty for one of the imported raw materials, contested by the Company before the appropriate forum.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
25 Revenue from Operations		
Sale of Products		
Finished Goods	**79,942.97**	80,781.27
Sale of Services	**116.99**	29.50
Other Operating Income		
Scrap Sales	**96.90**	125.84
Provisions no longer required written back	**148.45**	87.97
Total Revenue from Operations	**80,305.31**	81,024.58
Details of Sales (Net):		
Manufactured Goods:		
Propylene Oxide	**1,027.12**	1,508.81
Propylene Glycol	**19,259.03**	21,943.71
Polyol	**41,764.65**	40,605.21
Others	**19,862.57**	18,762.54
Total Manufactured Goods	**81,913.37**	**82,820.27**
Less: Trade Discounts	**1,970.40**	2,039.00
Total Sale of Products	**79,942.97**	80,781.27

[₹ In Lakh]

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
26	**Other Income**		
a)	**Interest income**		
	Bank deposits (at amortised cost)	**197.87**	141.50
	Interest from Customers	**96.07**	49.06
	Inter-corporate deposits	**330.44**	5.37
b)	**Dividend income**		
	Dividends from current investments in Mutual funds	**69.37**	229.15
c)	**Other non-operating income (net of expenses directly attributable to such income)**		
	Insurance claims received	**-**	161.09
	Miscellaneous Income	**592.51**	564.72
	Total Other Income	**1,286.25**	1,150.89

27 Cost of materials consumed

	Opening Stock	**5,603.97**	5,737.67
	Add: Purchases	**53,333.19**	54,909.35
	Less: Closing Stock	**4,248.87**	5,603.97
	Cost of materials consumed	**54,688.29**	55,043.06
28	**Changes in inventories of finished goods and work-in-progress.**		
	Inventories at the end of the year		
	Finished Goods	**4,320.29**	5,750.41
	Work-in-progress	**39.36**	155.98
		4,359.65	5,906.39
	Inventories at the beginning of the year		
	Finished Goods	**5,750.41**	3,737.32
	Work-in-progress	**155.98**	174.50
		5,906.39	3,911.82
	Net Decrease / (Increase) in Inventories	**1,546.74**	(1,994.57)

29 Employee Benefits Expenses

	Salaries and Wages *	**3,088.83**	3,317.77
	Contribution to provident and other funds	**112.60**	101.48
	Gratuity expense	**69.26**	8.38
	Post-Employment benefits	**103.44**	142.85
	Staff welfare expenses	**490.06**	424.67
	Employee Benefits Expenses (Gross)	**3,864.19**	3,995.15
	(Add:) / Less: Remeasurement Cost of net defined employee benefits	**(64.99)**	(69.31)
	Total Employee Benefits Expenses	**3,929.18**	4,064.46

* Salaries and Wages include ₹ 75.31 lakh (Previous Year ₹ 106.50 lakh) towards R & D Expenses

[₹ In Lakh]

Particulars		**For the year ended March 31, 2020**	For the year ended March 31, 2019
30	**Finance Costs**		
	Interest on working capital borrowings	**132.09**	81.24
	Other Finance cost *	**493.98**	151.23
	Total Finance Costs	**626.07**	232.47

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.01 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

31 Depreciation and Amortisation Expenses

	Depreciation of property, plant and equipment pertaining to continuing operations *	**1,447.15**	1,104.56
	Total Depreciation Expenses	**1,447.15**	1,104.56

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, ₹ 383.18 lakh has been accounted as Finance cost and ₹ 312.03 lakh as Depreciation against the payment of ₹ 581.07 lakh towards lease rent.

32 Utility Expenses

	Power	**3,627.06**	2,798.17
	Fuel	**2,887.47**	5,133.52
	Water	**1,243.17**	1,223.77
	Total Utility Expenses	**7,757.70**	9,155.46

[₹ In Lakh]

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
33	**Other Expenses**		
a)	Consumption of Stores and Spares	**417.56**	481.76
b)	Repairs and Maintenance		
	Building	**161.80**	164.53
	Plant and machinery	**1,329.47**	1,161.60
	Information Technology	**33.59**	37.78
	Others	**92.76**	94.86
c)	Legal and Professional	**286.47**	282.27
d)	Directors sitting fees	**34.00**	14.00
e)	Expenditure on Corporate Social responsibility	**178.05**	134.70
f)	Loss on Property, Plant and Equipment sold/scrapped/written off	**87.88**	135.61
g)	Provision for Bad and Doubtful Debts	**191.27**	3.23
h)	Payments to Statutory auditors:		
	For audit services	**11.00**	8.50
	For taxation matters	**2.50**	1.50
	For other services	**4.25**	2.25
i)	Payments to Other auditors	**30.32**	27.49
j)	Rent	**90.98**	167.86
k)	Insurance	**414.05**	248.00
l)	Rates & Taxes	**266.92**	292.25
m)	Agency Commission	**228.95**	260.46
n)	Freight Outward	**641.32**	539.86
o)	Net foreign exchange (gains)/losses	**111.19**	122.88
p)	Miscellaneous Expenses	**850.27**	716.01
	Total Other Expenses	**5,464.55**	4,897.40

The above Other Expenses include R&D spend aggregating to ₹ 151.80 lakh (Previous Year ₹ 145.82 lakh) under various items comprised therein.

34	**Income Tax recognised in Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	**1,467.24**	2,896.88
	In respect of prior year	**(85.04)**	178.58
	Deferred Tax		
	In respect of current year	**(626.84)**	614.85
	Total Tax Expenses	**755.36**	3,690.31
	Reconciliation of Effective Tax Rate:		
	Applicable tax rate (%)	**16.35%**	30.94%
	Effect of Tax on Exempt Income (%)	**0.47%**	-0.35%
	Effect of Non-Deductible expenses (%)	**8.81%**	0.01%
	Effective Tax Rate (%)	**25.63%**	30.60%

[₹ In Lakh]

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
35	**Earnings Per Share (EPS)**		
	The following reflects the profit and shares related data used in the Basic EPS computations:		
	Profit for the period	**4,665.73**	7,659.32
	No. of Shares used in computing earnings per share	**171,999,229**	171,999,229
	Earnings Per Share - Basic and Diluted (in Rupees)	**2.71**	4.45
	Face Value Per share (in Rupees)	**5.00**	5.00

36 Exceptional Item

During the year the fixed assets of Captive Power Plant (which has not been in operation since December 2014) were evaluated. Of these, assets with carrying value of ₹ 710.79 lakh have been identified to have no further use and so impaired and written off from the books of accounts.

[Exceptional credit of ₹1,677 lakh in the previous year represents reversal of lease rent provision made during the financial year 2014-15].

37 Segment Reporting (IND AS 108):

The Company is exclusively engaged in the business of Manufacture and sale of Petrochemical products primarily in India. As per Ind AS 108 "Operating Segments" specified under Section 133 of the Companies Act, 2013, there are no reportable operational or geographical segments applicable to the Company.

38 Contingent Liabilities and Commitments (to the extent not provided for) (IND AS 37)

i) Contingent Liabilities

a) Claims against the Company not acknowledged as debt:

	Nature of the Dues	As at March 31, 2020	As at March 31, 2019
1	Claim for arrears of lease rent by Thasildar, Tiruvottiyur	**19,836.00**	19,836.00
2	Claim from TNPCB for interim envirnmental compensation	**200.00**	-

1 During FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of ₹ 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for ₹ 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur.

In this regard, the Company had received legal advise that the amounts claimed through the said two notices are misconceived in as much as the demand for alleged arrears of lease rent appears to be baseless, unsubstantiated, erroneous and so is arbitrary and not tenable. Accordingly, taking into account the arbitrariness involved, it is viewed that the said claims are devoid of any merits and so need not be reckoned as any kind of obligation on the Company. The Company would decide on further course of action in the matter once the details are received.

Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2020 which have been accepted and realized by the Thasildhar. In the light of this and also that the latter demand covers the period mentioned in the demand received in FY 2013-14, the earlier provision of ₹ 1,677 lakh in FY 2014-15 was no longer necessary and hence the same was reversed as shown under Exceptional items in the previous year. However the Company continues to provide for lease rent based on the contract terms for the fixation of lease rent and in terms of the extant Government guidelines for such lands.

The Auditors have included an Emphasis of Matter para in their report on the above along with the Note 50(a) & 50(b).

2 During the year the Company received demand from Tamilnadu Pollution Control Board (TNPCB) seeking payment of ₹ 200 lakh as interim environmental compensation for causing damages to the environment. TNPCB has made the demand citing an order of the National Green Tribunal (NGT). Further the NGT has directed to identify the industries that are causing pollution and collect the environmental compensation. In the opinion of the Company the PCB has made the demand without following the above direction. The notices have been examined and it is seen that the data relied up on by the TNPCB are incorrect as the alleged excesses were all due to technical/server error in CARE-AIR Centre. MPL has disputed the allegations and submitted the documents with a request to withdraw the demand for which no response has been received. Since the claim is arbitrary and without justification, the same has not been acknowledged as debts due by the Company.

b) Other money for which the Company is contingently liable:

[₹ In Lakh]

Nature of the Dues	**Forum before which the dispute is pending**	**Period to which it relates**	**As at March 31, 2020**	As at March 31, 2019
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39
	High Court of Madras	2012	**380.89**	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80
	Disputed Excise & Customs Demand		**441.08**	441.08
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**-**	21.62
	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		**20.24**	41.86
Income Tax	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12
	Commissioner of Income Tax (Appeals)	2010-11	**176.88**	176.88
	Commissioner of Income Tax (Appeals)	2012-13	**476.90**	476.90
	Income Tax Appellate Tribunal	2013-14	**30.46**	30.46
	Commissioner of Income Tax (Appeals)	2014-15	**78.08**	78.08
	Commissioner of Income Tax (Appeals)	2015-16	**108.22**	108.22
	Commissioner of Income Tax (Appeals)	2016-17	**232.14**	232.14
	Commissioner of Income Tax (Appeals)	2017-18	**42.35**	-
	**Disputed Income Tax Demand ** **		**1,666.60**	1,624.25

** Against the above demands, the Company has not paid any amount during the year (₹ NIL in 2018-19)

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.

ii) Commitments

Particulars	**As at March 31, 2020**	As at March 31, 2019
Estimated amount of contracts remaining to be executed (net of advances):	**4,669.08**	1,645.43
Total Commitments	**4,669.08**	1,645.43

39 Payable to MSME

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no over due amounts payable to Micro, Small & Medium Enterprises [MSME] as on the Balance sheet date or anytime during the year and hence no interest has been paid/payable. Such parties have been identified by the Company on the basis of information available with the Company and relied upon by the auditors.

40. Employee Benefits (Ind AS 19):

Defined contribution plans

The Company makes Provident fund and Pension (Funded) 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 ₹ 102.38 lakhs (year ended 31 March, 2019 - ₹ 86.74 lakhs) for Provident Fund contributions and ₹ 52.41 lakhs (year ended 31 March, 2019 - ₹ 114.39 lakhs) for Pension (Funded) 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 29 : Employee benefits expense).

ii) Post-employment benefits (included as part of Post-employment benefits as per Note 29 : Employee Benefits Expense)

iii) Compensated absences (included as a part of contribution to Provident & other funds as per Note 29 : Employee Benefits Expense).

Gratuity- Plant 1:

Gratuity payable to employees is based on the employees' service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for the payment of Gratuity.

Inherent Risk:

The Plan is Defined Benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the Plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying Plan assets. This may result in an increase in cost of providing these benefits to its employees in future. Since these benefits are lumpsum in nature, the Plan is not subject to any longivity risk.

Gratuity- Plant 2:

The Gratuity Fund relating to Plant -II is being maintained with Life Insurance Corporation of India and the Company contributes to the fund.

Pension

The Company considers Pension for its employees at Plant 1, in accordance with the Rules of the Company.

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

[₹ In Lakh]

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Discount Rate (%)	**6.85%**	7.70%	**6.85%**	7.75%
Estimated Rate of Return on Plan Assets (%)	**7.70%**	7.25%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**24.14**	33.86
Weighted Average Duration of Defined Benefit Obligation (Years)	**5.00**	5.00	**6.00**	6.00

Net Employee benefit expense recognized in the employee cost in Total Comprehensive Income

[₹ In Lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019	**For the Period Ended March 31, 2020**	For the Period Ended March 31, 2019
Expense recognised in Statement of Profit or Loss				
Current service cost	**0.59**	12.76	**21.49**	27.88
Past service cost	**-**	-	**-**	-
Interest cost on benefit obligation	**13.71**	9.81	**26.52**	23.03
Expected return on plan assets	**(14.11)**	(32.61)	**16.19**	(24.19)
Sub Total	**0.19**	(10.04)	**64.20**	26.72
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	**0.02**	3.79	**11.38**	11.38
ii. Financial Assumptions on obligation	**8.59**	2.79	**(0.50)**	(0.50)
iii. Experience Adjustments on obligation	**(0.68)**	20.56	**11.98**	11.98
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**3.10**	(1.44)	**(25.94)**	(42.07)
Sub Total	**11.03**	25.70	**(3.08)**	(19.21)
Net benefit expense	**11.22**	15.66	**61.12**	7.51

Balance Sheet

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Benefit asset / liability				
Present value of defined benefit obligation	**186.83**	177.66	**383.12**	341.54
Fair value of plan assets	**180.88**	182.92	**324.86**	334.03
Assets / (Liability) recognized in the balance sheet	**(5.95)**	5.26	**(58.24)**	(7.51)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**177.66**	129.33	**341.54**	288.32
Benefit transferred in	**-**	-		
Benefit transferred Out	**-**	-		
Benefits paid	**(13.05)**	(1.38)	**(26.41)**	(20.55)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**0.59**	12.76	**21.49**	27.88
Interest cost on benefit obligation	**13.71**	9.81	**26.52**	23.03
Recognised in Other Comprehensive Income	**11.02**	25.70	**36.16**	(19.21)
Actuarial (gain)/loss on obligation	**(3.10)**	1.44	**(16.18)**	42.07
Closing defined benefit obligation	**186.83**	**177.66**	**383.12**	**341.54**

[₹ In Lakh]

Movement in the fair value of plan assets

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2020	For the Period Ended March 31, 2019	**For the Period Ended March 31, 2020**	For the Period Ended March 31, 2019
Opening fair value of plan assets	**182.92**	169.55	**334.03**	229.49
Contributions by employer		(19.30)	**7.50**	58.83
Contributions transfer in	**-**	-	**-**	-
Benefits paid	**(13.05)**	(1.38)	**(26.42)**	(20.55)
Expenses Recognised in Profit and Loss Account				
Expected return	**14.11**	32.61	**(16.19)**	24.19
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**(3.10)**	1.44	**25.94**	42.07
Closing fair value of plan assets	**180.88**	182.92	**324.86**	334.03

Percentage allocation of plan assets by category:

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Government Securities	**86.21%**	42.96%	**50.39%**	54.90%
Debentures / bonds		35.66%	**39.91%**	37.31%
Equity instruments		3.93%	**4.76%**	4.21%
Savings/Fixed deposits	**13.79%**	17.45%	**4.94%**	3.58%
Total	**100.00%**	100.00%	**100.00%**	100.00%

The composition of investments in the fair value of plan assets relating to gratuity as given above is relating to employees of Plant-I only.

Maturity Profile of the DBO and Expected Cashflows in the following period:

Particulars	Pension (Funded)		Gratuity (Funded)	
	31-03-2020	31-03-2019	**31-03-2020**	31-03-2019
Within next 12 Months	**101.53**	145.63	**53.23**	47.73
Between 1 and 5 years	**19.78**	14.25	**157.35**	151.48
5 years and above	**65.52**	17.78	**172.54**	142.33

Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations.

Pension (Funded) [₹ In Lakh]

Particulars	Increase		Decrease	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19
Impact of the change in discount rate - 1%	**(5.30)**	(4.80)	**6.40**	5.80
Impact of the change in salary increase - 1%	**0.80**	0.50	**(0.70)**	(1.90)
Impact of the change in Mortality - 5%	**(0.30)**	(0.30)	**0.30**	0.30

Gratuity

Particulars	Increase		Decrease	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19
Impact of the change in discount rate - 1%	**(3.10)**	(3.10)	**3.30**	3.30
Impact of the change in salary increase - 1%	**3.20**	3.30	**(3.10)**	(3.20)
Impact of the change in Mortality - 5%	**-**	-	**-**	-

The composition of investments in the fair value of plan assets relating to gratuity as given above is relating to employees of Plant -I only. The Gratuity fund relating to Plant - II is being maintained with Life Insurance Corporation of India (LIC) and as per the information provided by LIC the total fair value of plan assets and present value of obligations as on March 31, 2020 were ₹ 117.52 lakh and ₹ 116.55 lakh respectively. [March 31, 2019- ₹ 111.94 lakh and ₹ 99.50 lakh]

41 Related Party Disclosures (Ind AS 24):

a) Related Parties with whom there were transactions during the year:

Name of the Related Party	**Relationship**
SIDD Life Sciences Private Limited	Investment Company / Venturer Company
Southern Petrochemical Industries Corporation Limited	Associate Company having significant Influence
Tamilnadu Industrial Development Corporation Limited	Associate Company having significant Influence
Tamilnadu Petroproducts Limited	Joint Venture of the entity to which the company is an Associate
CNGSN & ASSOCIATES LLP	Firm in which a relative of director is a partner
MPL Employees Superannuation Trust	Post Employment Benefit Plan Entity
MPL Employees Gratuity Fund Trust	Post Employment Benefit Plan Entity

b) Transactions with Investing Company, Associate Companies and Other Related parties during the Year:

Sl No	**Particulars**	**Year ended March 31, 2020**	Year ended March 31, 2019
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**493.85**	329.23
	Tamilnadu Industrial Development Corporation Limited	**84.09**	56.06
	Southern Petrochemical Industries Corporation Limited	**0.08**	0.05
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited	**11,106.70**	2,911.27
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited	**13.99**	13.45
	CNGSN & ASSOCIATES LLP	**5.90**	7.38
	Southern Petrochemical Industries Corporation Limited	**6.96**	-

[₹ In Lakh]

Sl No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
4	**Purchase of Fixed Assets/ Property, Plant and Equipment:**		
	Tamilnadu Petroproducts Limited	-	23.50
5	**Sale of services**		
	Tamilnadu Petroproducts Limited	**133.73**	17.65
6	**Sale of Goods:**		
	Tamilnadu Petroproducts Limited	**2,847.60**	74.46
7	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust	**31.56**	30.35
	MPL Employees Gratuity Fund Trust	**7.50**	58.83
8	**Refund of Contribution**		
	Refund received from MPL Employees Superannuation Trust #	**95.12**	34.30

Amount received during the current year represents accumulated contributions claimed back from LIC relating to employees who are ineligible to receive the benefits. Amount received during the previous year was the accumulated contributions relating to employees who had opted out of the Scheme and refunded to them.

c) Outstanding Balances:

Sl No	Particulars	As at March 31, 2020	As at March 31, 2019
1	**Trade Payables**		
	Tamilnadu Petroproducts Limited	**1,012.78**	1,170.16
2	**Other Payables**		
	Tamilnadu Petroproducts Limited	**81.88**	100.03
3	**Trade Receivables**		
	Tamilnadu Petroproducts Limited	**8.66**	47.44

Note: Managing Director is not in receipt of any remuneration but in respect of his service would be eligible for post-retirement benefits as per the applicable law and service rules of the Company. The details of remunerations to the Whole-Time Director, Chief Financial Officer, Company Secretary and sitting fees to other Non-Executive Directors are disclosed in the Corporate Governance Report.

42 Operating Leases (Ind AS 116):

Effective from 1st April, 2019, the Company has adopted Ind AS 116 - Leases, using modified retrospective method where comparative periods have not been restated.

Bulk storage facility at Ennore Port-

The lease is for a period of 15 years from 1st April, 2014 . 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.

Corporate Office premises-

The lease is for a period of 9 years from 1st November 2014. The lease agreement provides for an increase in the lease payments by 15% every 3 years.

Plant-2 premises-

Since period of lease for the lease hold land in which one of manufacturing unit of the company is located has expired before effective date. Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact unascertainable. Refer Note 50.

[₹ In Lakh]

Sl No	Particulars	2019-20	2018-19
(a)	Weighted average lessee's incremental borrowing rate	**10.00%**	~ NOT APPLICABLE ~
(b)	Lease liabilities recognised in the balance sheet at the date of initial application	**3,909.43**	
(c)	Depreciation charge for the year		
	- Buildings	**40.28**	
	- Plant and Machinery	**271.76**	
(d)	Interest expense on lease liabilities	**383.18**	
(e)	Total cash outflow for Operating leases	**581.07**	
(f)	Transition adjustments Ind AS 116		
	- Buildings	**184.56**	
	- Plant and Machinery	**2,717.45**	
(g)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset		
	- Buildings	**144.28**	
	- Plant and Machinery	**2,445.69**	

43 Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profits of the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013 as below:

- Gross amount required to be spent by the company during the year ₹ 168.09 Lakh (Previous year ₹ 144.88 lakh)
- Amount spent during the year on:

Sl No	Particulars	2019-20	2018-19
1	Construction / acquisition of any property	**175.84**	134.70
2	On purpose other than above	**2.21**	-

44 Research and Development expenditure incurred during the year is given below

Sl No	Particulars	2019-20	2018-19
1	Revenue Expenditure	**227.11**	252.32
2	Capital Expenditure (including capital work-in-progress)	**-**	-

45 Distribution Made and Proposed (Ind AS 1):

Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: ₹ 0.75 per share (March 31 2018: Rs 0.50 per share)	**1,290.00**	860.00
Dividend Distribution Tax on Final Dividend	**265.53**	176.80
Total Distribution made	**1,555.53**	1,036.80
Proposed Dividend on Equity Shares		
Final dividend for the year ended on March 31, 2020: ₹ 0.75 per share (March 31 2019: Rs 0.75 per share)	**1,290.00**	1,290.00
DDT of Proposed Dividend	**-**	265.16
Total Dividend Proposed	**1,290.00**	1,555.16

Proposed dividend on equity shares is subject to approval at the annual general meeting and not recognised as a liability as at March 31, 2020.

46 Capital Management (Ind AS 1):

The objective of the Company's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. Management monitors the long term cash flow requirements including externally imposed capital requirements of the business in order to assess the requirement for changes to the capital structure to meet the said objective. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2020

The Company's capital and net debt were made up as follows:

₹ In Lakh

Particulars	**March 31, 2020**	March 31, 2019
Net debt (Long term debt less Cash and Cash equivalent)	**-**	-
Total equity	**48,124.25**	**45,497.33**

47 Financial Risk Management Objectives and Policies (IND AS 107):

Financial Risk Management Framework

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Risk Exposures and Responses

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowing.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Company's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

Sensitivity Analysis

An increase/decrease of 100 basis points in interest rate at the end of the reporting period for the variable financial instruments would (decrease)/increase profit after taxation for the year by the amounts shown below. This analysis assumes all other variables remain constant.

[₹ In Lakh]

Particulars	Profit / (Loss) after taxation	
	March 31, 2020	March 31, 2019
Financial Liabilities - Borrowings		
+1% (100 basis points)	**46.97**	22.00
-1% (100 basis points)	**(46.97)**	(22.00)
Financial Assets - Loans		
+1% (100 basis points)	**0.29**	23.02
-1% (100 basis points)	**(0.29)**	(23.02)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the, raw materials and consumables, capital expenditure, exports of Polyols and the Company's net investments in foreign subsidiaries. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged item, the Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established forex risk management policies and standard operating procedures. It uses derivative instruments forwards contract to hedge exposure to foreign currency risk.

Company's Total Foreign currency exposure:

Particulars	Currency	March 31, 2020		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**75.3859**	**0.47**	**35.12**
Trade Payables	USD	**73.6865**	**11.26**	**829.71**
		March 31, 2019		
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.2263	52.70	3,648.09

Company's Unhedged Foreign currency exposure:

Particulars	Currency	March 31, 2020		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**75.3859**	**0.47**	**35.12**
Trade Payables	USD	**75.3859**	**1.22**	**91.97**
		March 31, 2019		
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.1713	-	0.05

Sensitivity

If foreign currency rates had moved as illustrated in the table below, with all other variables held constant, currency fluctuations on unhedged foreign currency denominated financial instruments, post tax profit would have been affected as follows:

[₹ In Lakh]

Particulars	Profit / (Loss) after taxation	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD - increase by 5%	**(4.76)**	1.09
INR/USD - decrease by 5%	**4.76**	(1.09)

Commodity Risk

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

ii. Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with banks, mutual fund investments, foreign exchange transactions and financial guarantees.

Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined.

Total Trade receivable as on March 31, 2020 is ₹ 10,843.19 Lakhs (March 31, 2019 ₹ 11,412.49 Lakh)

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2020.

iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	At 31 March 2020			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	**2,564.57**	**-**	**-**	**2,564.57**
Bank Borrowings	**-**	**-**	**-**	**-**
Trade and other payables	**9,665.48**	**-**	**-**	**9,665.48**
Operating Lease Liabilities (Ind AS 116)	**240.21**	**287.99**	**1,062.16**	**1,590.35**
Total	**12,470.25**	**287.99**	**1,062.16**	**13,820.40**
Current Investments	**4,059.16**	**-**	**-**	**4,059.16**

[₹ In Lakh]

Particulars	At 31 March 2019			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	3,381.61	-	-	3,381.61
Bank Borrowings	-	-	-	-
Trade and other payables	13,058.07	-	-	13,058.07
Operating Lease Liabilities (Ind AS 116)	-	-	-	-
Total	**16,439.68**	**-**	**-**	**16,439.68**
Current Investments	**-**	**-**	**-**	**-**

48 A) Classification of Financial Assets and Liabilities (IND AS 107):

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Fair Value through Profit and Loss		
Investments	**4,059.16**	-
Fair Value through Other Comprehensive Income		
Equity Shares	**12.65**	11.07
Amortised Cost		
Trade receivables	**10,843.19**	11,412.49
Loans	**38.14**	3,538.39
Cash and cash equivalents	**5,461.70**	5,431.23
Bank Balances	**560.91**	745.49
Total	**20,975.75**	21,138.67
Financial liabilities		
Amortised Cost		
Borrowings	**2,564.57**	3,381.61
Trade payables	**5,564.98**	9,331.85
Other Financial Liabilities	**397.71**	417.97
Operating Lease Liabilities (Ind AS 116)	**3,711.54**	-
Total	**12,238.80**	13,131.43

B) Fair value measurements (Ind AS 113):

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:"

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

[₹ In Lakh]

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets at fair value through Profit or Loss		
Investments- Level-1	**4,059.16**	-
Financial Assets at fair value through other comprehensive income		
Investments in Listed Equity Shares - Level-1	**0.30**	1.36
Investments in unlisted Equity Shares - Level-2	**12.35**	9.71

Valuation Techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are as shown below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investments in listed equity shares	Market Value	Closing price as at 31st March in Stock Exchange
Investments in unlisted equity shares	Market Approch	Based on information provided and considering the availability of information in the public domain.

49. Additional information on Consolidated Net Assets, Share of Profit or Loss, Other Comprehensive Income and Total Comprehensive Income as required under Schedule III to the Companies Act, 2013

Particulars								
Name of the Entity in the Group	Net Assets*		Share of Profit or Loss		Share in OCI #		Share in TCI @	
	As % of consolidated net assets	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh
Parent								
Manali Petrochemicals Limited	90.46	43,531.46	82.48	3,848.40	100.00	340.50	83.67	4,188.90
Subsidiary - Foreign								
1. AMCHEM Speciality Chemicals Private Limited, Singapore	(0.71)	(340.81)	4.70	219.47	-	-	4.38	219.47
2. AMCHEM Speciality Chemicals UK Limited, UK	0.15	73.35	0.43	20.11	-	-	0.40	20.11
3. Notedome Limited, UK	10.10	4,860.25	12.38	5 77.75	-	-	11.54	5 77.75
Total	**100.00**	**48,124.25**	**100.00**	**4,665.73**	**100.00**	**340.50**	**100.00**	**5,006.23**

* Total Assets - Total Liabilities

Other comprehensive Income

@ Total comprehensive Income

50 Note on Leasehold Land

a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company is operating expired on June 30, 2017 for which requests for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however are unascertainable at this point in time), are deemed necessary in the financial results.

b) Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact unascertainable

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the above.

51 Note on impact of COVID-19 situation

a) The spread of COVID 19 has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. In consequence of the lockdown and other measures imposed by the Governments under the Disaster Management Act, 2005, the operations of both the plants of MPL were shut down in the last week of March 2020. Production of various products of the Company restarted in phases from 2nd week of April 2020, duly following the Government guidelines. The pandemic situation has affected the normal business operations of the Company and production, sales and profitability, inter alia, have been impacted.

Though the sale of Propylene Glycol- IP, a pharmaceutical ingredient was not materially impacted, the demand for Polyols and related products have remained dormant in view of shut down by users due to lock down. The company continues to face challenges on revival of demand and it is not clear when the uncertainties prevailing will get normalised.

b) The Company also has assessed recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventory and investments as at balance sheet date. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated. The Company evaluated the internal controls including internal controls with reference to financial statements which have been found to be operating effectively given that there have been no dilution of such controls due to factors caused by COVID 19 situation.

c) Management believes that it has taken into account all the factors that can have any possible impact arising from COVID 19 pandemic on the preparation of the financial statements and results including the ability of the Company to continue as going concern. However, as at the date of approval of these results, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Company's operations as normalcy is yet to return business operations. Further, the impact assessment is a continuing process and evolving, given the uncertainties associated with nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the same.

52 Regrouping

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure

53 Approval of Financial Statements

The financial statements of Manali Petrochemicals Limited were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 16, 2020

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

N. Sri Krishna
Partner
Membership No. 026575

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Place: Chennai
Date: June 16, 2020

Form AOC-I

(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 Speciality Chemicals Private Limited, Singapore		AMCHEM Speciality Chemicals UK Limited, UK		Notedome Limited, UK	
	31st March 2020		31st March 2020		31st March 2020	
	Rupees in Lakh*	In USD	Rupees in Lakh*	In GBP	Rupees in Lakh*	In GBP
Capital	12,379.28	1,64,21,208	10,703.74	1,15,00,000	3.64	3,916
Reserves	(121.34)	(1,60,961)	93.46	1,00,409	5,438.00	58,42,539
Total Assets	12,289.64	1,63,02,308	12,550.69	1,34,84,345	8,268.40	88,83,489
Total Liabilities	31.71	42,061	1,753.49	18,83,937	2,826.75	30,37,034
Investments	11,436.49	1,51,70,600	12,404.39	1,33,27,165	-	0
Turnover (inc other income)	847.30	11,23,946	111.69	1,20,000	10,300.39	1,10,66,645
Profit/(Loss) before Tax	275.07	3,64,888	24.82	26,671	662.16	7,11,414
Provision for Taxation	55.61	73,763	4.72	5,069	84.41	90,686
Profit/(Loss) after Tax	219.47	2,91,125	20.11	21,602	577.75	6,20,728
% of shareholding	100%		100%#		100%@	

* Translated at exchange rate prevailing as on 31.3.2020

1 USD = ₹ 75.3859

1 GBP = ₹ 93.0760

@ Held by AMCHEM Speciality Chemicals Private Limited, Singapore

Held by AMCHEM Speciality Chemicals UK Limited, UK

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date: June 16, 2020

For and on behalf of the Board of Directors

M Karthikeyan
Whole-Time Director (Operations)
DIN: 08747186

Muthukrishnan Ravi
Managing Director
DIN: 03605222

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes

Notes

For the kind attention of Shareholders

For participation in AGM

- You can attend the AGM through the CDSL e-Voting system viz., https://www.evotingindia.com using the remote e-voting credentials.
- Once you log in the link for joining the meeting will be available and you can click the EVSN of Company to proceed further.
- The facility to join the meeting will be available between from 1:45 PM on the AGM day (16th September 2020).
- Please use Laptops/Desktops/IPads for better experience. You can also join through other devices such as mobile phones. To avoid disturbance, please ensure that the internet connectivity is good.
- It has been reported that participants connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- To register as a speaker at the meeting please visit https://Investors.cameoindia.com, the web portal of the Registrar & Transfer Agent M/s Cameo Corporate Services Limited
- Registration will be open from 9:00 AM on 8th September 2020 to 5:00 PM on 12th September 2020.
- There will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
- There is no provision for appointment of proxies to attend the meeting.
- Please do not permit any other person to use your log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.
- You can participate in the meeting even if you have voted through the remote e-voting.

Dividend payment and tax deduction

- Where the Bank account details are not available dividend warrants will be sent through the available mode.
- Due to the current pandemic situation, there may be delays in receipt of the warrants and so to ensure timely credit of the dividend please register your bank account details well in advance.
- If you are Resident Individual and wish to avail NIL tax deduction from dividend exceeding ₹ 5,000 you may submit Form 15G/Form 15H through the Web-portal of the RTA https://Investors.cameoindia.com.
- The facility for providing the declaration for Dividend 2019-20 will not be available after 23rd September 2020 5:00 PM.

Detailed information on the above are available in Pages 6 to 11 which may kindly be referred to. For any further details please contact the RTA.

Manali Petrochemicals Limited

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

Printed by: Printone Solutions