


FORM A

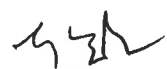
**Covering letter of the annual audit report to be filed with the stock exchanges
under Clause 31 of the Listing Agreement**

- | | | |
|---|--|---------------------------------|
| 1 | Name of the Company | : Manali Petrochemicals Limited |
| 2 | Annual financial statements for the year ended | : March 31, 2015 |
| 3 | Type of Audit observation | : Un-qualified |
| 4 | Frequency of observation | : Not Applicable |

For Manali Petrochemicals Limited


Muthukrishnan Ravi
DIN 03605222
Managing Director


Anis Tyebali Hyderi
Chief Financial Officer


G. Chellakrishna
DIN 01036398
Chairman, Audit Committee

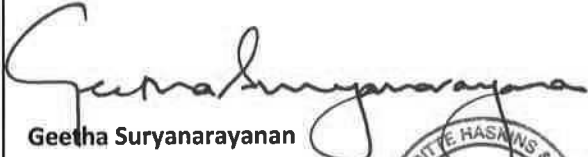
Auditor of the Company

Refer our Audit report dated 20th May 2015
on the financial statements of the Company

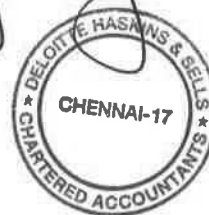
For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm Registration No. 008072S)


Geetha Suryanarayanan
Partner

Membership No. 29519



Chennai
5th August 2015



ANNUAL REPORT

2014 □ 15

Manali Petrochemicals Limited

Board of Directors

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

Company Secretary

R. Kothandaraman

Chief Financial Officer

Anis Tyebali Hyderi

Registered Office

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

Principal Office & Plant - 1

Ponneri High Road, Manali, Chennai 600 068

Plant - 2

Sathangadu Village, Manali, Chennai 600 068

Registrar and Share Transfer Agent (RTA)

Cameo Corporate Services Limited
 Subramanian Building,
 1 Club House Road, Chennai 600 002

Auditors

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

Cost Auditor

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

Secretarial Auditor

Ms. B. Chandra,
 Company Secretaries,
 A2, Happy Home Apartments,
 No.9, 4th Main Road,
 United India Colony, Kodambakkam,
 Chennai - 600 024.

Internal Auditors

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

Bankers

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

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

The Directors present their 29th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2015.

Financial Results

(Rs. in crore)

Description	2014-15	2013-14
Profit Before interest & depreciation	77.56	53.22
Interest	2.48	1.90
Depreciation	5.55	6.56
Profit Before Tax	69.53	44.76
Provision for Taxation	25.54	15.71
Profit After Tax	43.99	29.05

Operational Highlights

The performance during the year was the best ever in the history of the Company with turnover surpassing the Rs. 800 crore mark. The export sales increased from Rs. 17.58 crore to Rs. 33.67 crore highest ever recorded by the Company. The net profit for the year was higher by about 51% at Rs. 43.99 crore against Rs. 29.05 crore in the previous year.

Availability of bio mass fuel for the Captive Power Plant (CPP) continued to be limited and the input cost also went up substantially due to demand from other core industries such as paper mills. Alternate fuels for the CPP were used to ensure operations at optimum load, but with the cost becoming higher than the alternate power, the CPP was shut down during December 2014. The Company went in for purchase of power through energy exchanges and third parties to meet the short-fall.

The bulk storage facility at Ennore Port became operational during the year under review thereby ensuring uninterrupted availability of input material for the derivative plants. Import of PO during the year was about 10,000 MT which helped in better production and achieving highest ever turnover.

Financial Review

The year 2014-15 witnessed moderate changes in interest rates and the bank rate came down from 9% in March 2014 to 8.5% in March 2015. There was decline in the overall bank credit growth and also aggregate of bank deposits. The inflation also declined sharply mainly on account of lower crude oil prices and other steps taken by the regulators.

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 facilities.

Dividend

The Company is in the process of taking up capital expenditure plans to improve the sales and profitability further and needs to plough back the profits for the same to avoid interest burden. In the light of this, your Directors recommend a 10 % dividend i.e. fifty paise for every equity share of Rs. 5/- each fully paid-up, for the year 2014-15, aggregating to Rs. 8.60 crore, excluding dividend distribution tax. It may be noted that your Company has been declaring dividend continuously for the past ten years, in spite of the downturn in the economy experienced globally and in India during the earlier years.

Industry structure and developments

Your company specializes in propylene glycol, polyether polyol and operates in the Polyurethanes (PU) industry. Polyols find varied applications and caters to various industries such as automotive, refrigeration, insulation etc. Your company also manufactures propylene glycol for pharma, fragrance and industrial applications and continues to perform well in pharma, flavour and fragrance sectors. The off-take of PG for industrial applications was very low due to availability of alternate cheaper materials and unabated imports. Import of PG was also higher during the year opening up fierce competition, especially from major MNCs.

It may be recalled that the market became stagnant in 2013 due to various factors like overall economic slowdown, impact of global economic crisis on Indian manufacturers, inflationary pressures, etc. Some revival was seen towards the end of 2013-14 which continued during the year under review. Automobile, pharma and refrigeration sectors registered substantial growth at 8.68%, 9% and 7% respectively. The market for MPL's products also grew by about 10% which helped improved performance of your Company. During the year, MPL's performance was impressive with increased production, turnover and margins. However, the ever increasing import of polyol into India continues to be a major concern for domestic manufacturers.

Opportunities and Threats

Polyurethane materials, due to their versatility, perform extremely well as part of any application that is subject to dynamic stress. They provide many advantages including: resilience, high tear resistance, low viscosity and low heat build-up. Polyurethane can be used for varied applications like building insulations, refrigeration, furniture, footwear, automotive, coatings and adhesives, sealants etc. The development of polyurethane materials is still evolving and new applications are regularly being created. The Indian PU market is rapidly growing which has registered double digit growth during the past five years and is expected to double every four years in the coming decade. This has thrown open excellent opportunity for MPL to improve the operations further.

The Make in India initiative is also likely to give a thrust to local manufacturing to be achieved in the next 2-3 years which will also provide further opportunities to MPL to improve its performance.

On the negative side the Indian PU market is flooded with import of Flexible Slabstock Polyol which is a major product of MPL. During the year under review, the FSP imports were close to 70,000 MT, 30% more than the previous year. The PG imports also continued to be higher in the range of over 54000 MT.

With the major capacity additions by the competitors in Thailand for PG and in Singapore for Polyol becoming fully operational the imports into India are set to go up further, which could result in a price war and affect the margins of the Company.

Market Scenario

During the year under review, the Indian PU market performed better than the previous year. Though imports continued to flood the domestic market, your Company achieved a turnover of Rs. 814.13 crore against Rs. 618.51 crore in FY 2013-14, higher by about 32%. Export sales during the year increased by 91% over last year. The improved performance was mainly on account of foraying into new markets and adding new customers. The margins also improved through various actions taken for higher productivity and better pricing strategies.

Risk Management Policy

The Company has over the years developed a frame work for risk management and laid down procedures to inform Board members about the risk assessment and minimization procedures. A risk management plan has been framed and implemented and monitored by the Board. As required under S. 177 of the Act, the Audit Committee also reviews the risk management process periodically.

As part of the risk management plan MPL has two employee-level Committees viz., a sub-committee and an Apex Committee which is headed by the Wholtime Director (Works) to review and assess the risks that could affect the Company's business. The sub-committee brings out the matters that could affect the operations and the same are reviewed by the Apex Committee, which determines the issues that could become business risk. The mitigation actions are also suggested by the Committee and the report of the Risk Controller is submitted to the Risk Management Committee of Directors (RMC), constituted in compliance with the Listing Agreement. The Committee which comprises Ms. Sashikala Srikanth as Chairperson and Mr. Muthukrishna Ravi, Managing Director & Mr. T.K. Arun, Director as the other members reviews the report of the Risk Controller and the recommendations are presented to the Board for final decision/guidance.

Risks and Concerns

The duty concessions for import of polyols and other products under the free trade agreements with ASEAN countries led to dumping of overseas materials into India, denying level playing field to the local manufacturers and was a great cause for concern. As stated earlier the MNCs who have set up their new facilities elsewhere with high capacities have commenced seed marketing in India to provide a strong base for their products and hence the competition and the price war could worsen in the near future affecting the performance. Your Company's efforts to curb this hazard through avenues available under the applicable law are continued. Though the Company was successful in its efforts to bring Anti-Dumping Duty on import of FSP from Singapore, EU and Australia, this had no major impact on the imports, which continue unabated. Further new polyol capacities in Singapore, China, Saudi & Thailand will continue to keep the margins under pressure in the coming years.

Outlook

The WTO has forecast an aggregate trade growth of 3.3% for the year 2015, slightly more than the growth of 2.8% in 2014. This seems to be a good sign in terms of the possible increase in the domestic demand in the coming years. However, the huge capacities created by MNCs abroad could result in further dumping of PG and Polyols into India, again leading to a price war and cut in margins.

In order to overcome the setback, your Company has taken steps to develop new applications for its products like footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc., while also taking care of its commitment to environment. Some of these have been completed and commercialized during the year under review. The Company is in the process to develop product applications in medical devices.

With the in-house PO capacity remaining static, the bulk storage facilities for imported raw materials in Ennore Port has become a shot in the arm for the Company to increase the capacity of the derivative plants and go for more of value added products. The PO capacity will also be increased through an arrangement with an Associate who have obtained Environmental Clearance for converting their existing facilities to make PO. This has paved way for considering further capacity additions for the derivative products.

These are expected to help the Company in facing the tough competition from MNCs in a better way. As a way forward the Product Development team has been strengthened and new market avenues are being explored with specific thrust on exports.

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 14000 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.

Audit Committee

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

Vigil Mechanism

As required under S. 177 of the Act and Clause 49 of the Listing Agreement, 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 Listing Agreement, provision has been made for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Human Resources

Your Company believes that achievement of its goals is reliant on the abilities of its workforce to convert the plans into actions. Therefore every effort is taken to retain the talents and also introduce newer ideas from the younger generation, for the success story to continue. Various HR initiatives are also taken to enhance the competency of the employees through inclusive decision making process by delegation, recognition, leadership development, etc. Your Company imparts need based training to its employees with special focus on youngsters, stimulating them to play an important role in shaping the Company's future. The industrial relations have generally been cordial, except in relation to a wage dispute with the workmen from 2001, being contested in the Supreme Court. The Management's efforts to settle the issue through dialogues have not been fruitful.

As on 31st March 2015, your company had 312 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

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

Board of Directors and related disclosures

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

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

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

Mr. Sanjiv Ralph Noronha (DIN: 01905639) resigned as a Director effective from 11th August 2014.

At the Board Meeting held on 13th August 2014 Mr. G Chellakrishna (DIN: 01036398) and Ms. Sashikala Srikanth (DIN: 01678374) have been appointed as Additional and Independent Directors of the Company for a period of five years under Section 149 of the Act. Approval of the members for the same under Sections 150, 152, 160 read with Schedule IV to the Act will be considered at the ensuing AGM.

Mr. Ashwin C Muthiah, (DIN 00255679) Chairman retires by rotation and being eligible offers himself for re-election.

Mr. R Kothandaraman was appointed as the Company Secretary (CS) and Mr. Anis Tyebali Hyderi as the Chief Financial Officer (CFO) in the place of the erstwhile CFO & CS Mr. S Vasudevan, who separated from the Company on 31st May 2014.

Annual Evaluation of the Board, Committees and Directors

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

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

In compliance with the requirements of Schedule VII to the Act and Clause 49 of the Listing Agreement a separate meeting of the Independent Directors was held during the year.

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

Director's Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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.
- 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.

- the Directors had prepared the accounts on a going concern basis.
- the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of Unclaimed Share Certificates

In accordance with the requirements of the Clause 5A of the Listing Agreement, shares remaining unclaimed have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 16,10,076 shares which remained unclaimed by 6,628 shareholders at the beginning of the year, 7,725 shares were released to 16 shareholders during the year. As at the end of the year 16,02,351 remained unclaimed by 6,612 shareholders.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 28th Annual General Meeting (AGM) held on 13th August 2014 to hold office till the conclusion of 30th Annual General Meeting. As required under Section 139 of the Act, ratification of their appointment to hold office from the conclusion of the 29th AGM till the conclusion of the 30th AGM will be taken up at the ensuing AGM.

Cost Audit

The Cost Audit Report for the year ended 31st March 2014, duly certified by Mr. S Gopalan, Cost Accountant, due to be filed on or before 27th September 2014 was filed on 26th September 2014.

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai was appointed as the Cost Auditors of the Company for the financial year 2014-15 on a remuneration of Rs. 3 lakh plus applicable taxes and reimbursement of out of pocket expenses. He has been re-appointed as the Cost Auditor for the year 2015-16 on the same remuneration.

As required under S. 148 of the Act, read with the relevant Rules, ratification of the members for the remuneration to the Cost Auditor for both the years will be considered at the ensuing AGM.

Adequacy of Internal Controls

Your company has in place adequate internal financial control systems combined with delegation of powers and periodical review of the process. The control system is also supported by internal audits and management reviews with documented policies and procedures. The system was also reviewed by an external agency, and no major weaknesses were reported.

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A Report on Corporate Governance is given as **Annexure A** along with a Certificate from the Auditors regarding compliance with the requirements of Corporate Governance is attached to this report.

Secretarial Audit Report

As required under Section 204 of the Act, the Secretarial Audit Report issued by Mrs. B Chandra, Company Secretary in practice is given in **Annexure B**. As regards the observation of the Secretarial Auditor it is clarified that the Company has been following up with the concerned authorities for grant of consents under the pollution

control laws including for the augmented capacities and the same are expected to be received soon.

Other disclosures

- Information on conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134 of the Companies Act, 2013 (the Act) read with Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable are given in **Annexure C**.
- The extract of the Annual Return in Form MGT-9 is given in **Annexure D**.
- The disclosures prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure E** to this Report. It is hereby affirmed that the remuneration to the employees are as per the Remuneration Policy of the Company.
- The Company has not accepted any deposits from the public during the year under report.
- 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.
- The CSR Policy related disclosures are given in **Annexure F**.

Acknowledgement

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

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

Disclaimer

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

For and on behalf of the Board
Ashwin C Muthiah
 DIN:00255679
 Chairman

Chennai
 5th August 2015

Report on Corporate Governance

Annexure A

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 2015.

2. Board of Directors:

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

As on 31st March 2015, the Board comprised of eight directors, as detailed below:

Name	Category	Membership	
		Other Boards	Other Board Committees
Mr. Ashwin C Muthiah, Chairman	Non Executive, Non Independent	4(2)	1
Brig (Retd.) Harish Chandra Chawla	Non Executive, Independent	2	1
Mr. Kulbir Singh	Non-Executive, Independent	2	1(1)
Mr. G. Chellakrishna	Non-Executive, Independent	3	1(1)
Ms. Sashikala Srikanth	Non-Executive, Independent	6	4(1)
Mr. T K Arun, Nominee of TIDCO	Non Executive, Non Independent	9	9(1)
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	1	1
Mr. G. Balasubramanian, Whole-time Director (Works)	Executive, Non Independent	-	-

Notes:

- Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.
- Only Membership in Audit Committees and Stakeholder's Relationship Committee (other than in MPL) are reckoned for Other Board Committee Memberships.
- Figures in brackets denote the number of companies / committees in which the Director is Chairman.
- None of the Directors hold any shares in the Company nor have any interse relationship.

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

The Board of Directors met six times during the year 2014-15 viz., on 16th April 2014, 28th May 2014, 13th August 2014, 6th November 2014, 5th February 2015 and 23rd March 2015. The details of the attendance of the directors at the Board 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	Attendance at the Last AGM
Mr. Ashwin C Muthiah,	Full year	Six	Five	Yes
Brig (Retd.) Harish Chandra Chawla	Full year	Six	Four	No
Mr. Kulbir Singh	Full Year	Six	Five	Yes
Mr. G. Chellakrishna \$	From 13-08-2014	Four	Three	NA
Ms. Sashikala Srikanth\$	From 13-08-2014	Four	Four	NA
Mr. T K Arun	Full year	Six	Six	Yes
Mr. Muthukrishnan Ravi	Full year	Six	Six	Yes
Mr. G. Balasubramanian	From 28-05-2014	Five	Five	Yes
Mr. Sanjiv Ralph Noronha	Till 11-08-2014	Two	One	NA

\$ Appointed at the meeting held after the AGM

3. Audit Committee:

i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory under the Listing Agreement and the Company Law. The terms of reference were reviewed during the year 2005-06 and modified in line with the then requirements of Clause 49 of the Listing Agreements with Stock Exchanges. Consequent to the enactment of the Companies Act, 2013 (the Act) at the Board meeting held on 13th August 2014, the terms of reference were aligned to the requirements of Section 177 of the Act and the amended Listing Agreement.

ii. Composition

As on 31st March 2015, the Committee comprised of Mr. G. Chellakrishna as Chairman, Brig (Retd.) Harish Chandra Chawla, Mr. Kulbir Singh and Mr. T K Arun as the other Members. The Company Secretary is the Secretary to the Committee.

iii. Meetings and attendance

The Committee met five times during the year 2014-15 viz., on 28th May 2014, 13th August 2014, 6th November 2014, 5th February 2015 and 23rd March 2015. Mr. T K Arun and Mr. Kulbir Singh attended all the meetings and Brig (Retd.) Harish Chandra Chawla attended four of these meetings and Mr. G. Chellakrishna attended all the three meetings of the Committee held after his appointment.

4. Nomination and Remuneration Committee:

(a) Terms of reference, composition and meeting

In compliance with the requirements of Section 178 of the Act and the Listing Agreement, the Board constituted the Nomination and Remuneration Committee at the meeting held on 28th May 2014 with Mr. Kulbir Singh, as the Chairman, Brig (Retd) Harish Chandra Chawla and Mr. T K Arun as the other Members.

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

The Committee met three times during the year 2014-15 on 28th May 2014, 13th August 2014 and 23rd March 2015 and the meetings were attended by all the Members.

(b) Remuneration policy:

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

i. For Executive Directors

The remuneration of the Whole Time/ Executive Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the NRC and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be

considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

ii. For Non-executive Directors

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

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

iii. Details of remuneration paid

(a) Remuneration paid to Executive Directors for the year 2014-15 are as shown below: (Rs.in lakh)

SI No	Description	Mr. Muthukrishnan Ravi, Managing Director	Mr. G. Balasubramanian, Whole-time Director (Works)
01	Salary and Allowances	40.19	16.40
02	Performance Linked Pay	17.25	6.30
03	Perquisites	2.23	2.44
	Total	59.67	25.14

Note:

- (1) In addition to the above contribution to Provident and Superannuation Funds are made as per applicable law/rules/terms of employment.
 - (2) The above Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation. No severance fee is payable and no Employee Stock Option has been offered by the Company.
 - (3) Mr. Ravi's remuneration is being shared with Tamilnadu Petroproducts Limited (TPL) of which also he is the Managing Director and the amount shown above is net of reimbursement from TPL.
- (b) Sitting fees paid to non-executive Directors during 2014-15 are detailed below:

Name	Amount (Rs. In lakh)
Mr. Ashwin C Muthiah	1.94
Brig (Retd.) Harish Chandra Chawla	1.54
Mr. Kulbir Singh	2.04
Mr. G Chellakrishna	1.50
Ms. Sashikala Srikanth	1.70
Mr. T K Arun (Paid to TIDCO)	2.28
Mr. Sanjiv Ralph Noronha	0.25
Total	11.25

5. Stakeholders Relationship Committee

i. Chairman and Compliance Officer

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

ii. Details of complaints received and pending:

During the year 43 complaints were received, all of which except 2 were redressed by the Company/RTA during the year. The complaints pending as at the year end were also resolved subsequently.

6. General Body Meetings

i. Details of Annual General Meetings, Extraordinary General Meetings and Special Resolutions:

AGM	Year	Venue	Date	Time
26 th	2012	Rajah Annamalai Mandram, Esplanade, Chennai □ 600 108	03.08.2012	10.15 a.m.
27 th	2013	Rajah Annamalai Mandram, Esplanade, Chennai □ 600 108	02.08.2013	10.15 a.m.
28 th	2014	Rajah Annamalai Mandram, Esplanade, Chennai □ 600 108	13.08.2014	10.30 a.m.

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

Date of AGM	Subject
03.08.2012	Appointment and remuneration of Mr. Muthukrishnan Ravi, as the Wholetime Director from 29.07.2011 and as Managing Director from 01.10.2011 for the period upto 28.07.2014
13.08.2014	(a) Borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage and/or create charge on the assets of the Company to secure the amount borrowed/ to be borrowed by the Company. (b) Re-appointment and remuneration payable to Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years from 29th July 2014 to 28th July 2017. (c) Appointment and remuneration payable to Mr. G. Balasubramanian as Whole-time Director (Works) for a period of 3 years from 28th May 2014 to 27th May 2017.

There were no resolutions requiring approval through postal ballot during the last year and at present no such resolution is being proposed to be passed. The procedure for postal ballot will be as prescribed under the Act,

7. Disclosures

- 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.
- 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.
- As stipulated under the Act and the Listing Agreement a Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company and no personnel was denied access to the Audit Committee.
- The Company has laid down procedures to inform the Board members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively. Employee level and Board level Committees have been formed to analyze the issues relating to risk management and the action points arising out of the deliberations of the Committees are reviewed by the Risk Management Committee of Directors and the Board.
- As required under clause 49 (V) of the Listing Agreement, CEO / CFO Certification by Mr. Muthukrishnan Ravi, Managing Director and Mr. Anis Tyebali Hyderi, Chief Financial Officer was placed before the Board at its meeting held on 20th May 2015.
- A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.
- Compliance with Non – Mandatory requirements:**

The following non-mandatory requirements have been adopted/complied with by the Company

- There have been no audit qualifications on the financial statements and the Company is under a regime of unqualified financial statements.
- 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.

8. Means of communication

As stipulated under Clause 41 of the Listing Agreement, the Quarterly Results are intimated to the Stock Exchanges and published in one English National Newspaper (Financial Express) and one Tamil Newspaper (Makkal Kural). The results are also displayed in the website of the Company viz., www.manalipetro.com. The information stipulated under Clause 54 of the Listing Agreement have also been made available in the website of the Company. In addition, official press/news releases and several other details/information of interest to various stakeholders are submitted to the Stock Exchanges/made available in the website.

9. General Shareholder Information

i. Annual General Meeting

The twenty-ninth AGM of the Company is scheduled to be held on 23rd September 2015 at 10.30 AM at Rajah Annamalai Mandram, No. 5 Esplanade Road (Near High Court), Chennai 600 108.

ii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 14th September 2015 to 23rd September 2015 (both the days inclusive)

iii. Dividend payment

The dividend for the year 2014-15 will be paid on 16th October 2015, subject to declaration at the ensuing AGM.

iv. Financial Calendar for the year 2015-16 (tentative)

Financial Year	1 st April 2015 to 31 st March 2016
First Quarter Results	Before 14 th August 2015
Second Quarter Results	Before 14 th November 2015
Third Quarter Results	Before 14 th February 2016
Audited Results for the year 2015-16	Before 30 th May 2016

v. Registrar and Share Transfer Agent:

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

vi. 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) and Company Secretary and the details are placed before the Stakeholders Relationship Committee and the Board.

vii. Listing / Stock Code of equity shares

Name & Address of Exchange	Stock Code
Bombay Stock Exchange 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 have been paid to the aforesaid exchanges upto 2015-16.

viii. Market Price Data & Share Price performance Vis a Vis indices:

Month & Year	NSE				BSE			
	Share Price (Rs.)		S&P CNF Nifty		Share Price (Rs.)		Sensex	
	High	Low	High	Low	High	Low	High	Low
April 2014	9.45	8.35	6,869.85	6,650.40	9.45	8.25	22,939.31	22,197.51
May	13.60	8.05	7,563.50	6,638.55	13.80	8.20	25,375.63	22,277.04
June	14.10	11.10	7,700.05	7,239.50	14.00	11.07	25,735.87	24,270.20
July	13.85	11.25	7,840.95	7,422.15	13.85	11.27	26,300.17	24,892.00
August	12.25	10.60	7,968.25	7,540.10	12.11	10.62	26,674.38	25,232.82
September	16.50	10.95	8,180.20	7,841.80	16.49	11.05	27,354.99	26,220.49
October	14.65	13.15	8,330.75	7,723.85	14.68	13.14	27,894.32	25,910.77
November	18.95	14.20	8,617.00	8,290.25	18.97	14.16	28,822.37	27,739.56
December	17.10	12.95	8,626.95	7,961.35	19.05	12.95	28,809.64	26,469.42
January 2015	17.50	14.90	8,996.60	8,065.45	17.50	14.90	29,844.16	26,766.12
February	18.70	15.15	8,941.10	8,470.50	18.65	15.10	29,522.86	28,044.49
March	16.85	13.70	9,119.20	8,269.15	16.90	13.70	30,024.74	27,248.45

ix. Distribution of shareholding as on March 31, 2015:

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	17,067	12.94	8,73,599	0.51
101	500	91,985	69.76	2,08,93,141	12.15
501	1000	12,563	9.53	1,00,10,594	5.82
1001	2000	5,284	4.01	81,37,913	4.73
2001	3000	1,690	1.28	44,63,435	2.59
3001	4000	618	0.47	22,66,029	1.32
4001	5000	744	0.56	35,81,265	2.08
5001	10000	1,044	0.79	79,49,689	4.62
10001	& above	869	0.66	11,38,23,564	66.18
Total		1,31,864	100.00	17,19,99,229	100.00

x. Shareholding pattern as on March 31, 2015:

Category	Holders		Shares	
	No	%	No	%
Promoters and Promoters Group	4	0.01	7,70,82,201	44.82
Mutual Funds / UTI	13	0.01	1,85,100	0.11
Financial Institutions / Banks	16	0.01	1,79,526	0.10
Foreign Institutional Investors	2	0.01	23,00,000	1.34
Bodies Corporate	1,008	0.76	99,82,597	5.80
Individuals	1,25,227	94.96	7,48,44,697	43.52
HUF	1,387	1.05	36,34,547	2.11
NRI / OCBs	4,124	3.13	36,01,204	2.09
Clearing Members & Others	83	0.06	1,89,357	0.11
Total	1,31,864	100	17,19,99,229	100

xi. 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, 2015, 15,70,41,181 shares were held in dematerialized form, representing about 91.30% of the total shares. The shares are traded regularly on BSE and NSE.

- xii. Location of Plants:**
- | | | |
|----------|---|---|
| Plant I | : | Ponneri High Road, Manali, Chennai □ 600 068 |
| Plant II | : | Sathangadu Village, Manali, Chennai □ 600 068 |

xiii. 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

Declaration by CEO

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

Chennai
 05th August 2015

Muthukrishnan Ravi
 DIN : 0 3605222
 Managing Director

REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Manali Petrochemicals Limited ("the Company"), having its Registered Office at Spic House, 88 Mount Road, Guindy, Chennai - 600032 have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2015 as stipulated in Clause 49 of the Listing Agreement, as amended from time to time, of the Company with the stock exchanges.
2. We have been requested by the Management of the Company to provide a certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement, as amended from time to time.
3. The Management is responsible for the compliance of conditions of Corporate Governance. Our examination was limited to a 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.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
 Chartered Accountants
 (Registration No. 008072S)
Geetha Suryanarayanan
 Partner
 (Membership No. 29519)

Place: Chennai
 Date: 5th August 2015

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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, CIN L24294TN1986PLC013087** (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 31st March 2015, 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 31st March 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
 - f) 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;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The Other laws as may be applicable specifically to the company:

Based on a review of the copies of the compliance reports by the functional heads of the Company including in the factory plant 1 & 2 located in Manali to the Top Management/Board of Directors of the Company, I report that the Company has substantially complied with the provisions of those Acts that are applicable to it such as the Factories Act 1948, Payment of Wages Act 1936, Industrial Disputes Act 1947, Minimum Wages Act 1948, Explosives Act 1884, Employees Provident Fund Act 1952, Employees State Insurance Act 1948, Petroleum Act 1934, Public Liability Insurance Act 1991, Environmental Protection Act 1986 and other Pollution Control Laws and other laws mentioned in the said checklists.

No specific violation in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference to the applicable financial laws, such as the Direct and Indirect Tax Laws, as the same falls under the review of statutory audit and by other designated professionals.

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) namely Bombay Stock Exchange (BSE) & National Stock Exchange (NSE).

During the period under review the Company has complied with the provisions of the Act, other applicable Acts, Rules, Regulations, Listing Agreement with Stock Exchanges, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company is awaiting Tamil Nadu State Pollution Control Board's periodical renewal of consents and also the consent for operating the Plants with the augmented capacity.

I further report that

1. 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.
2. 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. All the decisions of the Board during the year were carried unanimously and recorded as part of the minutes.
3. **I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For B. CHANDRA
Company Secretaries

Place: Chennai
Date: 5th August 2015

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

Annexure C

Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

New energy saving ejector systems are being commissioned at both the Plants which is expected to result in a savings of about Rs. 80 lakh annually, through lower consumption of steam by about 4000 MT. Energy audit has been completed for both the Plants and actions are taken to implement the suggestions made in the report to achieve further savings.

ii) Steps taken for utilizing alternate sources of energy

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

iii) Capital investment in conservation of energy

The capital investment for the new energy saving ejector systems mentioned above is Rs. 1.14 crore of which about Rs. 1.00 crore was spent in the year 2014-15 and the balance will be incurred in 2015-16.

B) Technology Absorption

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

Technology has already been fully absorbed at the time of setting up the plant in the initial years. In the recent past no new technology was imported by the Company.

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

ii) Expenditure on Research & Development

(a) Capital	Rs. 409.31 lakh
(b) Recurring	Rs. 58.83 lakh
(c) Total	Rs. 468.14 lakh

The capital spend shown above is funded by Ozone Cell of Ministry of Environment, Forest and Climate Change, Government of India, for phasing out of HCFC, a program initiated by the United Nations.

C) Foreign Exchange Earnings and outgo:

- i) Foreign exchange in terms of actual inflows Rs. 3,457.72 lakh
- ii) Foreign exchange in terms of actual outflows Rs. 15,890.70 lakh

Chennai
 5th August 2015

For and on behalf of the Board
Ashwin C Muthiah
 DIN: 00255679
 Chairman

Annexure D

Extract of the Annual Return as on 31st March 2015

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyols	20131	64%
2	Propylene Glycol	20119	25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NIL

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 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% Change to total equity
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total I	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12250	NIL	12250	0.01	13648	NIL	13648	0.01	0.001
b) Bodies Corporate	65856053	NIL	65856053	38.29	65856053	NIL	65856053	38.29	NIL
c) Banks/FI	11212500	NIL	11212500	6.52	11212500	0	11212500	6.52	NIL
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	77080803	NIL	77080803	44.81	77082201	0	77082201	44.82	0.001
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	17850	167250	185100	0.11	17850	167250	185100	0.11	NIL
b) Banks/FI	5025	21300	26325	0.02	158226	21300	179526	0.1	0.09
c) FIIs	2260000	NIL	2260000	1.31	2300000	NIL	2300000	1.34	0.02
Sub-total(B)(1):-	2282875	188550	2471425	1.44	2476076	188550	2664626	1.55	0.11
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	9833552	235800	10069352	5.85	9749797	232800	9982597	5.8	-0.05
ii) Overseas	85050	0	85050	0.05	85050	0	85050	0.05	NIL
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	45453427	13718711	59172138	34.4	44395944	13342773	57738717	33.57	-0.83
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	16583818	74910	16658728	9.69	17031070	74910	17105980	9.95	0.26
c) Others	5406318	1140465	6546783	3.81	6306093	1119015	7425108	4.32	0.51
Sub-total (B) (2)	77277115	15169886	92447001	53.75	77482904	14769498	92252402	53.64	-0.11
Total Public shareholding (B)=(B)(1)+(B)(2)	79559990	15358436	94918426	55.19	79958980	14958048	94917028	55.18	-0.001
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	156640793	15358436	171999229	100	157041181	14958048	171999229	100	

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% change to total equity
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tamil Nadu Industrial Development Corporation Ltd	11212500	6.52	NIL	11212500	6.52	NIL	NIL
2	Southern Petrochemical Industries Corporation Limited	10000	0.01	NIL	10000	0.01	NIL	NIL
3	SIDD Life Sciences Private Limited	65846053	38.28	NIL	65846053	38.28	NIL	NIL
4	Muthiah A.C	12250	0.007	NIL	13648	0.008	NIL	1.11
	Total	77080803	44.81	NIL	77082201	44.82	NIL	0.001

(iii) Change in Promoters' Shareholding

Sl. No.	Date wise Increase/ Decrease in Shareholding during the year	Shareholding					
		At the beginning of the year (as on 01.04.2014)		Cumulative		At the End of the year (as on 31.03.2015)	
		No. of shares	%	No. of shares	%	No. of shares	%
		77080803	44.81				
01	06-06-2014	+1398	0.001	77082201	44.82	77082201	44.82

(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 01.04.2014)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2015)	
		No. of shares	%	No. of shares	%	No. of shares	%
01	Passage to India Master Fund Limited	2260000	1.31			2260000	1.31
02	Teen Lok Advisory Services Pvt. Ltd.	2000000	1.16				
	Sale-09-05-2014	-2000000	-1.16	NIL	NIL	NIL	NIL

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2015)	
03	K K Sarachandra Bose	728624	0.42				
	Purchase-23-05-2014	+77000	+0.04	805624	0.47		
	Purchase-30-05-2015	+10000	+0.01	815624	0.47		
	Purchase-14-08-2014	+15000	+0.01	830624	0.48		
	Purchase-29-08-2014	+30000	+0.02	860624	0.50		
	Sale-19-09-2014	-50000	-0.03	810624	0.47		
	Sale-30-09-2014	-8014	-0.00	802610	0.47		
	Sale-17-10-2014	-50000	-0.03	752610	0.44		
	Sale-14-11-2014	-30000	-0.02	722610	0.42		
	Sale-19-12-2014	-47819	-0.03	674791	0.39		
	Sale-31-12-2014	-30000	-0.02	644791	0.37		
	Sale-09-01-2015	-30000	-0.02	614791	0.36		
	Sale-20-02-2015	-20000	-0.02	594791	0.35		
	Sale-27-02-2015	-60000	-0.03	534791	0.31	534791	0.31
04	Mehul Shah	700000	0.41				
	Sale-14-11-2014	300000	0.17	400000	0.23	400000	0.23
05	Barkur Sudhakar Shetty	696489	0.40				
	Sale-23-05-2014	-75000	-0.04	621489	0.36		
	Sale-30-05-2014	-30000	-0.02	591489	0.34		
	Sale-13-06-2014	-15000	-0.01	576489	0.34		
	Sale-20-06-2014	-25000	-0.01	551489	0.32		
	Purchase-22-08-2014	+10000	-0.01	561489	0.33		
	Sale-19-09-2014	-5000	-0.00	556489	0.32		
	Sale-07-11-2014	-30000	-0.02	526489	0.31		
	Sale-21-11-2014	-70000	-0.04	456489	0.27		
	Sale-31-12-2014	-6078	-0.00	450411	0.26		
	Sale-09-01-2015	-20000	-0.01	430411	0.25		
	Sale-16-01-2015	-10000	-0.01	420411	0.24		
	Purchase-20-02-2015	+10000	+0.01	430411	0.25		
	Purchase-06-03-2015	+20000	+0.01	450411	0.26	450411	0.26
06	Niraj Haresh Shah	370000	0.22				
	Sale-20-02-2015	-296371	0.17	73629	0.04		
	Sale-27-02-2015	-3629	0.00	70000	0.04	70000	0.04
07	Amita Puri	367596	0.21				
	Sale – 18.07.2014	-367596	-0.21	NIL	NIL	NIL	NIL
08	Joydeep Chatterjee	316293	0.18	316293	0.18	316293	0.18
09	Jyoti Haresh Shah	310000	0.18	310000	0.18	310000	0.18
10	Anand Rathi Global Finance Limited	0	0				
	Purchase-12-12-2014	471754	0.27	471754	0.27		
	Sale-31-12-2014	-120728	-0.07	351026	0.20		
	Sale-02-01-2015	-26	-0.00	351000	0.20		
	Sale-16-01-2015	-120728	-0.07	230272	0.13		
	Purchase-13-03-2015	+120000	0.07	350272	0.20		
	Sale-31-03-2015	-5396	-0.00	344876	0.20	344876	0.20

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2015)	
11	Indianivesh Securities Private Limited	17828	0.01	17828	0.01		
	Sale-04-04-2014	-4750	-0.00	13078	0.01		
	Sale-11-04-2014	-3000	-0.00	10078	0.01		
	Purchase-25-04-2014	+776	0.00	10854	0.01		
	Purchase-02-05-2014	+2400	0.00	13254	0.01		
	Purchase-09-05-2014	+600	0.00	13854	0.01		
	Purchase-16-05-2014	+2496	0.00	16350	0.01		
	Sale-23-05-2014	-5500	-0.00	10850	0.01		
	Sale-30-05-2014	-2000	-0.00	8850	0.01		
	Purchase-06-06-2014	+7000	0.00	15850	0.01		
	Sale-13-06-2014	-5300	-0.00	10550	0.01		
	Sale-20-06-2014	-3000	-0.00	7550	0.00		
	Sale-30-06-2014	-1700	-0.00	5850	0.00		
	Purchase-04-07-2014	+5000	0.00	10850	0.01		
	Sale-11-07-2014	-250	-0.00	10600	0.01		
	Purchase-01-08-2014	+500	0.00	11100	0.01		
	Purchase-08-08-2014	+700	0.00	11800	0.01		
	Sale-29-08-2014	-3000	-0.00	8800	0.01		
	Purchase-05-09-2014	+200	0.00	9000	0.01		
	Sale-12-09-2014	-1900	-0.00	7100	0.00		
	Purchase-19-09-2014	+16250	+0.01	23350	0.01		
	Purchase-30-09-2014	+3250	+0.00	26600	0.02		
	Sale-03-10-2014	-7500	-0.00	19100	0.01		
	Purchase-10-10-2014	+5000	0.00	24100	0.01		
	Sale-17-10-2014	-5000	-0.00	19100	0.01		
	Sale-07-11-2014	-300	-0.00	18800	0.01		
	Sale-14-11-2014	-13600	-0.01	5200	0.00		
	Purchase-21-11-2014	+494122	+0.29	499322	0.29		
	Purchase-28-11-2014	+41378	+0.02	540700	0.31		
	Sale-05-12-2014	-538500	-0.31	2200	0.00		
	Purchase-31-02-2014	+254400	+0.15	256600	0.15		
	Sale-09-01-2015	-1500	-0.00	255100	0.15		
	Sale-16-01-2015	-125500	-0.07	129600	0.08		
	Purchase-06-02-2015	+130000	+0.08	259600	0.15		
	Sale-13-02-2015	-7858	-0.00	251742	0.15		
	Purchase-20-02-2015	+250000	+0.15	501742	0.29		
	Purchase-27-02-2015	+158	+0.00	501900	0.29		
	Sale-13-03-2015	-300	-0.00	501600	0.29		
	Sale-20-03-2015	-500500	-0.29	1100	0.00		
	Purchase-27-03-2015	+500000	+0.29	501100	0.29	501100	0.29

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2015)	
12	Yogen Navnitlal Desai	0	0.00				
	Purchase-04-07-2014	30000	0.02	30000	0.02		
	Purchase-11-07-2014	+70000	0.04	100000	0.06		
	Purchase-18-07-2014	+60000	0.03	160000	0.09		
	Purchase-25-07-2014	+40000	0.02	200000	0.12		
	Purchase-08-08-2014	+20000	0.01	220000	0.13		
	Purchase-29-08-2014	+20000	0.01	240000	0.14		
	Purchase-05-12-2014	+20000	0.01	260000	0.15		
	Purchase-31-12-2014	+10000	0.01	270000	0.16		
	Purchase-13-02-2015	+20000	0.01	290000	0.16		
	Purchase-06-03-2015	+10000	0.01	300000	0.17	300000	0.17
13	Lincoln P Coelho	300000	0.17	300000	0.17	300000	0.17

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment Rs. in lakh

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	229.01	NIL	NIL	229.01
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	229.01	NIL	NIL	229.01
Change in Indebtedness during the financial year				
Reduction	161.97	NIL	NIL	161.97
Net Change	161.97	NIL	NIL	161.97
Indebtedness at the end of the financial year				
i) Principal Amount	67.04	NIL	NIL	67.04
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	67.04	NIL	NIL	67.04

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The aggregate of remuneration to the Managing Director and the Whole Director (Works) during the year was Rs. 84.81 lakh as per details given in the Corporate Governance Report in Annexure A (excluding contribution to Provident and Other Funds) against the Ceiling on remuneration of Rs. 775.66 lakh under the Act. No stock option, sweat equity or commission is given to these Directors.

B. Remuneration to other directors:

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

c. Remuneration to other Key Managerial Personnel

Rs. in lakh

Sl. no.	Particulars of Remuneration	CS & CFO (Upto May 2014)	CS (From June 2014)	CFO (From June 2014)	Total Amount
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.00	19.73	39.77	67.50
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.21	0.79	1.58	2.58
	Total	8.21	20.52	41.35	70.08

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

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

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Ashwin C Muthiah

DIN: 00255679

Chairman

Chennai

 5th August 2015

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

The ratio of the remuneration of each director to the median remuneration of the permanent employees of the company for the financial year;	Mr. Muthukrishnan Ravi, Managing Director: 18.78 Mr. G Balasubramanian, Whole Time Director (Works) : 9.18		
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director 10% WTD (Works) : 11% Company Secretary : 11%		
The percentage increase in the median remuneration of employees in the financial year;	9.09% [Refer Note (a) below]		
The number of permanent employees on the rolls of company;	255, including the MD and WTD (Works)		
The explanation on the relationship between average increase in remuneration and company performance;	Taking into account the better performance of the Company during the year under review, the average increase in remuneration to the employees are deemed reasonable.		
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration to the KMP are considered reasonable taking into account various parameters including the performance of the Company, the qualification, experience and contribution of the respective KMPs.		
Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	Description	2014-15	2013-14
	Market Cap(Rs. cr.)	253.70	141.90
	Price-Earnings Ratio	5.76	4.88
	Last Issue price per share (Rs.) [Refer Note (b) below]		15
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in managerial remuneration was 10.50% vis a vis the increase of 8% to other employees. Taking into account the roles and responsibilities of the Managerial personnel, and the prevailing remuneration levels of similarly placed professionals, the above is deemed reasonable. There were no exceptional circumstances for increase in the managerial remuneration;		
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	The remuneration to the KMP are considered reasonable taking into account various parameters including the performance of the Company and the qualification, experience, contribution of the respective KMP.		
The key parameters for any variable component of remuneration availed by the directors;	The annual performance pay is determined based on a structured appraisal system in vogue for all employees including the working directors. The parameters include the performance of the individual in key result areas, self-appraisal, review by the immediate supervisor and the performance of the Company.		
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	The remuneration of the employee not being a director but in receipt of remuneration in excess of the director was 1.31 times of the remuneration of the highest paid director viz., the Managing Director.		

Notes:

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

(b) The last public offer on rights basis was made at premium of Rs. 5 per share in the year 1992-93. Subsequently SPIC Organic Limited (formerly UB Petroproducts Limited) was merged with the Company in the year 2000-01. Also there was reduction in the paid-up value per share from Rs. 10 to Rs. 7.50 during the year 2005-06. The shares were consolidated and split to the face value of Rs. 5 per share in the year 2006-07. In view of these the increase/ decrease in the market price is not comparable to the last issue price.

**Disclosures under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
List of persons who were in receipt of remuneration in excess of the amount specified in the said Rule**

Name	Designation	Age	Qualification	Experience	Last employment and post held	Date of Commencement of employment	Gross Remuneration Rs. in lakh
Muthukrishnan Ravi	Managing Director	55 years	B. Tech. MBA (XLRI)	32 years	Sanmar Chemplast Limited as Executive Vice President for Strategy and Global Sourcing	01-04-2011	61.45
Mahesh N Gopalasamudram	Chief Operating Officer	44 years	M.Sc. Chem and Doctorate in Polymer Chemistry	17 years	DOW Chemicals International Private Limited, Mumbai as Director – Formulated Systems	23-04-2013	80.70

Notes:

1. The appointments are contractual.
2. The above employees are not related to any director of the Company and they do not hold any shares in the Company.
3. In addition to being the MD of MPL, Mr. Ravi is also the MD of Tamilnadu Petroproducts Limited (TPL). The overall remuneration of Rs. 110 lakh is shared between MPL and TPL.

Chennai
5th August 2015

For and on behalf of the Board
Ashwin C Muthiah
DIN: 00255679
Chairman

Annual Report on CSR Activities during the Year 2014-2015

1. Brief outline of the CSR Policy and related information

The policy

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

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

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

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

Overview of projects or programmes

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

2. Composition of the CSR Committee

The CSR Committee comprises Mr. Ashwin C Muthiah (DIN: 00255679) as Chairman and Brig (Retd) Harish Chandra Chawla(DIN: 00085415) and Mr. T K Arun (DIN: 02163427) as the other Members.

3. Average net profit of the Company for the last three financial years Rs. 33.35 crore

4. Prescribed CSR Expenditure Rs. 67 lakh

5. Details of CSR Spent during the financial year

- | | |
|--|----------------|
| a. Total amount to be spent for the financial year | Rs. 67 lakh |
| b. Amount unspent | Rs. 67 lakh |
| c. Manner of spending the amount | Does not arise |

6. Reasons for amount not spent

The Company believes that the CSR activities undertaken should make a difference to the lives of the underprivileged and the society at large. Since the amount to be spent by the Company is not very large, it is thought prudent to join hand with likeminded entities/persons and plan for major initiatives. The Company, jointly with six other companies is in the process of incorporating a separate legal entity to take up CSR activities for its members and other persons.

Pending this, the Company took up a project for renovation of the sanitation facilities and provision of hand wash facility at the Middle School run by the Thiruvottiyur Municipality. In order to avoid inconvenience to the students and teachers, the project was implemented during the summer vacation for the school and completed in June 2015 at a cost of Rs. 5.23 lakh. The balance amount will be spent during the year 2015-16.

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
 DIN 03605222
 Managing Director

Ashwin C Muthiah
 DIN 00255679
 Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MANALI PETROCHEMICALS LIMITED** (the Company), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing Procedures to obtain audit evidence about the amounts and the disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk

assessments, the auditor consider internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations give to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st march, 2015, its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2015 (the order) issued by the Central Government in terms of sections 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
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 the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statement comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014
 - (e) On the basis of the written representations received from the directors as on 31st March,

2015 taken on record by the board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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 statements.
- (ii) The company did not have any long-term

contract including derivative contracts for which there were any material foreseeable losses.

- (iii) There are no amounts required to be transferred, to the Investor Education and protection Fund during the year by the Company.

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

Geetha Suryanarayanan
 Partner
 (Membership No.29519)

Place: Chennai
 Date: 20th May, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report to the members of Manali Petrochemicals Limited on the accounts for the year ended 31st March 2015)

- (i) Having regard to the nature of the Company's business, clauses (v), (ix), (x) and (xi) of the Order are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion the Company has not granted any loans, secured or unsecured, to the companies firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (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 the view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including provided Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duties, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities and there are no arrears payable as at 31st March 2015 for a period of more than six months from the date they became payable.
- (b) Details of dues of income tax, sale Tax and excise duty which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of the dues	Financial Year	Amount (Rs.) in Lakhs	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	2007-2008	53.39	High Court of Madras
Central Sales Tax Act, 1956	Sales tax	Various Years	3.44	High Court of Madras
		2000-01	10.74	Sales Tax Tribunal
		2003-04	36.74	Appellate Deputy Commissioner
		2008-09	6.06	High Court of Madras
		Assessment year		
Income Tax Act, 1961	Income Tax	2006-07	1,080.74	Commissioner of Income Tax (Appeals)
		2007-08	1,192.08	
		2008-09	518.45	Deputy Commissioner of Income Tax, LTU
		2010-11	176.88	
		2012-13	476.90	Assistant Commissioner of Income Tax

- (c) There are no amounts that are required to be transferred to Investor Education and protection Funds in accordance with the relevant provisions of the Companies Acts, 1956 (1 of 1956) and rules made there under during the year.
- (viii) The company does not have accumulated losses at the end of the financial year and the company has not incurred cash loss during the financial year covered by our audits and in the immediately preceding financial year.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Geetha Suryanarayanan
 Partner
 (Membership No.29519)

Place: Chennai
 Date: 20th May, 2015

Balance Sheet as at March 31, 2015

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
A. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	3	8,603.47	8,603.47
Reserves and Surplus	4	15,880.49	12,542.02
Total Shareholders' Funds		24,483.96	21,145.49
(2) Non-current Liabilities			
Deferred Tax Liabilities (Net)	36	313.92	1,540.25
Other Long-term Liabilities	5	161.01	176.34
Long-term Provisions	6	122.29	111.40
Total Non-current Liabilities		597.22	1,827.99
(3) Current Liabilities			
Short-term Borrowings	7	67.04	229.01
Trade Payables	8	10,020.31	5,281.09
Other Current Liabilities	9	3,247.46	1,085.35
Short-term Provisions	10	2,375.66	1,620.81
Total - Current Liabilities		15,710.47	8,216.26
TOTAL EQUITY AND LIABILITIES		40,791.65	31,189.74
B. ASSETS			
(1) Non-current Assets			
Fixed Assets			
Tangible Assets	11 A	10,533.50	10,369.85
Intangible Assets	11 B	-	-
Capital Work-in-progress		565.91	252.39
Total - Fixed Assets		11,099.41	10,622.24
Non-current Investments	12	417.60	412.45
Long-term Loans and Advances	13	1,742.47	1,478.47
Total - Non-Current Assets		13,259.48	12,513.16
(2) Current Assets			
Current Investments	14	7,774.44	1,477.22
Inventories	15	7,564.89	6,273.05
Trade Receivables	16	7,961.73	5,275.24
Cash and Cash equivalents	17	2,234.98	2,593.06
Short-term Loans and Advances	18	1,925.54	3,029.82
Other Current Assets	19	70.59	28.19
Total - Current Assets		27,532.17	18,676.58
TOTAL ASSETS		40,791.65	31,189.74

See accompanying Notes forming part of the financial statements

In terms of our report attached.

 For Deloitte Haskins & Sells
 Chartered Accountants

 Geetha Suryanarayanan
 Partner (M.No. 29519)

 Place : Chennai
 Date : 20th May, 2015

For and on behalf of the Board of Directors

 Ashwin C Muthiah
 DIN : 00255679
 Chairman

 Anis Tyebali Hyderi
 Chief Financial Officer

 R Kothandaraman
 Company Secretary

Statement of Profit & Loss for the year ended March 31, 2015

(Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
(1) Revenue from Operations (Gross)	20	81,413.44	61,851.13
Less: Excise Duty		(8,100.45)	(6,407.38)
Revenue from Operations (Net)		73,312.99	55,443.75
(2) Other Income	21	736.56	629.79
(3) Total Revenue (I+II)		74,049.55	56,073.54
(4) Expenditure			
Cost of raw materials and packing materials consumed	22	47,156.21	36,471.14
Purchase of Stock-in Trade (Traded Goods)	22	1,670.48	2,183.82
Change in Inventories of finished goods, work-in-progress and stock-in trade	23	608.09	(433.21)
Employee Benefits Expense	24	2,696.90	1,797.83
Finance costs		247.62	189.53
Depreciation	11	554.72	656.26
Other Expenses	25	14,162.66	10,732.47
Total Expenditure		67,096.68	51,597.84
(5) Profit Before Tax (III-IV)		6,952.87	4,475.70
(6) Tax Expense			
Current Tax Expense		3,520.00	1,450.00
Short/(Excess) Provision for tax relating to prior years		247.00	82.91
Deferred Tax	36	(1,213.25)	37.77
Net Tax Expense		2,553.75	1,570.68
(7) Profit After Tax for the year (V-VI)		4,399.12	2,905.02
(8) Earnings Per Share of Rs. 5 each (Basic and Diluted)	35	2.56	1.69

See accompanying Notes forming part of the financial statements

In terms of our report attached.

 For Deloitte Haskins & Sells
 Chartered Accountants

 Geetha Suryanarayanan
 Partner (M.No. 29519)

 Place : Chennai
 Date : 20th May, 2015

For and on behalf of the Board of Directors

 Ashwin C Muthiah
 DIN : 00255679
 Chairman

 Anis Tyebali Hyderi
 Chief Financial Officer

 R Kothandaraman
 Company Secretary

Cash Flow Statement for the year ended March 31, 2015

Particulars	For the ended		(Rs. in lakhs)
	31st March, 2015		For the ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax	6,952.87		4,475.70
Adjustments for			
Depreciation	554.72	656.26	
Dividends received	(139.22)	(37.31)	
Finance Costs	247.62	189.53	
Interest received	(448.03)	(447.94)	
Provision for doubtful trade and other receivables			
Provision no longer required written back			
Net unrealised exchange (gain) / loss	48.60	(20.21)	
Loss on sale / write-off of assets	-	0.93	
Sub-total	263.69		341.26
OPERATING PROFIT	7,216.56		4,816.96
CHANGES IN WORKING CAPITAL			
Adjustments for (increase) / decrease in Operating Assets			
Inventories	(1,291.84)	(289.16)	
Trade Receivables	(2,686.49)	(1,355.43)	
Short Term Loans and Advances	1,061.89	1,432.38	
Long Term Loans and Advances	(264.00)	59.33	
Adjustments for (increase) / decrease in Operating Liabilities			
Trade Payables	6,852.71	1,390.00	
Other Long-term Liabilities	(15.33)	(15.33)	
Short-term Provisions	(9.43)	(51.32)	
Long-term Provisions	10.89	18.39	1,188.86
	10,874.96		6,005.82
Net Income Tax paid	(3,031.64)		(1,470.93)
Net Cash from Operating Activities [A]	7,843.32		4,534.89
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets	(1,077.50)	(698.69)	
Proceeds from sale of Fixed Assets	6.97	48.49	
Investments in Equity shares	(5.15)	-	
Interest Income	448.03	447.94	
Dividend Income	139.22	37.31	
Bank balances not considered as cash and cash equivalents	(106.22)	(51.43)	
Net Cash from/(used in) Investing activities [B]	(594.65)		(216.38)
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / Proceeds from Short-Term borrowings	(161.97)	26.11	
Interest Paid	(247.62)	(189.52)	
Dividend Paid	(860.00)	(860.00)	
Tax on Dividend	(146.16)	(146.16)	
Net Cash from/(used in) Investing activities [C]	(1,415.75)		(1,169.57)
Net (Decrease) / Increase in Cash and Cash Equivalents (D) = (A+B+C)	5,832.92		3,148.94
Cash and Cash Equivalents at the beginning of the year	3,536.14		387.20
Cash and Cash Equivalents at the end of the year	9,369.06		3,536.14
Cash and cash equivalents at the end of the year Comprises:			
Restricted Cash on hand and Balances with banks [Note 17]	3.47	2.42	
Cheques on hand	1,539.30	2,000.00	
Balance with Banks			
In current accounts (including debit balance in cash credit)	51.85	56.50	
In demand deposit accounts			
In other deposit accounts			
Current investments [Note 14]	7,774.44	1,477.22	
Cash and Cash equivalents	9,369.06	3,536.14	
Reconciliation of Cash and Cash equivalents:			
Cash and Cash equivalents (Note 17)	2,234.98	2,593.06	
Less: Margin money Deposit Accounts	273.44	182.92	
Less: Unpaid Dividend Accounts	366.92	351.22	
Net Cash and Cash equivalents	1,594.62	2,058.92	
Add: Current Investments (Note 14)	7,774.44	1,477.22	
Cash and Cash equivalents as shown above	9,369.06		3,536.14

See accompanying Notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
 Chartered Accountants
 Geetha Suryanarayanan
 Partner (M.No. 29519)

For and on behalf of the Board of Directors

Ashwin C Muthiah
 DIN : 00255679
 Chairman

Place : Chennai
 Date : 20th May, 2015

Anis Tyebali Hyderi
 Chief Financial Officer

R Kothandaraman
 Company Secretary

Notes to Financial Statements for the year ended March 31, 2015

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. USE OF ESTIMATES

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

b. INVENTORIES

- a) Raw materials and stores and spares are valued at lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on moving weighted average basis and includes freight, taxes and duties net of CENVAT/VAT credit wherever applicable. Customs duty payable on material in bond is added to cost.
- b) Finished goods and work-in-process are valued at lower of cost (weighted average basis) and net realisable value after providing for losses arising on quality, based on technical evaluation. Cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost of finished goods include excise duty and is determined.

c. CASH AND CASH EQUIVALENTS

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

d. CASH FLOW STATEMENT

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

e. DEPRECIATION AND AMORTISATION

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

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

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

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

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

f. REVENUE RECOGNITION

Sale of goods

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

Dividend

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

Interest

Interest income is accounted on accrual basis.

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

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

Capital work-in-progress:

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

h. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

Accounting for forward contracts

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

i. GOVERNMENT GRANTS

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

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

j. INVESTMENTS

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

k. EMPLOYEE BENEFITS

I. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and the expected cost of bonus and exgratia are recognised as expense in the Statement of Profit and Loss in the period in which the employee renders the related service on an undiscounted basis.

Liability for short term compensated absences are determined as per Company's policy / scheme and are recognized as expense in the Statement of Profit and Loss based on expected obligation on an undiscounted basis.

II. Long-term employee benefits

i. Defined Contribution Plan

a) Provident Fund

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

b) Superannuation

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

ii. Defined Benefit Plan

a) Gratuity

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

b) Superannuation

Liability for superannuation to the staff of Plant I who are covered under the defined benefit plan is determined on the basis of actuarial valuation using Projected Unit Credit method as on the balance sheet date and is funded with the trust established by the Company. The contribution thereof paid / payable is charged to the Statement of profit and loss. Further, in respect of specific employees, additional accruals are made based on the scheme of the Company.

c) Long term compensated absences

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

I. SEGMENT REPORTING

The Company is engaged in the business of manufacture of Petrochemicals, which is the only segment in the context of reporting business segment in accordance with Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountant of India. The Company does not disclose multiple geographical segments since its operations are primarily carried out in India.

m. LEASES

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

n. EARNINGS PER SHARE

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

o. TAXES ON INCOME

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

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

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

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

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

p. RESEARCH AND DEVELOPMENT EXPENSES

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

q. IMPAIRMENT OF FIXED ASSETS

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

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

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

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

In case of revalued assets such reversal is not recognised.

r. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when

- a) The company has a present obligation as a result of past events
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of obligation can be reliably estimated

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the notes for

- i) Present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made
- ii) Possible obligation arising from past events which will be confirmed only by future events not wholly within the control of the Company

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

s. INSURANCE CLAIMS

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

t. SERVICE TAX INPUT CREDIT

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

u. OPERATING CYCLE

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

Notes to Financial Statements for the year ended 31 March, 2015

(Rs. in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
3 - Share Capital		
Authorised		
240,000,000 (Previous Year: 240,000,000) Equity Shares of Rs.5 each	12,000.00	12,000.00
Issued, Subscribed and Paid Up		
171,999,229 (Previous Year: 171,999,229) Equity Shares of Rs.5 each fully paid up	8,599.96	8,599.96
Add: Forfeited shares	3.51	3.51
Total issued, subscribed and fully paid-up Share Capital	8,603.47	8,603.47

Notes:

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

For the period ended March 31, 2015, the amount of dividend proposed to be distributed to equity shareholders is Re.0.50 per share (previous year: Re.0.50 per share). The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Name of shareholders	Year Ended March 31, 2015		Year Ended March 31, 2014	
	No. of shares	% holding	No. of shares	% holding
M/s. SIDD Life Sciences Private Limited	65,846,053	38.28	65,846,053	38.28
M/s. Tamilnadu Industrial Development Corporation Ltd.	11,212,500	6.52	11,212,500	6.52

4 - Reserves and Surplus

(Rs. in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
A. SECURITIES PREMIUM ACCOUNT	91.45	91.45
B. GENERAL RESERVE		
Opening Balance	109.20	109.20
Add: Transferred during the year	-	-
General Reserve - Closing Balance	109.20	109.20
C. CAPITAL RESERVE*		
Opening Balance	84.00	84.00
Add: Additions during the year	-	-
Capital Reserve - Closing Balance	84.00	84.00
D. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening Balance	12,257.37	10,358.51
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax (Refer Note 37))	(25.57)	
Add: Profit for the year	4,399.12	2,905.02
Transfer to General Reserves		
Proposed Equity Dividend (Current year - Amount per share Re.0.50 [March 31, 2013: Re.0.50])	(860.00)	(860.00)
Tax on Proposed Equity Dividend	(175.08)	(146.16)
P & L surplus - Closing Balance	15,595.84	12,257.37
Total	15,880.49	12,542.02

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

(Rs. in lakhs)

	As at March 31, 2015	As at March 31, 2014
5 - Other Long-term Liabilities		
Deposits	161.01	176.34
Total	161.01	176.34

The deposits have been classified as under:

As Other Long-term Liabilities	161.01	176.34
As Other current Liabilities (Note 9)	30.66	30.66
Total	191.67	207.00

Interest free deposit movement have been classified as under:

Opening Deposit Balance	207.00	222.33
Less: Deposit refunded during the year	15.33	15.33
Closing Balance	191.67	207.00

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

6 - Long-term Provisions

Provision for Employee Benefits - Non Current (Note 33)		
Post Employment Benefits*	45.63	44.17
Compensated absences	76.66	67.23
Total	122.29	111.40

* Provision for post employment benefits represents the differential provision relating to Superannuation scheme of the Company for specific employees based on eligibility condition.

7 - Short-term Borrowings

Cash Credit from Banks (Secured)	67.04	229.01
Total	67.04	229.01

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

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

8 - Trade Payables

Acceptances	3,696.83	1,050.44
Trade Payables	6,323.48	4,230.65
Total	10,020.31	5,281.09

Trade payables are dues in respect of goods purchased or services received in the normal course of business. Also Refer Note 12.

(Rs. in lakhs)

As at
March 31, 2015

As at
March 31, 2014

9 - Other Current Liabilities

Unpaid Dividend	366.92	351.22
Other Payables		
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	235.16	333.97
Contractually reimbursable expenses	19.00	19.00
Employee Benefits Payable (Note 33)		
Post Employment Benefits	1.65	1.42
Gratuity	36.34	6.10
Others * #	2,557.73	342.98
Current Portion of Deposits (Note 5)	30.66	30.66
Total	3,247.46	1,085.35

* Includes advance towards subsidy received from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC in the production of Polyols. During the year, the Company capitalised the related assets, as the Company has commenced the trial run production. The Company expects the closure / certification of the project in 2015-16, by when full subsidy will be received. On receipt of full subsidy, appropriate accounting treatment will be considered.

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

10 - Short-term Provisions

Provision for employee benefits (Note 33)		
For compensated absences - Current	23.28	13.06
Provision - Others		
Proposed Equity Dividend	860.00	860.00
Tax on Proposed Equity Dividend	175.08	146.16
Provision for wage arrears *	951.72	601.59
Provision for Tax (net of advance tax of Rs. 5,311.32)	365.58	-
Total	2,375.66	1,620.81

*** Provision for Wage Arrears**

During the year 2004, a claim was raised against the Company by its workmen demanding a revision to wages for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008. The Company filed an appeal in the Supreme Court against the decision of the Tribunal. As per the directions of the Supreme Court dated 13th October 2014, the Company made interim payments aggregating to Rs.187.87 lakhs, which were adjusted against provisions in earlier years. The appeal was 'partly heard' by the Supreme Court on 7th April and 13th October 2014. Pending final decision of the Supreme Court, the Company, as a matter of abundant caution, had estimated the additional liability at Rs.538 lakhs, based on the best estimate which the management believed, would adequately cover the liability.

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

Balance at beginning of the year	601.59	643.78
Charge for the year	538.00	30.82
Payments made during the year	(187.87)	(73.01)
Balance at end of the year	951.72	601.59

11 - Fixed Assets (Refer Note 37)

(Rs. in lakhs)

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

Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Book Value		
	As at April 1, 2013	Additions	Disposals	As at 31 March, 2014	As at April 1, 2013	Transition adjustments recorded against surplus balance in statement of Profit and loss	Expense for the year	Eliminated on disposal	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
A. Tangible Assets											
Land	179.75			179.75	-				-	179.75	179.75
Development on leasehold land	20.25			20.25	15.78		1.07		16.85	3.40	4.47
Buildings	1,490.72	23.42		1,514.14	520.60		43.67		564.27	949.87	970.12
Plant and Machinery	25,955.32	792.18	51.40	26,696.10	17,118.69		591.07	(3.40)	17,706.36	8,989.74	8,836.63
Furniture and Fixtures	141.34	-		141.34	16.47		8.11		24.58	116.76	124.87
Office Equipments	104.99	1.39		106.38	13.27		2.82		16.09	90.29	91.72
Computers	360.09	3.73		363.82	338.50		6.68		345.18	18.64	21.59
Vehicles	60.56	-	5.31	55.25	34.88		2.84	(3.87)	33.85	21.40	25.68
Sub-total - Previous Year	28,313.02	820.72	56.71	29,077.03	18,058.19	-	656.26	(7.27)	18,707.18	10,369.85	10,254.83
B. Intangible Assets											
Computer Software	32.28			32.28	32.28				32.28	-	-
Total - Previous Year	28,345.30	820.72	56.71	29,109.31	18,090.47	-	656.26	(7.27)	18,739.46	10,369.85	10,254.83

(Rs. in lakhs)

 As at
March 31, 2015 As at
 March 31, 2014

12 - Non-current Investments

Non-Trade - Quoted		
Investments in Equity shares		
500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited	0.45	0.45
16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Ventures Limited (*)		
Non-Trade - Unquoted		
Investments in Equity shares	412.00	412.00
46,799 Equity Shares of Rs.10 each fully paid-up in OPG Power Generation Private Limited	5.15	-
Total	417.60	412.45
Aggregate amount of quoted investments	412.45	412.45
Aggregate market value of listed and quoted investments	406.75	0.45
Aggregate value of unquoted investments	5.15	-

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

13 - Long-term Loans and Advances

Unsecured, considered Good		
Capital Advances	317.51	114.22
Advances to employees	21.50	23.71
Security Deposit	1,403.46	1,340.54
Total	1,742.47	1,478.47

14 - Current Investments

Current Investments (valued at lower of cost or fair value, unless stated otherwise)		
SBI Premier Liquid Fund	3,752.38	1,477.22
(No. of units -3,74,022 [Previous Year - 1,47,244])		
SBI Magnum Insta Cash Liquid Floater	4,022.06	-
(No. of units -3,98,260 [Previous Year - Nil])		
	7,774.44	1,477.22
Aggregate amount of quoted investments		
- cost	7,774.44	1,477.22
- Net asset value	7,774.44	1,477.22

15 - Inventories

Raw Materials	1,609.60	1,268.41
Raw Materials in Transit	2,433.22	737.30
Work-in-Process	197.22	191.04
Traded Goods	232.25	365.43
Finished Goods *	2,976.16	3,457.25
Stores and Spares	116.44	253.62
Total	7,564.89	6,273.05

* Finished goods inventories are net of Rs. 1,147.41 lakhs (PY Rs. 1,326.55 lakhs) representing order-based inventories (including reprocessed stock), pending technical inspection. This has been relied upon by the auditors.

(Rs. in lakhs)

As at
March 31, 2015 As at
March 31, 2014

Details of Work in process		
Propylene Oxide	1.30	2.83
Propylene Glycol	13.52	12.13
Polyol	182.40	176.08
Total	197.22	191.04

16 - Trade Receivables (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	7.51	0.74
- considered doubtful	283.95	283.95
	291.46	284.69
Less: Provision for doubtful Receivables	283.95	283.95
	7.51	0.74
Others		
- considered good	7,954.22	5,274.50
Total	7,961.73	5,275.24

17 - Cash and Cash equivalents

Cash on hand	3.47	2.42
Cheques on hand	1,539.30	2,000.00
Bank Balances		
Current Accounts	51.85	56.50
Margin Money Deposit Accounts (Refer Note below)	273.44	182.92
Unpaid Dividend Accounts	366.92	351.22
Total	2,234.98	2,593.06

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

* Cheques on hand represent Intercompany Deposits of Rs. 1,500 lakhs repaid, since realised.

18 - Short-term Loans and Advances

Unsecured considered good		
Advances given to vendors	1,148.35	2,170.94
Security Deposits	54.34	26.13
Loans and Advances to employees	7.00	34.84
Prepaid Expenses	134.53	146.72
Balances with Government authorities		
CENVAT credit receivable	581.32	589.21
Advance Tax (net of provision of Previous year - Rs.1,450 lakhs)	-	61.98
Total	1,925.54	3,029.82

19 - Other Current Assets

Unamortised premium on forward contracts	30.84	-
Interest accrued on Deposits	39.75	28.19
Total	70.59	28.19

(Rs. in lakhs)

Year ended	Year ended
March 31, 2015	March 31, 2014

20 - Revenue from Operations

Sale of Products		
Finished goods	79,564.16	59,585.80
Traded goods	1,758.02	2,203.66
Other Operating Revenue		
Scrap sales	91.26	61.67
Revenue from Operations (Gross)	81,413.44	61,851.13
Less: Excise Duty #	8,100.45	6,407.38
Revenue from Operations (Net)	73,312.99	55,443.75

Excise duty on sales amounting to Rs. 8,100.45 lakhs (31 March, 2014: Rs. 6,407.38 lakhs) has been reduced from Sales in the Statement of Profit and Loss and Excise Duty on increase in inventories amounting to Rs. 41.35 lakhs (31 March, 2014: Rs.85.59 lakhs) has been considered as expense. (Refer Note 25).

Details of Sales

Manufactured Goods:		
Propylene Oxide	2,008.07	800.57
Propylene Glycol	20,775.62	18,184.98
Polyol	54,204.69	37,599.10
Others	3,952.70	3,779.53
	80,941.08	60,364.18
Traded Goods:		
Isocyanates	1,758.02	2,203.66
Less: Trade Discounts	(1,376.92)	(778.38)
Total	81,322.18	61,789.46

21 - Other Income

Interest Income on		
Bank Deposits	38.29	21.59
Customer Deposits	36.95	22.58
Inter Corporate Deposits	372.79	403.77
Dividend received from current investments	139.22	37.31
Insurance claims received	9.60	22.56
Provision for Doubtful Debts no longer required written back	-	9.48
Net gain on foreign currency transactions	-	-
Miscellaneous Income	139.71	112.50
Total	736.56	629.79

(Rs. in lakhs)

Year ended	Year ended
March 31, 2015	March 31, 2014

22 - Cost of Raw Materials and Packing Materials Consumed

Opening Stock	2,005.71	1,888.46
Add: Purchases	49,193.32	36,588.39
	51,199.03	38,476.85
Less: Closing Stock	4,042.82	2,005.71
Cost of raw materials and packing materials consumed	47,156.21	36,471.14

Materials consumed comprises:

Propylene	20,198.78	21,045.52
Methyloxirane Propylene Oxide	9,249.48	422.68
Chlorine	1,742.32	1,592.37
Others (Individually less than 10% of consumption)	15,965.63	13,410.57
Total	47,156.21	36,471.14

Purchase of Traded goods

Isocyanates	1,670.48	2,183.82
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23 - Changes in Inventories of finished goods, work-in process and stock-in trade

Inventory at the end of period/year		
Finished Goods	2,976.16	3,457.25
Work-in-process	197.22	191.04
Traded Goods	232.25	365.43
	3,405.63	4,013.72
Inventory at the beginning of the period/year		
Finished Goods	3,457.25	3,263.27
Work-in-process	191.04	36.24
Traded Goods	365.43	281.00
	4,013.72	3,580.51
(Increase) in Inventories	608.09	(433.21)

24 - Employee Benefits expense

Salaries and Wages *	2,130.15	1,298.21
Contribution to Provident and Other Funds	156.98	109.62
Post-employment benefits (Note 33)	1.46	1.12
Staff Welfare Expenses	408.31	388.88
Total	2,696.90	1,797.83

* Salaries and Wages include:
 R&D expenses of Rs. 85.03 Lakhs (Previous year Rs. 58.83 lakhs)
 Arrears of wages : Refer Note no 10.

(Rs. in lakhs)

Year ended	Year ended
March 31, 2015	March 31, 2014

25 - Other Expenses**

Consumption of Stores and Spares	685.80	439.63
Increase / (Decrease) of excise duty on inventory *	41.35	85.59
Power and Fuel	7,419.77	6,963.76
Water charges	907.96	725.90
Rent # (Refer Note 38)	1,724.61	18.32
Repairs and Maintenance		
-- Building	125.41	52.34
-- Plant and machinery	682.78	654.13
-- Information Technology	61.37	79.26
-- Others	54.43	37.32
Insurance	118.31	135.07
Rates and Taxes	186.03	299.77
Agency Commission	310.58	332.97
Legal and Professional	478.29	331.36
Payment to Auditors:		
- As Auditors - Statutory Audit	9.00	9.00
- Taxation matters	1.50	1.50
- Other services	4.00	4.00
- Reimbursement of expenses	-	0.04
Directors Sitting fees	11.25	5.81
Net loss on foreign currency transaction and translation (other than considered as finance cost)	10.18	45.42
Loss on fixed assets sold/scrapped/written off	-	0.93
Miscellaneous Expenses	1,330.04	510.35
Total	14,162.66	10,732.47

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

Rent includes provision towards lease rent payable to government of Rs. 1,677 lakhs as per details below:

During the year 2013-14, the Company received a demand notice for Rs. 1,677 lakhs towards payment of arrears of lease for the leasehold land of Plant II which was disclosed as contingent liability during the previous year. While the Company contends the demand and is in discussion with the authorities, as a matter of prudence, the same has been provided during the current year.

** Above expenses include those relating to R&D aggregating to Rs. 23.70 lakhs (Previous Year Rs.25.81 lakhs).

26 - Capital and other Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances) and not provided for as on 31 March, 2015 is Rs. 4,015.54 lakhs (previous year Rs.637.25 lakhs).

(Rs. in lakhs)
 As at
 March 31,
 2015

(Rs. in lakhs)
 As at
 March 31,
 2014

27 - Contingent Liabilities

a) Bills discounted	-	45.79
b) Letters of Credit / Guarantees	3,238.22	3,130.49
c) Disputed Excise & Customs demands	53.39	68.07
d) Disputed Sales Tax demands	56.98	57.71
e) Disputed Income Tax demands	3,448.17	2,335.11
f) Claims against Company not acknowledged as debt	-	1,677.00

The details of disputed demands pertaining to (c), (d) and (e) above are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at March 31, 2015	As at March 31, 2014
		<u>Financial Year</u>		
Excise Duty	High Court of Madras	1996-97	-	4.64
	High Court of Madras	2007-08	53.39	53.39
Customs Duty	High Court of Madras	1993-94	-	10.04
	Disputed Excise & Customs demand		53.39	68.07
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	36.74	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	10.74	10.74
	Appellate Deputy Commissioner (CT)	2008-09	6.06	-
	High Court of Madras	Various Years	3.44	10.23
	Disputed Sales Tax demand		56.98	57.71
		<u>Assessment Year</u>		
Income Tax	Commissioner of Income Tax (Appeals)	2006-07	1,080.74	1,080.74
	Commissioner of Income Tax (Appeals)	2007-08	1,192.08	454.67
	Commissioner of Income Tax (Appeals)	2008-09	518.45	530.58
	Commissioner of Income Tax (Appeals)	2009-10	3.12	3.12
	Deputy Commissioner of Income Tax	2010-11	176.88	18.13
	Deputy Commissioner of Income Tax	2011-12	-	247.87
	Assistant Commissioner of Income Tax	2012-13	476.90	-
	Disputed Income Tax demand **		3,448.17	2,335.11

** Against the above demands, the Company has paid/refund Rs. 250.99 lakhs (Previous year - Rs. 155.72 lakhs)

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

28 - There are no dues to Micro, Small & Medium Enterprises [MSME] as at the Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the auditors. Hence Trade payables - Acceptances - Others in Note 8 includes payable to creditors, other than MSME.

29 - Value of Imports calculated on CIF basis

(Rs. in lakhs)

	Year ended March 31, 2015	Year ended March 31, 2014
Raw Materials, Stores and Consumables	16,992.12	6,881.75
Traded goods	720.45	1,581.29
Total	17,712.57	8,463.04

30 - Expenditure in Foreign Currency

Travel	33.44	36.12
Others	113.31	4.75
Total	146.75	40.87

31 - Details of consumption of imported and indigenous items

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Percentage (%) of total consumption	Value	Percentage (%) of total consumption	Value
i) Raw materials				
Imported	35.63	16,803.96	20.56	7,498.32
Indigenous	64.37	30,352.25	79.44	28,972.82
	100.00	47,156.21	100.00	36,471.14
ii) Stores and consumables				
Imported	0.00	-	1.35	5.92
Indigenous	100.00	685.80	98.65	433.71
	100.00	685.80	100.00	439.63

32 - Earnings in Foreign Currency

	Year ended March 31, 2015	Year ended March 31, 2014
Export of goods calculated on FOB basis	3,366.73	1,758.46
Freight and Insurance	90.99	43.55
Total	3,457.72	1,802.01

33 - Employee benefit plans

Defined contribution plans

The Company makes Provident fund and Superannuation contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 77.35 lakhs (year ended 31 March, 2014 - Rs.72 lakhs) for Provident Fund contributions and Rs. 29.53 lakhs (year ended 31 March, 2014 - Rs.28.80 lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Defined benefit plans

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

- Gratuity (included as part of gratuity expense as per Note 24 : Employee benefits expense).
- Post-employment benefits (included as part of Post-employment benefits as per Note 24 : Employee Benefits Expense).
- Compensated absences (included as a part of contribution to Provident & other funds as per Note 24: Employee Benefits) Expense.

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

(Rs. in lakhs)

Net employee benefit expenses (recognised in Employee Benefits Expense)

Particulars	Superannuation		Gratuity	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Net employee benefit expenses (recognised in employee cost)				
Current Service Cost	4.42	3.05	19.31	20.21
Interest cost on benefit obligation	8.82	8.16	20.94	19.61
Expected return on plan assets	(11.60)	(9.72)	(22.07)	(21.16)
Net actuarial (gain) / loss recognised in the year	24.27	(22.04)	3.85	(30.50)
Total expense recognised in the Statement of Profit and Loss	25.91	(20.55)	22.03	(11.84)

Net Asset / (Liability) recognised in the Balance sheet

Particulars	Superannuation		Gratuity	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Fair value of plan assets at the end of the year	144.26	131.21	290.79	264.92
Present value of defined obligations at the end of the year	109.33	98.05	277.00	246.78
Plan Asset / (Liability) recognised in the Balance Sheet	34.93	33.16	13.79	18.14

Changes in the Present Value of the defined benefit obligations are as follows

Particulars	Superannuation		Gratuity	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Present value of defined benefit obligations as at the beginning of the year	98.06	109.66	246.77	265.77
Interest cost	8.82	8.16	20.94	19.61
Current service cost	4.42	3.05	19.31	20.21
Benefits paid	0.00	(1.63)	(14.69)	(28.64)
Actuarial (gains) / losses	(1.96)	(21.18)	4.67	(30.18)
Present Value of defined obligations as at the end of the year	109.34	98.06	277.00	246.77

Changes in the fair value of Plan Assets are as follows

Particulars	Superannuation		Gratuity	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Plan assets at the beginning	131.18	122.22	264.91	260.08
Expected return on plan assets	11.60	9.72	22.07	21.16
Contributions	27.68	0.02	17.69	10.00
Benefits paid	0.00	(1.63)	(14.69)	(28.64)
Actuarial gains (losses)	(26.20)	0.85	0.81	2.31
Plan assets at the end	144.26	131.18	290.79	264.91

Composition of the Plan Assets (As a percentage of total Plan Assets)

Particulars	Superannuation Trust		Gratuity Trust*	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Central and State Government Securities	46.05	43.77	46.25	43.11
Investment in other permitted securities	50.46	53.17	47.62	53.80
Others (to specify)	3.49	3.06	6.13	3.09
Total %	100.00	100.00	100.00	100.00

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

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

Experience Adjustments

(Rs. in lakhs)

Superannuation	Year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligations	109.34	98.06	109.66	114.19	106.16
Plan Assets	144.26	131.21	122.22	119.57	108.06
Surplus / (Deficit)	34.92	33.15	12.56	5.38	1.90
Experience Adjustments on Plan Liabilities	(11.57)	(21.18)	(15.43)	(2.55)	(7.43)
Experience Adjustments on Plan Assets	(26.24)	0.85	(1.37)	2.03	3.07

Gratuity	Year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligations	277.00	246.78	265.77	247.87	219.24
Plan Assets	290.79	264.91	260.08	220.62	210.17
Surplus / (Deficit)	13.79	18.13	(5.69)	(27.25)	(9.07)
Experience Adjustments on Plan Liabilities	1.73	(0.02)	(0.02)	36.85	1.31
Experience Adjustments on Plan Assets	0.81	(1.17)	(1.17)	(6.52)	2.07

Principal Actuarial assumptions for Gratuity and Post Employment obligations

Particulars	Rate (%)	
	2014-15	2013-14
a) Discount Rate	8.00	9.00
b) Future salary increase(*)	5.00	5.00
c) Attrition rate	3.00	3.00

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

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

34 - Related Party Disclosures

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

List of Related Parties:

Associate Company : M/s SIDD Life Sciences Private Limited

Key Management Personnel [KMP]:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Personnel exercises significant influence:

Tamilnadu Petroproducts Limited

Related Party Transactions:

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

(Rs. in lakhs)

Nature of Transaction	Related Party	FY 2014-15	FY 2013-14
Purchase of goods	Tamilnadu Petroproducts Limited	1,514.63	2,395.48
Sale of goods	Tamilnadu Petroproducts Limited	0.74	4.36
Purchase of services	Tamilnadu Petroproducts Limited	14.53	20.86
Sale of services	Tamilnadu Petroproducts Limited	14.98	14.98
Purchase of fixed assets	Tamilnadu Petroproducts Limited	13.26	-
Discounts received	Tamilnadu Petroproducts Limited	137.15	123.11

(Rs. in lakhs)

Nature of Transaction	Related Party	FY 2014-15	FY 2013-14
Trade advance Given	Tamilnadu Petroproducts Limited	100.00	2,600.00
Remuneration paid	Mr Muthukrishnan Ravi	62.21	52.84
Remuneration outstanding	Mr Muthukrishnan Ravi	16.50	14.99
Reimbursements received in respect of remuneration paid to KMP	Tamilnadu Petroproducts Limited	36.30	34.58
Amounts outstanding - Net Amounts Receivable	Tamilnadu Petroproducts Limited	304.74	1,777.17
Amounts outstanding - Net Amount payable	Tamilnadu Petroproducts Limited	360.51	269.29

35 - Earnings Per Share (EPS)

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

	Year ended March 31, 2015	Year ended March 31, 2014
Net Profit After Tax (Rupees in Lakhs)	4,399.12	2,905.02
No. of shares used in computing Earnings Per Share	171,999,229	171,999,229
Earnings Per Share - Basic and diluted (in Rupees)	2.56	1.69
Face Value per share (in Rupees)	5.00	5.00

36 - Deferred Tax (Liability) / Asset

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

Tax effect of items constituting Deferred Tax liability	As at March 31, 2014	For the year	As at March 31, 2015
On difference between book balance and Tax balance of fixed assets	1,890.55	58.32	1,948.87
Tax effect of items constituting Deferred Tax assets			
Provision for doubtful debts / advances	(96.52)	0.00	(96.52)
Disallowance under section 43B of Income Tax Act, 1961 (Provision)	(204.48)	(1,258.47)	(1,462.95)
Provision for compensated absences, Gratuity and other employee benefits	(49.30)	(13.10)	(62.40)
Tax effect on Depreciation transition change	(13.08)		(13.08)
Net Deferred Tax (Liability) / Asset	1,527.17	(1,213.25)	313.92

37 - During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Factory Buildings	SLM	1.73% / ~58 years	30 years
Computers and Data Processing Equipment	SLM	33% / ~3 years	3 years
Plant and Machinery (CPP)	SLM	5.28% / ~19 years	25 years
General Plant and Machinery	SLM	5.28% / ~19 years	15 years
Furniture and Fixtures	SLM	6.33% / ~15 years	10 years
Vehicles	SLM	9.5% / ~11 years	8 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 25.57/- (net of deferred tax of Rs. 13.08/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 101 lakhs consequent to the change in the useful life of the assets.

38 Details on derivative instruments and unhedged foreign currency exposures

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

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Particulars	Currency	Amount (in foreign currency in Lakhs)	Amount (in Rs. in Lakhs)
Trade Payables	USD	58.87	3,696.83

39 Details of leasing arrangements

The Company has entered into operating lease arrangements for utilising the bulk storage facility at Ennore Port. The leases are non-cancellable and are for a period of 15 years. In the event of premature termination of this agreement prior to the expiry of fifteen year firm period, the Company is liable to make payment of termination compensation as per terms of agreement. The lease agreements provide for an increase in the lease payments by 3% every year.

The Company has entered into operating lease arrangements for office premises. The leases are non-cancellable and are for a period of 9 years. The lease agreements provide for an increase in the lease payments by 15% every 3 years.

Future minimum lease payments (Rs. In Lakhs)	not later than one year	later than one year and not later than five years	later than five years
	515.10	2,756.62	5,144.10

40 Schedule III has been followed and previous year's figures have regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Deloitte Haskins & Sells
Chartered Accountants

Geetha Suryanarayanan
Partner (M.No. 29519)

For and on behalf of the Board of Directors

Ashwin C Muthiah
DIN : 00255679
Chairman

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary



Manali Petrochemicals Limited

***Ponneri High Road, Manali,
Chennai - 600 068.***

CIN: L24294TN1986PLC013087

Email: companysecretary@manalipetro.com

Website: www.manalipetro.com



NOTICE OF ANNUAL GENERAL MEETING

23rd September 2015

Manali Petrochemicals Limited

Notice to Shareholders

NOTICE is hereby given that the 29th Annual General Meeting of the Company will be held at 10.30 a.m. on Wednesday, the 23rd September, 2015 at Rajah Annamalai Mandram, No. 5 Esplanade Road (Near High Court) Chennai – 600 108 to transact the following business.

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2015 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 Financial Statements of the Company for the year ended 31st March 2015 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby 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 fifty paise per equity share on 17,19,99,229 Equity Shares of Rs. 5/- each, absorbing Rs. 860 lakh (Rupees eight hundred and sixty lakh only), subject to rounding off, be and is hereby declared out of the profits for the year ended March 31, 2015 and the same be paid:

- i. In respect of shares held in physical form, to those members whose names appear on the Register of Members on 23rd September 2015 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 close of business hours on 12th September 2015.

3. **To appoint a Director in the place of Mr. Ashwin C Muthiah (DIN 00255679), 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. Ashwin C Muthiah (DIN: 00255679), a Director retiring by rotation being eligible and offering for re-election, be and is hereby re-appointed as a Director of the Company.

4. **Toratisfy the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S) as the Auditors of the Company and fix their remuneration by passing the following as an Ordinary Resolution:**

RESOLVED THAT

- i. Pursuant to Section 139 of the Companies Act, 2013, and the Rules made thereunder, the reappointment of M/s Deloitte Haskins and Sells, Chartered Accountants, Chennai, with ICAI Registration Number 008072S as the Auditors of the Company to hold office until the conclusion of the 30th Annual General Meeting of the Company to be held during the year 2016 be and is hereby ratified.
- ii. The Auditors be paid a remuneration of Rs. 17,00,000/- (Rupees Seventeen lakh only) plus reimbursement of out of pocket expenses and applicable taxes for the year 2015-16.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass the following as an Ordinary Resolution for appointing Mr. G Chellakrishna (DIN 01036398) as an Independent Director of the Company:**

RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. G Chellakrishna, (DIN 01036398) be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the appointment of Mr. G Chellakrishna (DIN 01036398) as an Independent Director of the Company by the Board for a period of five years from 13th August 2014 be and is hereby approved.

6. **To consider and if thought fit, to pass the following as an Ordinary Resolution for appointing Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director of the Company:**

RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Ms. Sashikala Srikanth, (DIN: 01678374) be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company the appointment of Ms. Sashikala Srikanth (DIN: 01678374) as an Independent Director of the Company by the Board for a period of five years from 13th August 2014 be and is hereby approved.

7. To consider and if thought fit, to pass the following as an Ordinary Resolution to ratify the remuneration to the Cost Auditor for the year 2014-15:

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of Rs. 3,00,000 (Rupees three lakh only) to M/s S Gopalan & Associates, Cost Accountants, Chennai, the Cost Auditor of the Company for the year 2014-15 be and is hereby ratified.

8. To consider and if thought fit, to pass the following as an Ordinary Resolution to ratify the remuneration to the Cost Auditor for the year 2015-16:

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of Rs. 3,00,000 (Rupees three lakh only) to M/s S Gopalan & Associates, Cost Accountants, Chennai, the Cost Auditor of the Company for the year 2015-16 be and is hereby ratified.

9. To consider and if thought fit, to pass the following as a Special Resolution for approving the increase in remuneration to Mr. Muthukrishnan Ravi, (DIN: 03605222), Managing Director:

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals as may be required consent of the Members be and is hereby accorded for the remuneration to Mr. Muthukrishnan Ravi, (DIN: 03605222), Managing Director with effect from 1st April 2014 as shown below:

- Total annual remuneration shall be Rs. 110 lakh including annual performance pay not exceeding Rs. 30 lakh and all other allowances
- Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/ service rules of the Company.
- The remuneration to Mr. Muthukrishnan Ravi (DIN: 03605222) shall be shared between the Company and Tamilnadu Petroproducts Limited (TPL) in such proportion as may be decided by the Board of Directors of the Company from time to time so long as he holds a Managerial position in TPL.
- In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. Muthukrishnan Ravi (DIN: 03605222).
- The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.
- All the other terms and conditions of appointment and remuneration shall remain the same.

10. To consider and if thought fit, to pass the following as a Special Resolution for approving the increase in remuneration to Mr. G Balasubramanian, (DIN: 06874838), Wholetime Director (Works):

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals as may be required consent of the Members be and is hereby accorded for the increase in the remuneration to Mr. G Balasubramanian, (DIN: 06874838), Whole time Director (Works) with effect from 1st April 2015 as shown below:

- Total annual remuneration shall be Rs. 36.77 lakh including annual performance pay not exceeding Rs. 7.40 lakh and all other allowances.
- Leave encashment as per the service rules of the Company.
- Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/ service rules of the Company.
- In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. G Balasubramanian (DIN: 06874838).
- The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.
- All the other terms and conditions of appointment and remuneration shall remain the same.

Date 5th August 2015

Registered Office:

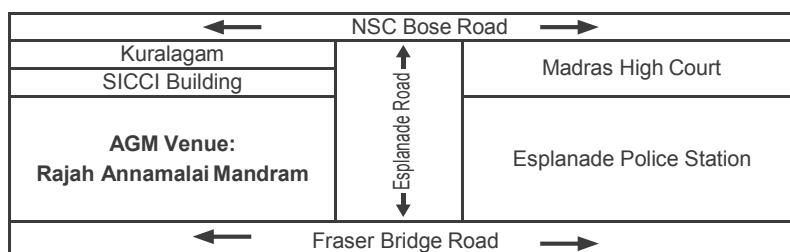
SPIC HOUSE
 88 Mount Road, Guindy
 Chennai – 600 032

By Order of the Board
 for Manali Petrochemicals Limited

R. Kothandaraman

Company Secretary

Land Mark for the AGM Venue: opposite to Western Entrance of Madras High Court



IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 14th September 2015 to 23rd September 2015 (both days inclusive) in connection with the Annual General Meeting (AGM) & payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself. Such a proxy/proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. Member holding more than 10% shares is entitled to appoint a single proxy, and such proxy cannot be a proxy of any other member. The Proxy holder shall prove his / her identity at the time of attending the Meeting.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Under Section 205A of the Companies Act, 1956, 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 Rs. 44,65,791 being the unpaid and unclaimed dividend amount pertaining to the year 2006-07 to the Investor Education and Protection Fund of the Central Government on 14th October, 2014. As per the above regulations, no claim shall lie against the Company or the IEPF in relation to the amount remitted to IEPF.
6. The details of unpaid dividend relating to the years 2007-08 to 2012-13 as on 13.08.2014 being the date of the last AGM is available in the website of the Company www.manalipetro.com
7. Dividend for the year 2007-08 remaining unclaimed and unpaid will be transferred to Investor Education and Protection Fund (IEPF) during September 2015. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or the Registrar at an early date and lodge their claims. Since the corresponding provisions of the Companies Act, 2013 have not been notified till date the transfer will be made under Section 205A of the Companies Act, 1956 and accordingly no claims shall lie against the Fund or the Company and it will not be possible for the Shareholders to make any further claims in this regard after the said transfer, unless the new provisions are notified prior to the transfer.
8. 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 holdings should be verified.
9. 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 can submit their PAN details to the Registrar.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/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 appointment/re-appointment.
11. Electronic copy of the full version of the Annual Report for the year 2014-15 and the Notice of the 29th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have no registered email address, physical copies of the Abridged Annual Report for the year are being sent in the permitted mode. These members are requested to register their E-mail IDs with the DP/Registrar.
12. Full version of the Report and the Notice of the AGM are available in the Company's website viz., www.manalipetro.com. Members desirous of receiving the complete annual report may send a request in writing to the Registrar or the Company and send the same by post/courier or email with a scan copy of the request, duly signed.
13. Pursuant to the stipulations in Clause 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. The detailed process for participating in e-voting is furnished in the Annexure to the Notice in Page No. 10 & 11.
14. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. However, as per Rule 20 of the Companies (Management & Administrations) Rules 2014, as amended, facility for voting shall also be made available at the meeting by polling paper and members who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
15. Even after registering for e-communication, members are entitled to receive communication in physical form, upon making a request for the same, by post free of cost. For any information, the shareholders may also send requests to the Registrar.
16. Due notices have been received under Section 160 of the Companies Act, 2013 with regard to the appointment of directors proposed under items Nos. 5 & 6.
17. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except on holidays, up to and including the date of the AGM.
18. Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.
19. **Members may note that as per the Secretarial Standard – 2 notified by the Government, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting and hence the earlier practice of distribution of packed items is being discontinued.**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO
SECTION 102 OF THE COMPANIES ACT, 2013**

Item No. 5 & 6

Mr. G Chellakrishna (DIN: 01036398) and **Ms. Sashikala Srikanth (DIN: 01678374)** were appointed as Additional Directors of the Company at the Board Meeting held on 13th August 2014. In terms of the relevant provisions of the Companies Act, 2013 (the Act) and the Articles of Association of the Company these Directors have been appointed by the Board as Independent Directors under Section 149 of the Act read with other provisions, rules and Schedule IV to the Act. As per Section 150, their appointments are to be approved by the shareholders and hence the same are placed for consideration at the AGM. In terms of the relevant provisions of the Act, the above directors will not be liable to retirement by rotation.

Brief profiles of the above Directors are given in the Annexure. Both the appointees comply with the criteria for Independent Directors specified under Section 149 (6) of the Act and the Listing Agreement with stock exchanges. Considering their qualification, experience, stature and standing they are qualified to be appointed as the Independent Directors of the Company and their association and guidance will be of great value to the Company.

The Board recommends the resolutions for the consideration of the Members. Except, the respective appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 5 & 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 7 & 8

At the Board Meeting held on 13th August 2014, **Mr. S Gopalan**, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai 600 078 was appointed as the Cost Auditor of the Company for the year 2014-15 on a remuneration of Rs. 3 lakh as recommended by the Audit Committee of the Company.

At the Board Meeting held on 5th August 2015, he has been re-appointed as the Cost Auditor of the Company on the same remuneration as recommended by the Audit Committee. As per Section 148 of the Companies Act, 2013, read with the relevant Rules, the remuneration to the Cost Auditor is to be approved by the members. Accordingly, the same are placed before the Members for consideration and approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7 & 8.

Item No. 9

Based on the recommendations of the Nomination and Remuneration Committee, the Board at the meeting held on 13th August 2014 approved the increase in remuneration of Mr. Muthukrishnan Ravi (DIN: 03605222), Managing Director as detailed in the resolution. The revised remuneration is considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

Statement pursuant to Clause (iv) of second proviso to of Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolution for the consideration of the members. Except Mr. Muthukrishnan Ravi, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Item No. 10

Based on the recommendation of the Nomination and Remuneration Committee, the Board at the Meeting held on 20th May, 2015 approved increased remuneration to Mr. G Balasubramanian, (DIN: 06874838), Whole time Director (Works) as detailed in the resolution. The revised remuneration is considered reasonable taking into account various factors including but not limited to the performance of the Company, the individual, remuneration to similarly placed executives in other companies and the like.

Statement pursuant to Clause (iv) of second proviso to of Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolution for the consideration of the members. Except Mr. G Balasubramanian, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the stock exchange.

Date 5th August 2015

Registered Office:

SPIC HOUSE

88 Mount Road, Guindy

Chennai – 600 032

By Order of the Board
for Manali Petrochemicals Limited

R. Kothandaraman
Company Secretary

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 29TH AGM.

Item Nos. 3, 5, 6, 9 and 10 of the Notice

Mr. Ashwin C Muthiah (DIN 00255679), appointed as a Director of the Company on 27th April, 2007 is aged 49 years and is a graduate in Commerce from University of Madras and MBA from USA. He heads the operations of the business house founded by Dr. M A Chidambaram with interests in fertilizers, petrochemicals, trading, shipping and offshore activities.

He is the Chairman of Southern Petrochemical Industries Corporation Ltd. (SPIC) and SICAGEN India Limited (SIL) and Vice Chairman of Tamilnadu Petroproducts Limited (TPL), Director in Mitsuba Sical India Limited, Bengal Auto Parts Private Limited, AMI Holdings Private Limited, ACM Medical Foundation, ACM Educational Foundation, SPIC Officers and Staff Welfare Foundation and SPIC Group Companies Employees Welfare Foundation.

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of TPL and SIL. Also he is a member of Stakeholders' Relationship Committee (SRC) of TPL and Nomination and Remuneration Committee (NRC) of TPL and SPIC.

Mr. G. Chellakrishna (DIN: 01036398), appointed as a Director of the Company on 13th August 2014 is aged 36 years. He, a Post Graduate in Commerce and a Fellow Member of the ICAI, has also completed a Post Graduate Programme on business management from the Indian School of Business (ISB)/Kellogg Graduate School of Management, Hyderabad. He is Partner of CNGSN & Associates, a renowned firm of Chartered Accounts in Chennai established in the year 1990. Mr. Krishna is an expert in the fields of business valuation and structuring of big corporates. He is also well versed in raising funds through off-shore equity markets/FCCBs, mergers and acquisitions, taxation and similar areas. His clientele include major companies in Sugar, Mining, Software Services, NBFCs / Banks/ Financial Institutions, Packaging & Paper, Trading, Hospitals, Real Estate, Ports, Media, Hotels & Resorts and FMCG.

Mr. Krishna is a Wholtime Director of Banyan Consultancy Services Private Limited, Designated Partner of CNGSN & Associates LLP, and Director of APN Software Solutions Private Limited, Banyan Corporate Advisors Private Limited, Axis Wind Energy Limited, ELNET Technologies Limited (ETL) and IG3 Infra Limited. He is the Chairman of the Audit Committee of ETL.

Ms. Sashikala Srikanth (DIN: 01678374), appointed as a Director of the Company on 13th August 2014 is aged 59 years and is a graduate in Economics and a Chartered Accountant. At present she is providing consultancy services to various corporates including in the area of CSR. Prior to this she was Senior General Manager – Resources of IAL Group and Group Financial Controller of Shattaff Group, in Dubai from 2003 to 2005 and held various positions in MAC Group of Companies from 1996 to 2003. She was associated with A F Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995 where she had also done her articles during 1984 -87.

Ms. Sashikala is a Director of SICAGEN India Limited, Tamilnadu Petroproducts Limited (TPL), Southern Petrochemical Industries Corporation Limited (SPIC), Greenstar Fertilizers Limited (GFL), EDAC Engineering Limited (EEL), Mercantile Ventures Limited (MVL) and Trust Properties Development Company Private Limited. She is the Chairperson of the Audit Committee of GFL and Risk Management Committees of TPL and MVL. Also she is a Member of the Audit Committees of EEL, MVL and SPIC, and Nomination and Remuneration Committees of MVL, GFL, and EEL and member of Corporate Social Responsibility (CSR) Committee of GFL.

Mr. Muthukrishnan Ravi (DIN: 03605222), aged 55 years, is a B.Tech., MBA started his career as an Assistant Engineer in Indian Organic Chemicals Ltd., Chennai in 1982. He was associated with reputed organizations like Madras Refineries Ltd (now CPCL), SADAF, Saudi Arabia, ESSO Singapore. He was the Commercial Head for Asia Pacific and Country Head for Indian Sub-Continent, DOW Chemicals from 1997 to 2009, and took over as Executive Vice President for Strategy and Global Sourcing of Sanmar Chemplast in 2009.

Mr. Ravi joined Manali Petrochemicals as the Chief Operating Officer from 1st April 2011 was appointed as Director / Whole time Director on 29th July 2011. He took over as the Managing Director of the Company from 1st October 2011 and held office till 28th July 2014.

He was reappointed as the MD for a further period of 3 years which was approved by the Members by way of a Special Resolution at the previous Annual General Meeting. He is also the MD of TPL from 4th February 2013 and the remuneration paid to him is shared between the two companies.

Mr. Ravi is a Director of Manali Petrochemical Officers and Staff Welfare Foundation, Manali Petrochemical Executives Welfare Foundation and TPL Employees Welfare Foundation. He is a member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of TPL.

Mr. G Balasubramanian (DIN: 06874838) aged 58 is a post graduate in chemical engineering from Annamalai University. He has more than 30 years of experience in chemical and petrochemical industries. His past employers include Pentasia Chemicals (Group co of Asian Paints) for 7 years and UB Petroproducts since 1989. On merger of UB with MPL he continued his association with the Company. He was then the Chief Manager (Operations) and elevated as VP (Works) in 2013.

At the meeting held on 28th May 2014, Board based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. G. Balasubramanian as the WTD for a period of 3 years which was approved by the Members at the last Annual General Meeting.

Mr. Balasubramanian is a Director of Manali Petrochemical Officers and Staff Welfare Foundation and Manali Petrochemical Executives Welfare Foundation.

None of the above appointees hold any shares in the company nor any relationship with other directors and other Key Managerial Personnel of the Company. The details of meetings attended are furnished in the Corporate Governance Report.

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		(Rs. in lakhs)		
	YEAR	SALES	PAT	DIVIDEND %
	2014-15	81,322.18	4,399.12	10%
	2013-14	61,789.46	2,905.02	10%
	2012-13	57,305.81	2,731.59	10%
(4) Export performance	YEAR	(Rs. lakhs)		
	2014-15	3,366.73		
	2013-14	1,758.46		
	2012-13	282.63		
(5) Foreign investments or collaborations, if any	NIL			

II. INFORMATION ABOUT THE APPOINTEE

a. Mr. Muthukrishnan Ravi

(1) Background details	Furnished in the Explanatory statement & annexure thereto
(2) Past remuneration	Rs. 100 lakh per annum including Annual Performance Pay not exceeding Rs. 30 lakh and all other allowances. Contribution to Provident and Other Funds, leave, gratuity and other benefits in accordance with the applicable law/ service rules of the company Remuneration to be shared equally or in such other proportion between MPL and TPL as may be decided by the Board from time to time so long as he holds a Managerial position in TPL
(3) Job profile and his suitability	As 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 and the nature and size of operations of the Company, he is a fit and proper person to be the Managing Director of the Company.
(4) Remuneration proposed	Details furnished in the relevant resolution.
(5) Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	The remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.
(6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

b. Mr. G. Balasubramanian

(1) Background details	Furnished in the Explanatory statement
(2) Past remuneration	Rs. 30.64 lakh per annum including Annual Performance Pay not exceeding Rs. 6 lakh and all other allowances. Contribution to Provident and Other Funds, leave, gratuity and other benefits in accordance with the applicable law/ service rules of the company
(3) Job profile and his suitability	As the Wholetime Director (Works) of the Company he reports to the MD and is responsible for Plant operations, Projects and other matters delegated by the MD. Taking into account his previous experience, 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 as the Wholetime Director of the Company.
(4) Remuneration proposed	Details furnished in the relevant resolution.
(5) Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	The remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.
(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/ report on Corporate governance annexed to the Report of the Board of Directors.

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

- (i) The voting period begins on **19th September 2015 at 9.00 AM and ends on 22nd September 2015 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 16th September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter their Folio Number allotted by the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth(DOB)	<p>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.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Manali Petrochemicals Limited and you will be directed to the E-Voting Screen.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 scan 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.
- (xx) 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.



Manali Petrochemicals Limited

CIN : L24294TN1986PLC013087

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

Ph: 22351098 E-mail: companysecretary@manalipetro.com

ATTENDANCE SLIP

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

Name of the attending Member(s) : Folio/DP ID-Client ID No. :

No. of Shares held :

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 at 10.30 A.M. on Wednesday, the 23rd September, 2015.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable.



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Ph: 22351098 E-mail: companysecretary@manalipetro.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address :
E-mail ID :
Folio/DP ID-Client ID No. :

I/We, being the member(s) of shares of the above named Company, hereby appoint:

- (1) Name Address
E-mail Id Signature or failing him/her;
(2) Name Address
E-mail Id Signature or failing him/her;
(3) Name Address
E-mail Id Signature or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Wednesday, the 23rd day of September, 2015 at 10.30 A.M. at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No. of Resolutions (as in the Notice annexed)

1	2	3	4	5
6	7	8	9	10

(Tick Mark the Sl.No. of Resolutions for which the Proxy is appointed)

Signed this day of, 2015.

Signature of Shareholder(s).....

Signature of Proxyholder(s).....

Affix
30 paise
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.
- The Proxy holder shall prove his / her identity at the time of attending the Meeting.



Manali Petrochemicals Limited

Registered Office:

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Telefax-04422351098, E-mail: companysecretary@manalipetro.com

CIN: L23294TN1986PLC013087