MANALI PETROCHEMICALS

Manali Petrochemicals Limited
SPIC House, 88, Mount Road, Guindy, Chennai - 600 032
Telefax : 044 - 2235 1098 Website : www.manalipetro.com
CIN : L24294TN1986PLC013087

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2018
7th August 2018

The Manager,
Listing Department,
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P J Tower,
Dalal Street, Fort,
Mumbai – 400 001.
Stock Code: 500268

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No .C/1, G Block,
Bandra-Kurla Complex,
Bandra (East)
Mumbai – 400 051
Stock Code: MANALIPETC

Dear Sir,

Sub: Submission of Annual Report for the year 2017-18 – reg.

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we submit herewith the Annual Report for the year 2017-18 in pdf version

We request you to kindly take above on record.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited

R Kothandaraman
Company Secretary

Encl.: As above

MANALI
PETROCHEMICALS

ANNUAL REPORT

2017 - 18

Manali Petrochemicals Limited

Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
Brig (Retd.) Harish Chandra Chawla	DIN: 00085415	Director
Gangadharan Chellakrishna	DIN: 01036398	Director
Sashikala Srikanth	DIN: 01678374	Director
Govindarajan Dattatreyan Sharma	DIN: 08060285	Director
Thanjavur Kanakaraj Arun	DIN: 02163427	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
C Subash Chandra Bose	DIN: 06586982	Whole-Time Director (Works)

Company Secretary
R Kothandaraman

Chief Financial Officer
Anis Tyebali Hyderi

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

Factories:

Plant - 1
Ponneri High Road, Manali, Chennai 600 068

Plant - 2
Sathangadu Village, Manali, Chennai 600 068

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

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

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

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

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

Bankers
IDBI Bank Limited
The Federal Bank Limited
HDFC Bank Limited

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

The Directors present their 32nd Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2018.

Financial Results

During the year the Company has adopted the Indian Accounting Standards (IndAS) in compliance in the Companies (Indian Accounting Standards) Rules, 2015. The highlights of the financial results for the year are given below:

(₹ in crore)

DESCRIPTION	2017-18	2016-17
Profit Before Interest, Depreciation & Tax	**94.92**	73.52
Interest	**2.82**	1.86
Depreciation	**8.25**	9.19
Profit Before Tax	**83.85**	62.47
Provision for Tax	**28.98**	20.20
Profit After Tax	**54.87**	42.27

Operational Highlights

Net revenue from operations during the year was about ₹ 634 crore against ₹ 577 crore during the year 2016-17, registering an increase of about 10%. The margins were better during the year under review compared to the previous year which had been affected by demonetization and inventory reduction at the year-end by major players on account of the imminent GST implementation scheduled from 1st July 2017.

During the year under review earnings before interest and depreciation was about 15% Vis a Vis 12% in 2016-17, resulting in significant increase in net profits.

The bio mass Captive Power Plant was not operated during the year, as it was more economical to use the furnace oil based energy. The Company continues to source power from third parties besides the power supplied by TANGEDCO.

During the year, additions to fixed assets was about ₹ 36 crore including for debottlenecking of the Polyol facilities which facilitated higher productivity and also revamp of the effluent treatment facilities.

Financial Review

The Indian financial markets have been in turmoil due to the overall risks of the banking sector elevating on account of asset quality concerns. Though the credit growth of the Scheduled Commercial Banks witnessed improvement during the first half, the public sector banks were lagging behind their peers in the private sector. There has been considerable raise in the gross non-performing assets ratio in the recent past, resulting from stricter norms imposed by the Reserve Bank.

On the credit disbursement, the Gross Bank Credit increased from ₹ 71,345 billion in March 2017 to ₹ 77,223 billion in March 2018, registering a y-o-y growth of 8.2% against 7.3% in the previous year. Credit off-take by industries sector recorded a growth of 0.70% vis-à-vis decline of 1.90% in 2016-17. However, the Petrochemical sector posted a decline of 23.7% against increase of 38.8% in the preceding year.

The interest rates hovered between 10% and 11% and no major changes were noticed during the year. The weighted average lending rates of the Public Sector banks was 10.75% in March 2017 and it reduced to 10.12% at the end of 2017-18. The WALR of private banks, foreign banks and other scheduled commercial banks were also in the same range, signifying that the interest rates were stable during the year under review.

During the year 2017-18, additional working capital facilities were sanctioned to the Company by new banks, providing flexibility to manage the funding requirements and also meet the capital initiatives, resulting in marginal increase in the finance cost.

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

Dividend

Your Company has been following a consistent dividend policy, ensuring that the dividend payments are sustained even when the conditions are not favourable. You would be happy to note that the Company has an unbroken dividend track of 12 years till the last year.

In line with the above, your Directors recommend a dividend of 10% i.e. fifty paise per equity share of ₹ 5/- each fully paid-up, for the year 2017-18, aggregating to ₹ 8.60 crore, excluding dividend distribution tax.

Industry structure and development

Your Company operates in the Polyurethanes (PU) industry. PU is one of the most versatile polymers available in many forms, ranging from soft foams to very rigid and tough materials. This provides opportunity for almost infinite applications, which are evolving continuously. It mainly caters to industries like Automotive, Appliances, Building & Construction, Energy, Defence, Paints and Coatings, Soft furniture, etc. While the usage levels are advanced in the Europe, North America and Far East, in India it is still in the emergent stage.

The preference for lightweight but durable materials from end-use industries has been driving the demand for PU products in the recent years. While the global PU production grew at about 5% between 2015 and 2016, India recorded a sizeable raise of 13%, from 499 KT to 564 KT, against China's 3% though in terms of size, China is larger by almost six times. The growth prospects look to be bright in the coming years.

Your Company specializes in manufacture of propylene glycol, polyether polyol and related substances. Your

Company is the only Indian manufacturer of Propylene Oxide, the input material for the aforesaid derivative products.

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

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

PG when mixed with water, chloroform, and acetone can form a homogenous mixture and it tends to absorb moisture from air. Thus, it is useful in mixing contrasting elements such as perfumes and also consumed as solvent in a wide variety of applications.

PG is commonly made use of in pharmaceuticals, food and flavor & fragrance industries and also for manufacture of polyester resins, carbonless paper and automobile consumables like brake fluid and anti-freeze liquid. Some of the major applications of PG include medicines, canned food, body sprays, perfumes, cosmetics, soaps and detergents. The off-take of PG for industrial purposes is generally low due to availability of alternate cheaper materials. MPL supplies more of food and pharmaceutical grade PG to the Indian market, which like the Polyols is dominated by imports. In addition to PG, the bye products such as DPG are also bought by smaller players for food, flavours and related applications mainly as preservatives.

Your Company also produces Propylene Glycol Mono Methyl Ether (PGMME), an environment friendly solvent used in paints and coatings and electronics industries. They also find use in oil exploration and drilling operations.

Indian PU and PG market continued to be pummelled by large volume of imports, aggravated by the new capacities that have come up in the past few years especially in Thailand and Singapore without corresponding demand for the product in their region. Pricing has been a major issue in the last few years, weaning away domestic customers from the local manufacturers. With the introduction of GST, the trader-importers have stood to gain through input credits, further firing up the price war.

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.

With costs going up, the need of the hour for the OEMs is to identify potential for savings in power costs which could be achieved by using lightweight but durable materials. This has stimulated high demand for newer PU products from user industries such as furniture, construction, appliances, footwear, automotive, brightening the prospects of the industry in the recent years. Of these the construction and footwear applications look to be promising.

Reports suggest that the PU market, earlier projected to grow at a CAGR of 7% during 2016 to 2020, would continue the trend till 2025. The increased use of the PU based materials in construction applications replacing the conventional fiberglass, mineral wool, etc. is expected to propel the demand. Though this market is still incipient in India, given the advantages such as higher insulation, living space, energy efficiency, environmental friendly, the usage is expected to grow further in the near future and open up better opportunities for the new products of your Company under development. Also many Indian States are contemplating to introduce regulations for energy efficient buildings and so the popularity of the PU applications in this sector is set to grow further.

Besides the threat of lower margins due to ever increasing imports, tougher environmental laws could result in additional spending on the treatment process and also process changes. Though the Company succeeded in its efforts for imposition of anti- dumping duty on imports from certain countries, there had been no real relief either in the volume or in the pricing. So, the Company has taken various actions for product development to produce more value added products such as water proofing, foot-wear applications, etc.

Indian Market Scenario

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

Indian PG market is also generally dominated by imports, but during the year under review your Company could get better realization from sale of PG on account of demand-supply mismatch globally, consequent to shutdown of some of the PG plants abroad. The major MNC players were able to sell their products overseas, reducing their supplies to India, resulting in better prices for the domestic manufacturers.

Risk Management Policy

The Company has established a structured frame work for addressing business risk management issues. A risk management plan has been framed, implemented and monitored by the Board through the Risk

Management Committee of Directors (RMC) comprising Ms. Sashikala Srikanth as the Chairperson and Mr. T K Arun, Mr. G D Sharma and Mr. Muthukrishnan Ravi, as the other Members.

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

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

Risks and Concerns

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

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

Apart from the above frivolous actions with ulterior motives by the self-styled environment protectors have become a new threat to industries, especially the chemical processing sector. These call for higher outlay to have a relook at the existing processes resulting in disproportionate spend on the treatment and also the associated capital costs.

The Company continues to defend the case pending before the Southern Bench of the National Green Tribunal, Chennai against the marine disposal of the treated effluent. The Company explored various options for improving the quality of the treated effluent to meet stricter standards which had been a big challenge. As stated earlier MPL has completed the projects for revamp of the effluent treatment process and about ₹ 20 crore has been spent for the new treatment facilities. These are expected to improve the standard and quality of the treated effluent to the required levels, though the sustainability could be a concern in the long run, forcing the Company to spend higher amounts, affecting the profitability.

During the year, the period of lease relating to Plant 2 expired and though the Company filed its request for extension well in advance with the Government of Tamilnadu, the same is yet to be renewed. The Auditors have drawn their attention to this, but since the land has been put to use by the Company for the purpose for which it has been allotted and also as the matter is being closely followed up, your Company is confident that the request would be considered favourably by the authorities.

Outlook

As per the World Economic Outlook released by the World Bank in January 2018, global economic activities continued to firm up during the year 2017, recording an estimated growth of 3.7%, which is higher by just half a percent over 2016. It has been observed that the growth has been broad based, recording upsides in Europe and Asia. Growth forecasts for 2018 and 2019 have been projected at 3.9%. Though way below the 5% in 1990, this signifies increased global growth momentum. However, the US trade policy changes could create uncertainties in the growth pattern, as these would have impact across the global economy.

As regards India, the WEO has projected GDP growth of 7.4% and 7.8% in 2018 and 2019 respectively, against 6.7% in 2017. It could be noted that projections for China for the next years are lower at 6.6% and 6.4%, against the actual/estimate of 6.7% and 6.8% in the preceding two years. The Asian Development Bank has also asserted that Indian GDP growth in the year 2018-19 would be better than 2017-18 with rural incomes expected to spur.

The years 2015-16 and 2016-17 were interrupted by demonetization and introduction of the Goods and Services Tax (GST), impacting the growth but the Indian economy looks to be getting back to a respectable growth of 7.5% in 2018-19. Though this is below the 13 year average, it augurs well for the overall confidence levels. It is expected that the focus in the Union Budget on the rural and agricultural sectors would generate more jobs and make available higher resources with the consumers to spend and invest. The GST is stabilizing and so the government revenue could go up appreciably paving way for higher spend on infrastructure, which in turn would add to employment. However unless the banking sector mishaps are set right early and the reform initiatives continue, the growth forecasts could be impacted, though the rural reconstruction actions and global recovery could be supportive to achieve the projected level of growth.

As indicated earlier, the projected higher growth, employment generation and rural focus are expected to provide the common man with higher disposable income, which is the key growth factor for consumer products. These are expected to improve sale of the products of your Company. The focus on higher value added products is continuing and the Company has taken actions for introducing the Notedome products to the Indian market. The Notedome products and other new applications developed for footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc. are expected to benefit the Company in earning better margins, though it could take a longer time for these to mature and stabilize.

The Company looks to increase its production of the derivative products as the facility for PO manufacturing being set up by another Company in Manali is expected to be completed during the first half of 2018-19. The Company would also look at augmenting its capacity in future depending on the stability of the effluent treatment processes and domestic economic conditions.

Subsidiaries

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

AMCHEM, Singapore

AMCHEM Speciality Chemicals Private Limited, Singapore, has been set-up by the Company in 2015-16, to expand its global footprint and to hold all the foreign assets of the Company. The Company invested US$ 16.32 million (₹ 110.32 crore) in the WOS to part fund the acquisition of Notedome Limited, UK and also for further exploratory work.

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

During the year under review, the total income of AMCHEM, Singapore was US$ 0.98 million (₹6.36 crore) and the profit for the year was US$ 113,217 (₹73.64 lakh). AMCHEM, Singapore continues to explore other opportunities for acquisition of existing overseas facilities to further improve the global presence of MPL, besides taking up other activities such as trading, transaction facilitations, business and project consultancy.

AMCHEM, UK

AMCHEM Speciality Chemicals UK Limited, London was established in September 2016 by AMCHEM Singapore as its WOS, which completed the acquisition of Notedome Limited effective 1st October 2016 through the equity contributions from its holding company and bank loans. AMCHEM, UK at present continues to be the holding company of Notedome Limited, UK. The total income of AMCHEM UK was £0.471 million (₹4.35 crore) comprising mainly dividend from Notedome Limited and profit of £ 0.420 million (₹3.88 crore).

Notedome Limited, UK

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

The total revenue of Notedome for the year 2017-18 was £1.20 million (₹110.62 crore) and profit £ 0.59 million (₹5.45 crore). During the year under review the profitability was impacted due to unforeseen shut-down of some of the units of the raw material suppliers, resulting in higher input prices which could not be passed on to the customers immediately. The subsidiary has taken several actions to improve the margins through cost reduction and also price increase claims and the performance is expected to improve during the year 2018-19.

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. Training is provided to the employees in safety related matters including first aid and mock drills are conducted to ensure that the systems and processes are in place to meet any eventualities.

Audit Committee

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

Vigil Mechanism

As required under S. 177 of Companies Act, 2013 (the Act) and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, (the Regulations) the Company has established a vigil mechanism for directors and employees to report genuine concerns through the whistle blower policy of the Company as published in the website of the Company. As prescribed under the Act and the Regulations, provision has been made for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Human Resources

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

As on 31st March 2018, your Company had 294 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Act or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., 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 and also the Listing Regulations. The Board met five 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.

The following changes took place in the composition of the Board since the last Annual General Meeting:

a. Mr. T K Arun (DIN: 02163427) who was a nominee of Tamilnadu Industrial Development Corporation Limited (TIDCO), resigned effective from 9th November 2017 consequent to his superannuating from TIDCO. He has been appointed as an Additional Director with effect from 5th February 2018, in the category of Non-Independent, Non-Executive Director. Pursuant to Section 161 of the Companies Act, 2013, (the Act) he holds office till the ensuing Annual General Meeting (AGM)

b. Mr. Kulbir Singh, (DIN: 00204829) Independent Director vacated office on 15th November 2017, due to operation of law.

c. At the meeting held on 5th February 2018, Mr. G D Sharma (DIN: 08060285) has been appointed as Independent Director for five years.

There has been no change in the Key Managerial Persons after the last AGM.

The following proposals would be considered at the ensuing AGM for consideration and approval of the Members:

a. Appointment of Mr. T K Arun as a Director under Section 160 of the Act for which proposal has been received from the proposed appointee and recommended by the Nomination and Remuneration Committee.

b. Appointment of Mr. G D Sharma as a director and approval for his appointment as an Independent Director for a period of five years from 5th February 2018.

c. Appointment of a Director in the place of Mr. C Subash Chandra Bose (DIN: 06586982) who retires by rotation and being eligible offers himself for re-election.

d. Approval for increase in remuneration of Mr. C Subash Chandra Bose, Wholetime Director (Works).

Pursuant to proviso to S. 160 (1) there is no requirement of any deposit for the proposals for the appointment of Mr. T K Arun as a Director and approval of appointment of Mr. G D Sharma as an Independent Director.

Annual Evaluation of the Board, Committees and Directors

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

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

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

Directors' Responsibility Statement

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

a. in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

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

d. the Directors had prepared the accounts for the financial year ended 31st March 2018 on a "going concern" basis.

e. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

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

Details of unclaimed Share Certificates

In accordance with the requirements of the Clause 5A of the erstwhile Listing Agreement, shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 15,84,501 shares, which remained unclaimed by 6,548 shareholders at the beginning of the year, 9,825 shares were released to 27 shareholders during the year. Further, 13,39,894 shares relating to 5,877 shareholders were transferred to the Investor Education and Protection Fund in compliance with the requirements of S. 124 (6) of the Act. As at the end of the year 2,34,782 shares remained unclaimed by 644 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

Auditors

M/s Brahmayya & Co., Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 31st Annual General Meeting held on 25th July 2017 and they will hold office for a period of five years.

The proposal for remuneration to the Auditors for the year 2018-19, as recommended by the Audit Committee is being placed before the Members for their consideration and approval at the ensuing AGM.

Cost Audit

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai was appointed as the Cost Auditors of the Company for the financial year 2017-18 on a remuneration of ₹ 3.50 lakh plus applicable taxes and reimbursement of out of pocket expenses which is to be ratified by the Members at the 32nd Annual General Meeting. The Cost Auditor holds office till 27th September 2018 or submission of his report for the year 2017-18, whichever is earlier.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal financial control systems combined with delegation of powers and periodical review of the process. The control system is also supported by internal audit and management review with documented policies and procedures. To ensure effective operation of the system, periodical reviews are made by the Internal Auditors and their findings discussed by the Audit Committee and with the Auditors. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Corporate Governance

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

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 enclosed to this Report as **Annexure B**.

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

a. The ratio of remuneration of Mr. C Subash Chandra Bose, Wholetime Director (Works) to the median remuneration of the employees of the Company, was 8.37.

b. The percentile increase in remuneration of the Company Secretary was 11% and the Wholetime Director (Works) was 8%

c. The percentage increase in the median remuneration of the employees (other than workmen who are covered under wage settlement for which a litigation is pending before the Madras High Court) was 5%

d. As at the year-end there were 262 permanent employees, including MD and WTD but other than trainees.

e. During the year the average percentile increase in the salaries other than managerial remuneration was 6% and the increase in managerial remuneration was 8%

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

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

Other disclosures

a. Information on conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134 of the Act read with

Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable are given in **Annexure D**.

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

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

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

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

f. No cases were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Acknowledgement

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

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

Disclaimer

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

For and on behalf of the Board

Ashwin C Muthiah
DIN : 00255679
Chairman

Chennai
May 16, 2018

Annexure A

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Corporate Governance

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

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2018.

2. Board of Directors

i. Composition and membership in other Boards and Board Committees

As on 31st March 2018, the Board comprised of eight directors, as detailed below:

Name	Category	Membership	
		Other Boards	Other Board Committees
Mr. Ashwin C Muthiah, Chairman	Non-Executive, Non-Independent	3(2)	2(1)
Brig (Retd.) Harish Chandra Chawla	Non-Executive, Independent	3	2
Mr. Gangadharan Chellakrishna	Non-Executive, Independent	1	2(1)
Ms. Sashikala Srikanth	Non-Executive, Independent	6	5(1)
Mr. Govindarajan Dattatreyan Sharma	Non-Executive, Independent	-	-
Mr. Thanjavur Kanakaraj Arun	Non-Executive, Non-Independent	1	1
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non-Independent	-	-
Mr. C. Subash Chandra Bose, Whole-time Director (Works)	Executive, Non-Independent	-	-

Notes:

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

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

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

d. The details of familiarization programmes conducted for the Independent Directors are disclosed in the website of the Company at http://manalipetro.com/wp-content/uploads/2016/08/MPL-Familiarization-Programme-for-Independent-Directors.pdf

e. The details of changes in the composition of the Board are furnished in the Directors' Report.

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

The Board of Directors met five times during the year 2017-18 viz., on 16th May 2017, 4th September 2017, 27th September 2017, 5th December 2017 and 5th February 2018. The details of the attendance of the directors at the Board Meetings and the AGM are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended	Attendance at the Last AGM on 25.07.2017
Mr. Ashwin C Muthiah	Full year	Five	Four	Yes
Brig. (Retd.) Harish Chandra Chawla	Full year	Five	Five	Yes
Mr. Kulbir Singh	Till 15.11.2017	Three	Three	Yes
Mr. G Chellakrishna	Full year	Five	Four	Yes
Ms. Sashikala Srikanth	Full year	Five	Five	Yes

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended	Attendance at the Last AGM on 25.07.2017
Mr. T K Arun, as Nominee of TIDCO	Till 09.11.2017	Three	Three	Yes
Mr. G D Sharma	From 05.02.2018	One	One	NA
Mr. T. K. Arun	From 05.02.2018	One	One	NA
Mr. Muthukrishnan Ravi	Full year	Five	Five	Yes
Mr. G. Balasubramanian	Till 27.05.2017	One	-	NA
Mr. C. Subash Chandra Bose	From 28.05.2017	Four	Three	Yes

NA – Not applicable, as he was not a Director of the Company on the date of the last 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. At present, the terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations).

ii. Composition

As on 31st March 2018, the Committee comprised of Mr. G. Chellakrishna as Chairman, Brig (Retd.) Harish Chandra Chawla, Ms. Sashikala Srikanth and Mr. T K Arun as the other Members. The Company Secretary is the Secretary to the Committee.

iii. Meetings and attendance

The Committee met four times during the year 2017-18 viz., on 15th May 2017, 4th September 2017, 5th December 2017 and 5th February 2018 and the details of the attendance of the Members are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. G Chellakrishna	Full year	Four	Four
Brig. (Retd.) Harish Chandra Chawla	Full year	Four	Four
Mr. Kulbir Singh	Till 15.11.2017	Two	Two
Mr. T K Arun (Nominee of TIDCO)	Till 09.11.2017	Two	Two
Ms. Sashikala Srikanth	From 22.11.2017	Two	Two
Mr. T K Arun ##	From 05.02.2018	-	-

Inducted as a member of the Committee at the Board meeting held after the meeting of the Audit Committee held on 05.02.2018.

4. Nomination and Remuneration Committee

i. Composition, terms of reference and meeting

As on 31st March 2018, the Committee comprised of Brig (Retd.) Harish Chandra Chawla, as the Chairman, Mr. Ashwin C Muthiah and Mr. G D Sharma as the other Members.

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

The Committee met four times during the year 2017-18 viz., on 16th May 2017, 4th September 2017, 5th December 2017 and 5th February 2018. The details of the attendance of the Members at the Meetings are as follows:

Name	Period of Office held as Member during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. Kulbir Singh	Till 15.11.2017	Two	Two
Brig. (Retd.) Harish Chandra Chawla	Till year	Four	Four
Mr. T K Arun (Nominee of TIDCO)	Till 09.11.2017	Two	Two
Ms. Sashikala Srikanth	22.11.2017 to 05.02.2018	Two	Two
Mr. Ashwin C Muthiah	From 22.11.2017	Two	Two
Mr. G D Sharma ##	From 05.02.2018	-	-

Inducted as a member of the Committee at the meeting of the Board held after the meeting of the Committee on 05.02.2018.

ii. Criteria for evaluation of the performance of the Independent Directors

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

5. Remuneration of Directors

i. Remuneration policy and criteria for making payments to Non-Executive Directors

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

a For Executive Directors

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

b For Non-Executive Directors

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

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

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

iii. Details of remuneration paid to the Directors

a Executive Directors

Remuneration paid to Executive Directors during the year 2017-18 are as shown below:

(₹ In lakh)

Sl. No.	Description	Mr. G. Balasubramanian, Whole-time Director (Works) From 01.04.2017 to 27.05.2017	Mr. C Subash Chandra Bose, Whole-time Director (Works) from 28.05.2017 to 31.03.2018
01	Salary and Allowances	4.73	14.00
02	Performance Linked Pay	8.83	7.64
03	Perquisites	0.33	1.03
	Total	13.89	22.66

Note:

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

b. The performance linked pay is determined as per the appraisal system in vogue.

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

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

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

b Non-Executive Directors

During the year an aggregate amount of ₹ 13 lakh was paid to the Non-Executive Directors as Sitting Fees as stated below:

- Brig. (Retd.) Harish Chandra Chawla and Mrs. Sashikala Srikanth ₹ 2.50 lakh each
- Mr. Ashwin C Muthiah and Mr. G. Chellakrishna ₹ 2 lakh each
- Mr. Kulbir Singh and Mr. T K Arun (paid to TIDCO) ₹ 1.50 lakh each
- Mr. G D Sharma and Mr. T K Arun ₹ 50,000/- each

6. Stakeholders' Relationship Committee

i. Chairman and Compliance Officer

As on 31st March 2018, the Committee comprised of Mr. Ashwin C Muthiah, Chairman, Mr. Muthukrishnan Ravi and Mr. C Subash Chandra Bose as Members. Mr. T K Arun was a Member of the Committee till 9th November 2017 as the nominee of TIDCO. Mr. R Kothandaraman, Company Secretary is the Compliance Officer. The Committee met four times during the year on 16th May 2017, 4th September 2017, 5th December 2017 and 5th February 2018. The details of attendance of the Members are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended
Mr. Ashwin C Muthiah	Full year	Four	Four
Mr. T.K. Arun (Nominee of TIDCO)	Till 09.11.2017	Two	Two
Mr. Muthukrishnan Ravi	Full year	Four	Two
Mr. G. Balasubramanian	Till 27.05.2017	One	-
Mr. C. Subash Chandra Bose	From 28.05.2017	Three	Three

ii. Details of complaints received and pending

There were no pending complaints as at the beginning or end of the year. All the 25 complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
29th	2015	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	23.09.2015	10.30 AM
30th	2016	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	21.09.2016	9.30 AM
31st	2017	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	25.07.2017	10.30 AM

ii. Special Resolutions:

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

Date of AGM	Subject
23.09.2015	(a) Approving the increase in remuneration to Mr. Muthukrishnan Ravi, Managing Director with effect from 1st April 2014. (b) Approving the increase in remuneration to Mr. G. Balasubramanian, Whole-time Director (Works) with effect from 1st April 2015.
21.09.2016	No Special Resolution was passed.
25.07.2017	(a) Approving the reappointment of Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years with effect from 29th July 2017. (b) Approving the appointment and payment of remuneration to Mr. C Subash Chandra Bose as the Whole-time Director (Works) for a period of three years with effect from 28th May 2017.

iii. Passing of Special Resolution by Postal Ballot

During the year 2017-18, the Company passed a special resolution through postal ballot for proposed fund raising not exceeding US$ 50 million or its equivalent by issuing further securities in one or more tranches with the assent of 99.9997% of the valid votes, 0.0003% dissent votes. Mrs. B Chandra, Practicing Company Secretary, Chennai was the scrutinizer appointed for the Postal Ballot process.

At present there is no proposal to pass any special resolution through postal ballot. The procedure for postal ballot would be as prescribed under the Act.

8. Means of communication

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

9. General Shareholder Information

i. Annual General Meeting

The thirty second AGM of the Company is scheduled to be held on 6th August 2018 at 10:00 AM at Rajah Annamalai Mandram, Esplanade, Chennai 600 108

ii. Financial year

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

iii. Dividend payment date

The dividend for the year 2017-18 will be paid on 31st August 2018 subject to declaration at the ensuing AGM.

iv. Listing Details and Stock Code

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

Listing fees upto 2018-19 have been paid to the aforesaid exchanges.

v. **Market Price Data & Share price performance Vis a Vis indices**

Month & Year	NSE				BSE			
	Share Price (₹)		Nifty 50		Share Price (₹)		Sensex	
	High	Low	High	Low	High	Low	High	Low
2017 April	49.40	40.05	9,367.15	9,075.15	49.40	40.00	30,184.22	29,241.48
May	44.65	34.30	9,649.60	9,269.90	44.60	34.10	31,255.28	29,804.12
June	40.60	34.40	9,709.30	9,448.75	40.65	34.55	31,522.87	30,680.66
July	41.30	36.00	10,114.85	9,543.55	41.30	35.90	32,672.66	31,017.11
August	36.60	30.20	10,137.85	9,685.55	36.65	30.00	32,686.48	31,128.02
September	38.45	32.30	10,178.95	9,687.55	38.45	31.20	32,524.11	31,081.83
October	39.00	32.50	10,384.50	9,831.05	39.15	31.85	33,340.17	31,440.48
November	41.80	34.00	10,490.45	10,094.00	41.65	33.90	33,865.95	32,683.59
December	42.10	34.00	10,552.40	10,033.35	42.00	34.35	34,137.97	32,565.16
2018 January	43.85	36.30	11,171.55	10,404.65	43.85	36.25	36,443.98	33,703.37
February	39.85	32.05	11,117.35	10,276.30	39.75	32.00	36,256.83	33,482.81
March	39.00	31.90	10,525.50	9,951.90	38.95	31.85	34,278.63	32,483.84

vi. **Registrars and Share Transfer Agent**

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

vii. **Share Transfer System**

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

viii. **Distribution of shareholding as on 31st March 2018**

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	21,387	18.73	10,63,297	0.62
101	500	70,721	61.92	1,67,64,241	9.75
501	1000	11,451	10.03	92,45,885	5.37
1001	2000	5,084	4.45	78,89,125	4.59
2001	3000	1,818	1.59	47,77,338	2.78
3001	4000	733	0.64	26,78,466	1.56
4001	5000	851	0.75	40,77,676	2.37
5001	10000	1,227	1.07	92,46,285	5.37
10001	& above	935	0.82	11,62,56,916	67.59
Total		**1,14,207**	**100.00**	**17,19,99,229**	**100.00**

ix. **Dematerialization of shares and liquidity**

The shares, listed in BSE and NSE are to be traded only in dematerialized form. The ISIN of the shares is INE201A01024. As at 31st March 2018, 16,22,34,970 shares were held in dematerialized form, representing about 94.32% of the total shares. The shares are traded regularly on BSE and NSE.

x. The Company has not issued any convertible instruments.

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

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

xii. Address for correspondence

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

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

For other general matters or in case of any difficulties/grievances investors may contact:

Mr. R Kothandaraman, Company Secretary and Compliance Officer, at the Registered Office of the Company, Phone/Fax: 044 –22351098 E-mail: companysecretary@manalipetro.com

10. Other Disclosures

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

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

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

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

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

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

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

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

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

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

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

Declaration by CEO

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

Muthukrishnan Ravi
DIN : 03605222
Managing Director

Chennai
May 16, 2018

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by M/s. Manali Petrochemicals Limited, for the year ended on 31st March, 2018, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2017 to 31st March 2018, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B. CHANDRA
Practising Company Secretary

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

Place: Chennai
Date: May 16, 2018

Annexure B

SECRETARIAL AUDIT REPORT

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

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

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

For B. CHANDRA
Practising Company Secretary

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

Place: Chennai
Date: May 16, 2018

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018, according to the provisions of:

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

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

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

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

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

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

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

  d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

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

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

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

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

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

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

(vi) In addition to the compliance with laws applicable to Factories and labour laws pertaining to the same, based on the study of the systems and processes in place and a review of the reports of (1) Occupier/Manager of the factories plant 1 & 2 located in Manali which manufacture Petrochemicals (2) Internal Audit Reports (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the following industry specific statutes and the rules made there under to the extent it is applicable to them:

Factories Act, 1948 and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989; The Insecticides Act, 1968; Drugs and Cosmetics Act, 1940; The Fertiliser (Control) Order, 1985; The Environmental Impact Assessment Notification, 2006; Explosives Act, 1884; The Environment (Protection) Act, 1986; The Water (Prevention and Control of Pollution) Act, 1974; The Air (Prevention and Control of Pollution) Act, 1981;

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

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

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

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

- During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Based on the minutes made available to us, we report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

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

I also report that the following events took place during the financial year:

- The Company had passed an enabling special resolution through postal ballot for proposed fund raising not exceeding US$ 50 million or its equivalent by issuing further securities in one or more tranches.
- The transfer of shares which was lying unclaimed for the year 2009-10 to IEPF as required under Sec.124(6) has been done in March 2018.

For B. CHANDRA
Practising Company Secretary

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

Place: Chennai
Date: May 16, 2018

Annexure C

DISCLOSURE UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

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

Name	Designation	Remuneration ₹ in lakh	Qualification	Experience	Date of Joining	Age	Last Employment
Anis Tyebali Haideri	Chief Financial Officer	54.56	B.Com, ACA, AICWA	22	07.04.2014	45	CFO, Switz International, Middle East
Kothandaraman R	Company Secretary	33.33	M.Com. ACS	35	03.11.2010	55	Company Secretary, TIDEL Park Limited
Aravind Mani	AGM (Strategy, Global Initiatives, and Marketing)	32.67	B. Tech. MBA (AIM)	9	01.08.2015	32	Head (Marketing), Tamilnadu Petroproducts Ltd.
C. Subash Chandra Bose	WTD (Works)	27.97	B. Tech	22	01/01/1995	46	-
B Sekar	DGM (Purchase)	25.67	B.E.	27	01.06.2014	49	Head (SC & Plng.) Bostik India Pvt. Ltd.
A Dhandapani	Sr. Manager (R&D)	20.80	B.Sc.,	27	13.08.2012	52	Tech. Manager Honeywell, Dubai
Subbiah Pillai P	Sr. Tech (Mech)	20.07	ITI	28	06.03.1989	49	-
S Sridharan	Sr. Manager (Mktg.)	19.12	BE.,	15	10.12.2014	41	Manager (Mktg) EICL Limited
Ashokan P	Sr. Tech (Mech)	18.78	DME	28	06.03.1989	49	-
Murali S	DGM (Finance)	17.41	B. Sc., MBA	33	01.08.1994	58	Accounts Officer Ind-Ital Chemicals Ltd

Notes:

1. The above appointments are contractual
2. As per the disclosures available with the Company, none of the above employees is related to any director and does not hold any shares in the Company.
3. The remuneration shown above includes contributions to Provident and other Funds

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
May 16, 2018

Annexure D

PARTICULARS AS REQUIRED UNDER RULE 3 OF THE COMPANIES (ACCOUNTS) RULES, 2014

The Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as prescribed under Section 134(3)(m) of the Companies Act, 2013, are furnished below for the year ended 31st March 2018, to the extent applicable:

A) Conservation of Energy

i) Steps taken or impact on conservation of energy

- ✓ One 90 KW motor replaced with a 45 KW motor by process modifications and saving power to the tune of about 2.0 lakh units annually.
- ✓ The condensate recovery system was completed in January 2018 resulting in saving of about 36 KL of fuel oil annually besides bringing down water consumption by about 5500 KL.
- ✓ Cooling tower fan blade renewal activities was completed in June 2017 paving way for reduction in power cost by about ₹ 3 lakh per annum.

ii) Steps taken for utilizing alternate sources of energy

The Company commissioned a biomass based Captive Power Plant during the year 2008, which was being used for the energy needs of Plant 2 and also for export to Plant 1. However, over the period, the cost of input has been going up and also the availability affected due to supply-demand mismatch. Hence, exports to Plant 1 were curtailed and the CPP catered to the needs of Plant 2. Though the Company took various steps to use alternate fuel, the cost of power/steam has been spiraling and further became comparatively uneconomical due to fall in oil prices. Hence, the CPP is under shut down from mid-December 2014. The Company is monitoring the changes in the Price of both fuel oil and bio mass natural. The CPP would be restarted, if and when the same in found to be economically viable.

iii) Capital investment in conservation of energy

A higher capacity boiler has been commissioned in February 2018 which has reduced the fuel consumption by about 500 KL per annum.

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 for manufacture of Propylene Oxide, Propylene Glycol and Polyols. 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.

Action have been taken for replicating the technology of Notedome Limited, UK, the Step down Subsidiary for taking up manufacture of its products in India.

ii) Expenditure on Research & Development

(a)	Capital	₹ 28.53 lakh
(b)	Recurring	₹ 278.65 lakh
(c)	Total	₹ 307.18 lakh

C) Foreign Exchange Earnings and outgo:

i)	Foreign exchange in terms of actual inflows	₹ 1,085.84 lakh
ii)	Foreign exchange in terms of actual outflows	₹ 15,213.44 lakh

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
May 16, 2018

Annexure E

EXTRACT OF THE ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return for the financial year ended on 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	L24294TN1986PLC013087
ii) Registration Date	11th June 1986
iii) Name of the Company	Manali Petrochemicals Limited
iv) Category/Sub-Category of the Company	Company Limited By Shares Non-Government Company
v) Address of the Registered office and contact details	SPIC House 88 Mount Road Guindy, Chennai 600 032 Telefax: 22351098 E-mail: companysecretary@manalipetro.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1 Club House Road Chennai 600 002 Ph.: 28460390/394/718/1832, Fax 28460129 E-mail: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Polyols	20131	60%
2	Propylene Glycol	20119	31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Name and address of the Company	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
AMCHEM Speciality Chemicals Private Limited 8, Temasek Boulevard #22-03, Suntec Tower 3 Singapore 038988	Subsidiary	100%	S. 2 (87) (ii)
AMCHEM Speciality Chemicals UK Limited Avery House, 8, Avery Hill Road, London, United Kingdom	Subsidiary (WOS of AMCHEM, Singapore)	NIL	Explanation (a) to Section 2(87)
Notedome Limited 34 Herald Way Binley Industrial Estate Coventry, CV3 2RQ	Subsidiary (WOS of AMCHEM, UK)	NIL	Explanation (a) to Section 2(87)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change to total equity
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,648	NIL	13,648	0.01	13,648	NIL	13,648	0.01	NIL
b) Bodies Corporate	6,58,56,053	NIL	6,58,56,053	38.29	6,58,56,053	NIL	6,58,56,053	38.29	NIL
c) Banks/FI	1,12,12,500	NIL	1,12,12,500	6.52	1,12,12,500	NIL	1,12,12,500	6.52	NIL
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**7,70,82,201**	**NIL**	**7,70,82,201**	**44.82**	**7,70,82,201**	**NIL**	**7,70,82,201**	**44.82**	**NIL**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	17,850	1,67,250	1,85,100	0.11	17,850	1,65,900	1,83,750	0.11	-0.0007
b) Banks/FI	1,55,812	21,300	1,77,112	0.10	3,55,071	17,100	3,72,171	0.22	0.11
c) FIIs	2,33,760	NIL	2,33,760	0.14	NIL	NIL	Nil	Nil	-0.14
d) FPI (Corporate Category II)	20,44,530	NIL	20,44,530	1.19	24,93,760	NIL	24,93,760	1.45	0.26
e) FPI (Corporate Category III)	40000	NIL	40000	0.02	NIL	NIL	NIL	Nil	-0.02
Sub-total(B)(1):-	**24,91,952**	**1,88,550**	**26,80,502**	**1.56**	**28,66,681**	**1,83,000**	**30,49,681**	**1.77**	**0.21**
2. Non- Institutions									
a) Bodies Corp.	97,36,197	2,23,500	99,59,697	5.79	72,06,238	1,86,750	73,92,988	4.30	-1.49
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4,35,97,888	1,26,32,353	5,62,30,241	32.69	4,70,59,518	88,99,134	5,59,58,652	32.53	-0.16
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,67,62,748	74,910	1,68,37,658	9.79	1,54,72,322	74,910	1,55,47,232	9.04	-0.75
c) Others	81,42,040	10,66,890	92,08,930	5.35	1,25,48,010	4,20,465	1,29,68,475	7.54	2.19
Sub-total (B) (2)	**7,82,38,873**	**1,39,97,653**	**9,22,36,526**	**53.63**	**8,22,86,088**	**95,81,259**	**9,18,67,347**	**53.41**	**-0.21**
Total Public shareholding (B)=(B)(1)+ (B)(2)	8,07,30,825	1,41,86,203	9,49,17,028	55.19	8,51,52,769	97,64,259	9,49,17,028	55.19	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**15,78,13,026**	**1,41,86,203**	**17,19,99,229**	**100**	**16,22,34,970**	**97,64,259**	**17,19,99,229**	**100**	**NIL**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Tamil Nadu Industrial Development Corporation Ltd	1,12,12,500	6.52	NIL	1,12,12,500	6.52	NIL	NIL
2	Southern Petrochemical Industries Corporation Limited	10,000	0.01	NIL	10,000	0.01	NIL	NIL
3	SIDD Life Sciences Private Limited	6,58,46,053	38.28	NIL	6,58,46,053	38.28	NIL	NIL
4	Muthiah A.C	13,648	0.008	NIL	13,648	0.008	NIL	NIL
	Total	**7,70,82,201**	**44.82**	**NIL**	**7,70,82,201**	**44.82**	**NIL**	**NIL**

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters):

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year		At the End of the year (as on 31.03.2018)	
	Date wise Increase/Decrease in Shareholding during the year	No. of shares	%	No. of shares	%	No. of shares	%
1	Passage to India Master Fund Limited	20,34,000	1.18				
	Sale 07-Apr-2017	-20,34,000	-1.18	0	0	0	0
2	Bang Equity Broking Pvt. Ltd.	9,54,000	0.56				
	Sale 07-Apr-2017	-4,57,989	0.27	4,96,011	0.29		
	Sale 14-Apr-2017	-4,63,234	0.27	32,777	0.02		
	Sale 21-Apr-2017	-32,777	0.02	0	0	0	0
3	Nirmal Bang Financial Services Pvt. Ltd.	9,34,000	0.54				
	Sale 21-Apr-2017	-7,80,133	0.45	1,53,867	0.09		
	Sale 28-Apr-2017	-1,53,867	0.09	0	0	0	0
4	Shailaja Anil Pandit	5,64,932	0.33			5,64,932	0.33
5	Gaurav Manocha	3,46,375	0.20				
	Purchase 14-Apr-2017	13,250	0.01	3,59,625	0.21	3,59,625	0.21
6	Joydeep Chatterjee	3,16,293	0.18				
	Sale 21-Apr-2017	-5,000	-0.002	3,11,293	0.18	3,11,293	0.18
7	Lincoln P Coelho	3,00,000	0.17			3,00,000	0.17
8	J M Global Equities Private Limited	3,00,000	0.17				
	Purchase 12-May-2017	5,000	0.00	3,05,000	0.18		
	Sale 30-Jun-2017	-4,500	0.00	3,00,500	0.17		
	Sale 28-Jul-2017	-3,00,500	0.17	0	0		
	Purchase 15-Sep-2017	20,580	0.01	20,580	0.01		
	Sale 22-Sep-2017	-500	0.00	20,080	0.01		
	Purchase 29-Sep-2017	1,000	0.00	21,080	0.01		
	Sale 20-Oct-2017	-15,000	-0.01	6,080	0.00		
	Sale 27-Oct-2017	-1,000	-0.00	5,080	0.00		
	Sale 31-Oct-2017	-1,000	-0.00	4,080	0.00		
	Sale 10-Nov-2017	-3,278	-0.00	802	0.00		
	Purchase 17-Nov-2017	1,198	0.00	2,000	0.00		
	Purchase 01-Dec-2017	45,000	0.03	47,000	0.03		
	Sale 08-Dec-2017	-45,000	-0.03	2,000	0.00		
	Purchase 22-Dec-2017	20,000	0.01	22,000	0.01		
	Sale 29-Dec-2017	-9,000	-0.01	13,000	0.01		
	Sale 12-Jan-2018	-1,000	-0.00	12,000	0.01		
	Purchase 25-Jan-2018	500	0.00	12,500	0.01		
	Sale 16-Feb-2018	-500	-0.00	12,000	0.01		
	Purchase 16-Mar-2018	1,000	0.00	13,000	0.01		
	Purchase 23-Mar-2018	20,000	0.01	33,000	0.02	33,000	0.02
9	Vipul Ajitkumar Dave	2,90,000	0.17				
	Sale 21-Apr-2017	-40,000	-0.02	2,50,000	0.15		
	Sale 19-May-2017	-25,000	-0.01	2,25,000	0.13		
	Sale 26-May-2017	-90,000	-0.05	1,35,000	0.08		
	Sale 02-Jun-2017	-31,000	-0.02	1,04,000	0.06		
	Sale 09-Jun-2017	-66,500	-0.04	37,500	0.02		
	Sale 16-Jun-2017	-10,993	-0.01	26,507	0.01		
	Sale 23-Jun-2017	-26,507	-0.01	0	0		
	Purchase 16-Feb-2018	15,000	0.01	15,000	0.01		
	Purchase 23-Feb-2018	85,000	0.05	1,00,000	0.06	1,00,000	0.06
10	Vimal Sagarmal Jain	2,70,000	0.16				
	Sale 19-May-2017	-2,70,000	-0.16	0	0	0	0
11	Pankajkumar Maganlal Babariya	1,50,000	0.09				
	Purchase 01-Sep-2017	1,00,000	0.06	2,50,000	0.15		
	Sale 08-Dec-2017	-2,50,000	0.15	0	0	0	0
12	Anand Rathi Share and Stock Brokers Limited	1,42,937	0.08				
	Purchase 14-Apr-2017	24,421	0.01	1,67,358	0.10		
	Purchase 12-May-2017	1,75,028	0.10	3,42,386	0.20		
	Sale 04-Aug-2017	-1,94,421	-0.11	1,47,965	0.09		
	Purchase 08-Sep-2017	2,09,873	0.12	3,57,838	0.21		
	Purchase 22-Sep-2017	98,764	0.06	4,56,602	0.27		
	Purchase 29-Sep-2017	25,000	0.01	4,81,602	0.28		
	Sale 10-Nov-2017	-16,050	-0.01	4,65,552	0.27		
	Sale 17-Nov-2017	-1,55,753	-0.09	3,09,799	0.18		
	Sale 29-Dec-2017	-1,34,747	-0.08	1,75,052	0.10		
	Sale 05-Jan-2018	-1,000	0.00	1,74,052	0.10		
	Sale 09-Feb-2018	-500	0.00	1,73,552	0.10		
	Sale 16-Feb-2018	-500	0.00	1,73,052	0.10		
	Sale 09-Mar-2018	-4,500	0.00	1,68,552	0.10	1,68,552	0.10

Sl.No.	Name of the Shareholder / Date wise Increase/Decrease in Shareholding during the year	Shareholding at the beginning of the year (as on 01.04.2017) No. of shares	%	Cumulative Shareholding during the year No. of shares	%	At the End of the year (as on 31.03.2018) No. of shares	%
13	Barkur Sudhakar Shetty	126424	0.07				
	Sale 12-May-2017	-20000	-0.01	106424	0.06		
	Purchase 26-May-2017	10000	0.01	116424	0.07		
	Purchase 02-Jun-2017	15000	0.01	131424	0.08		
	Purchase 23-Jun-2017	10000	0.01	141424	0.08		
	Sale 05-Jan-2018	-20000	-0.01	121424	0.07		
	Purchase 30-Mar-2018	3000	0.00	124424	0.07	124424	0.07

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

V. INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount	2312.79	NIL	NIL	2312.79
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Increase/Decrease	(1200.88)	600.00	NIL	(600.88)
Net Change				
Indebtedness at the end of the financial year i) Principal Amount	1111.91	600.00	NIL	1711.91
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1111.91	600.00	NIL	1711.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

No remuneration was paid to the Managing Director during the year, who draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore, as its CEO. The remuneration to the Whole-time Directors during the year was ₹ 36.55 lakh (₹ 13.89 lakh to Mr. G Balasubramanian and ₹ 22.66 lakh to Mr. Subash Chandrabose) as per details given in the Corporate Governance Report (CGR) in **Annexure A** (excluding contribution to Provident and Other Funds) against the ceiling on remuneration of ₹ 840 lakh under the Act. No stock option, sweat equity or commission was given to these Directors

B. Remuneration to other directors:

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

C. Remuneration to other Key Managerial Personnel

(₹ in lakh)

Sl. No.	Particulars of Remuneration	CS	CFO	Total Amount
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	30.57	50.23	80.80
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.38	2.02	3.39
	Total	**31.94**	**52.25**	**84.19**

(i) There was no stock option, sweat equity or commission to the above persons.

(ii) 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
May 16, 2018

Annexure F

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2017-18

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 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 Corporate Citizen, it can, together with similar such entities, transform the neglected sections of the society through concerted efforts.

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

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

The detailed CSR Policy is available in the website of the Company and the web link is http://www.manalipetro.com/wp-content/uploads/2016/08/Corporate-Social-Responsibility-CSR-Policy.pdf

Overview of projects or programmes

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

2. Composition of the CSR Committee

As on 31st March 2018, the CSR Committee comprised Mr. Ashwin C Muthiah as Chairman, Ms. Sashikala Srikanth and Mr. G D Sharma as the other Members. Mr. T K Arun was a member of the Committee till his resignation as a nominee of TIDCO on 9th Nov, 2017.During the year the Committee met four times, viz., on 16th May 2017, 4th September 2017, 5th December 2017 and 5th February 2018. Mr. Ashwin C Muthiah and Brig. Harish Chandra Chawla attended all the meetings. Mr. T K Arun and Ms. Sashikala Srikanth attended two meetings, which were held during their tenure. No meetings were held during the year after the induction of Mr. G D Sharma as a Member on 5th February 2018 in the place of Brig. Harish Chandra Chawla.

3. Average net profit of the Company for the last three financial years	₹ 66.80 crore
4. Prescribed CSR Expenditure	₹ 1.33 crore
5. Details of CSR Spend during the financial year	
a. Total amount to be spent in the financial year	₹ 1.33 crore
b. Amount unspent	₹ 0.94 crore
c. Manner of spending the amount	

I. Provision of drinking water at 3 villages

The Company has taken up projects for provision of drinking water facilities in the three villages viz., Sirungavur, Sirungavur Ambedkar Nagar, and Singlimedu, in Vilangadupakkam Panchayat of Tiruvallur District, near Manali. The proposal is being implemented through AM Foundation. The Foundation has retained IIT, Madras for advising it on the execution of the proposal, in stages. As a first step a detailed survey was carried out by IIT, to assess the water needs of the said villages. Based on its findings, further actions have been taken and IIT, has identified the water resources and location for the treatment plant, pumping station etc. The design of the treatment units and conveyance from the source for treatment have been finalized and detailed engineering is in progress. The government officials have inspected the villages to determine the land to be allotted for locating the treatment plant and bore-wells. Once the land is allotted, the project would be implemented. MPL has so far paid ₹ 40 lakhs for the proposal and further payments would be made based on the implementation schedule and progress.

II. Provision of toilets at individual households

The Company has taken up project for provision of toilets at individual households in Tiruvottiyur area, near the factories. Out of the proposed 250 units 192 have been completed for which ₹ 35.00 lakh has been disbursed. Actions have been taken to complete the balance units during the year 2018-19.

In addition to the above, toilets would be provided for 56 households in Tiruvallur District at a cost of about ₹ 13.25 lakh. The Foundation has taken steps to sign MOU with the concerned authorities and the project is expected to be completed in 2018-19.

III. Sanitation and Drinking water facilities at schools

The Company has earmarked ₹ 110 lakh for provision of sanitation and drinking water facilities in five schools in and around the Manali area. The activities have commenced during the year 2017-18 after obtaining approvals from the concerned authorities. As on the date of the report a sum of ₹ 31.60 lakh has been spent including ₹ 27.40 lakh in April 2018

IV. Apart from the above the Company also provided food-packets to needy persons during heavy rains/flooding for which ₹ 51,330 was spent. The total amount spent during the year 2017-18 was ₹ 39.71 lakh and the aggregate amount of CSR spend by the Company since the year 2015-16 is ₹ 84.63 lakh.

6. Reasons for amount not spent

The Company believes that the CSR activities undertaken should make a difference to the lives of the underprivileged and the society at large. It may be noted that the water supply project being implemented would cater to three villages involving creation of a robust infrastructure to sustain the facility. Therefore the implementation is spread over a long period. Similarly the other projects also need approval from the concerned authorities where delays are experienced in some cases due to administrative issues.

All the aforesaid projects aim to provide enduring and long term benefits to the under privileged people, the implementation is not confined to a single year or activity. Hence though it is not mandatory to carry over the unspent amount, the Board has decided that the entire unspent amount relating to the previous years could be accumulated and spent for the above project. Accordingly about ₹ 3.65 crore has been earmarked for implementing the identified projects in due course.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Standalone IndAS Financial Statements

We have audited the accompanying Standalone IndAS Financial Statements of **Manali Petrochemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone IndAS Financial Statements").

Management's Responsibility for the Standalone IndAS 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 IndAS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone IndAS 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 of the Standalone IndAS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone IndAS Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone IndAS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IndAS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note No. 48 to the Standalone IndAS Financial Statements, explaining that the period of lease relating to the leasehold land on which one of the manufacturing units of the Company is operating has since expired on June 30, 2017 for which requests for renewal have been filed by the Company with Govt. of Tamil Nadu, (the Lessor) and the extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Standalone IndAS Financial Statements for the year ended March 31, 2018 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management is confident of obtaining the renewal of the lease of the land.

Our opinion is not qualified in respect of above matter.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these Standalone IndAS Financial Statements, are based on the previously issued Standalone Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Deloitte Haskins & Sells., Chartered Accountants for the year ended 31 March 2017 and 31 March 2016, whose reports dated 16th May 2017 and 23rd May 2016, respectively, expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IndAS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the 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 by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Standalone IndAS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
   g) With respect to the other matters to be included 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 Note 36(a) to the Standalone IndAS Financial Statements.
      ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

N. Sri Krishna
Partner
Membership No: 026575

Place: Chennai
Date: May 16, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the Members of Manali Petrochemicals Limited on the Standalone IndAS Financial Statements for the year ended March 31, 2018:

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

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

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

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

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

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

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

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

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

[₹ in lakh]

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved	Amount unpaid
Central Excise Act, 1944	Excise Duty	High Court of Madras	2007-08	53.39	53.39
		High Court of Madras	2012-13	380.89	380.89
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
Central Sales Tax Act, 1956	Sales Tax	High Court of Madras	Various Years	3.44	3.44
		Sales Tax Tribunal	2000-01	10.74	10.74
		Appellate Deputy Commissioner	2003-04	36.74	36.74
		High Court of Madras	2008-09	6.06	6.06
		Appellate Deputy Commissioner	2007-08, 2008-09 & 2009-10	12.58	12.58
		Appellate Deputy Commissioner	2008-09	7.17	7.17
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	**Assessment Year**		
			2008-09	518.45	488.45
			2009-10	3.12	-
		Deputy Commissioner of Income Tax (LTU)	2010-11	176.88	106.88
		Commissioner of Income Tax (Appeals)	2010-11	29.13	29.13
		Commissioner of Income Tax (Appeals)	2011-12	247.87	-
		Commissioner of Income Tax (Appeals)	2012-13	476.90	381.90
		Commissioner of Income Tax (Appeals)	2014-15	78.08	66.37
		Commissioner of Income Tax (Appeals)	2015-16	108.22	108.22

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

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

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

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

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

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

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

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

N. Sri Krishna
Partner
Membership No: 026575

Place: Chennai
Date: May 16, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the Standalone IndAS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Manali Petrochemicals Limited** ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N. Sri Krishna
Partner
Membership No: 026575

Place: Chennai
Date: May 16, 2018

MANALI PETROCHEMICALS

Standalone Balance Sheet as at March 31, 2018

[₹ in lakh]

				Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A.	ASSETS							
I	Non-Current Assets							
		a)	Property, Plant and Equipment		3	**17,124.52**	14,181.03	13,428.93
		b)	Capital work-in-progress			**1,221.10**	2,839.98	1,580.34
		c)	Intangible Assets			**-**	-	-
		d)	Financial Assets:					
			i)	Investments	4	**11,044.72**	11,455.10	916.47
			ii)	Other Financial Assets	5	**16.14**	15.92	15.92
		e)	Other Non-Current Assets		6	**2,014.97**	1,599.60	2,344.98
	TOTAL NON-CURRENT ASSETS					**31,421.45**	30,091.63	18,286.64
II	Current Assets							
		a)	Inventories		7	**5,668.07**	11,642.76	10,447.03
		b)	Financial Assets:					
			i)	Current Investments	8	**5,676.29**	1,141.86	6,439.81
			ii)	Trade Receivables	9	**7,646.28**	6,886.68	9,544.74
			iii)	Cash and Cash Equivalents	10	**164.44**	1,208.15	65.24
			iv)	Bank balances other than iii) above	11	**554.71**	964.34	562.08
			v)	Loans	12	**60.19**	86.33	58.10
			vi)	Other Financial Assets	13	**9.34**	79.08	62.48
		c)	Other Current Assets		14	**678.55**	1,954.63	6,940.45
	TOTAL CURRENT ASSETS					**20,457.87**	23,963.83	34,119.93
	TOTAL ASSETS					**51,879.32**	54,055.46	52,406.57
B.	EQUITY AND LIABILITIES							
I	Equity							
		a)	Equity Share Capital		15	**8,603.47**	8,603.47	8,603.47
		b)	Other Equity			**30,003.03**	25,584.64	22,386.71
	TOTAL-EQUITY					**38,606.50**	34,188.11	30,990.18
II	Liabilities							
A	Non-Current Liabilities							
		a)	Provisions		16	**131.68**	133.10	136.06
		b)	Deferred Tax Liabilities (net)		17	**1,413.68**	625.75	205.67
		c)	Other Non-Current Liabilities		18	**481.50**	145.68	161.01
	TOTAL NON-CURRENT LIABILITIES					**2,026.86**	904.53	502.74
B	Current Liabilities							
		a)	Financial Liabilities					
			i)	Borrowings	19	**1,711.91**	2,306.08	767.35
			ii)	Trade Payables	20	**4,519.74**	10,776.68	12,589.43
			iii)	Other Financial Liabilities	21	**420.29**	400.11	375.11
		b)	Provisions		22	**1,616.61**	1,916.54	2,011.16
		c)	Current Tax Liabilities (Net)			**-**	82.76	-
		d)	Other Current Liabilities		23	**2,977.41**	3,480.65	5,170.60
	TOTAL CURRENT LIABILITIES					**11,245.96**	18,962.82	20,913.65
	TOTAL LIABILITIES					**13,272.82**	19,867.35	21,416.39
	TOTAL EQUITY AND LIABILITIES					**51,879.32**	54,055.46	52,406.57

As per our report of even date attached

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

For and on behalf of the Board

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date: May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2018

[₹ in lakh]

		Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
1	**Revenue**				
	a)	Revenue from Operations (Gross)	24	**66,290.48**	64,957.16
	b)	Other Income	25	**166.57**	1,235.32
	Total Revenue (Gross)			**66,457.05**	66,192.48
2	**Expenses**				
	a)	Cost of materials consumed	26	**40,745.05**	37,940.50
	b)	Excise duty on sale of goods		**1,757.97**	6,678.59
	c)	Purchases of Stock-in-trade	27	**-**	4,508.16
	d)	Changes in inventories of finished goods, stock-in-trade and work-in-progress.	28	**1,429.14**	(976.05)
	e)	Employee benefits expense	29	**2,197.12**	2,224.51
	f)	Finance costs	30	**281.60**	185.75
	g)	Depreciation expense	31	**824.74**	919.16
	h)	Power & Fuel		**6,160.66**	5,149.30
	i)	Other expenses	32	**4,675.82**	3,315.12
	Total Expenses			**58,072.10**	59,945.04
3	**Profit Before Exceptional items and Tax [1-2]**			**8,384.95**	6,247.44
4	**Exceptional Items**			**-**	-
5	**Profit Before Tax [3-4]**			**8,384.95**	6,247.44
6	**Tax Expenses**		33		
	a)	Current Tax		**2,110.00**	1,600.00
	b)	Deferred Tax		**787.93**	420.08
	Total Tax Expenses			**2,897.93**	2,020.08
7	**Profit for the period [5-6]**			**5,487.02**	4,227.36
8	**Other Comprehensive Income**				
	Items that will not be classified to profit or (loss)				
	Changes in Fair Value of Equity Investments			**(0.17)**	0.82
	Remeasurement Cost of net defined benefits		29	**(33.38)**	4.83
9	**Total Comprehensive Income**			**5,453.47**	4,233.01
10	**Earnings per Equity Share of ₹ 5/- each**		34		
	a)	Basic (in ₹)		**3.17**	2.46
	b)	Diluted (in ₹)		**3.17**	2.46

As per our report of even date attached

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

For and on behalf of the Board

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date: May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Changes in Equity

A. Equity Share Capital

For the year ended 31st March 2018

[₹ in lakh]

Balance as at April 01, 2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
8603.47	-	8,603.47

For the year ended 31st March 2017

Balance as at April 01, 2016	Changes in Equity Share Capital during the year	Balance as at March 31, 2017
8603.47	-	8,603.47

B. Other Equity

Statement of Changes in Other Equity (2017-18)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings			
Balance at the beginning of reporting Period (01.04.2017)	91.45	109.20	84.00	25,293.79	1.37	4.83	25,584.64
Profit for the year	-	-	-	5,487.02	(0.17)	(33.38)	5,453.47
Transfer within Other Equity	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	(1,035.08)	-	-	(1,035.08)
Any other Change	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2018)	**91.45**	**109.20**	**84.00**	**29,745.73**	**1.20**	**(28.55)**	**30,003.03**

Statement of Changes in Other Equity (2016-17)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings			
Balance at the beginning of reporting Period (01.04.2016)	91.45	109.20	84.00	22,101.51	0.55	-	22,386.71
Profit for the year	-	-	-	4,227.36	0.82	4.83	4,233.01
Transfer within Other Equity	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	(1,035.08)	-	-	(1,035.08)
Any other Change	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2017)	**91.45**	**109.20**	**84.00**	**25,293.79**	**1.37**	**4.83**	**25,584.64**

As per our report of even date attached

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

For and on behalf of the Board

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date: May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Cash Flows for the year ended March 31, 2018

[₹ in lakh]

	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A.	**Cash Flow from operating activities**				
	Profit before Tax		**8,351.57**		6,252.27
	Adjustments for				
	Depreciation	**824.74**		919.16	
	Provisions no longer required written back	**(850.80)**		(622.00)	
	Dividend income	**(86.58)**		(169.81)	
	Finance costs	**281.60**		185.75	
	Interest income	**(16.63)**		(129.82)	
	Provision for doubtful debts	**16.18**		-	
	Net unrealised exchange (gain) / loss	**81.00**		(70.96)	
	Loss on sale / write-off of assets	**0.63**		101.33	
	Net Adjustments		**250.14**		213.65
	Operating Profit		**8,601.71**		6,465.92
	Changes in Working Capital				
	Adjustments for decrease / (increase) in operating assets				
	Inventories	**5,974.69**		(1,195.73)	
	Trade Receivables	**(775.78)**		2,658.06	
	Other Financial Assets	**26.14**		(28.23)	
	Other Current Assets	**1,345.82**		4,969.22	
	Other Non-Current Assets	**(532.13)**		745.38	
	Adjustments for increase / (decrease) in operating liabilities				
	Trade payables	**(5,928.66)**		(1,741.79)	
	Other financial liabilities	**20.18**		25.00	
	Other Current liabilities	**347.56**		(1,067.95)	
	Short-term provisions	**49.31**		(546.15)	
	Other Non Financial Liabilities	**335.82**		(15.33)	
	Long-term provisions	**(1.42)**		(2.96)	
	Net Adjustments		**861.53**		3,799.52
	Net income tax paid		**(2,542.00)**		(1,065.71)
	Net cash from / (used in) Operating activities [A]		**6,921.24**		9,199.73
B.	**Cash Flow from investing activities**				
	Capital expenditure on fixed assets, including capital advances		**(2,033.44)**		(3,032.23)
	Investments in Equity shares		**(1.79)**		(10,537.81)
	Interest income		**16.63**		129.82
	Dividend income		**86.58**		169.81
	Bank balances not considered as cash and cash equivalents		**409.63**		(402.26)
	Net cash from / (used in) Investing activities [B]		**(1,522.39)**		(13,672.67)

[₹ in lakh]

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C.	**Cash Flow from financing activities**		
	Proceeds / (Repayment) from Short-term borrowings	**(594.17)**	1,538.73
	Interest paid	**(278.88)**	(185.75)
	Dividend paid	**(860.00)**	(860.00)
	Tax on dividend	**(175.08)**	(175.08)
	Net cash from / (used in) Financing Activities [C]	**(1,908.13)**	317.90
	Net increase / (decrease) in cash and cash equivalents = (A+B+C)	**3,490.72**	(4,155.04)
	Cash and cash equivalents at the beginning of the period	**2,350.01**	6,505.05
	Cash and cash equivalents at the end of the period	**5,840.73**	2,350.01

Components of Cash & Cash Equivalents:

Cash and Cash Equivalents (Note:10)		
Cash on hand	**2.98**	2.19
Cheques on hand	**-**	862.11
Balance(s) In current accounts (including debit balance(s) in cash credit)	**161.04**	217.71
Balance(s) In EEFC accounts	**0.42**	126.14
Current Investments (Note:8)	**5,676.29**	1,141.86
Total Cash and Cash Equivalents	**5,840.73**	2,350.01

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

Particulars	As at March 31, 2017	Cash Flows	Fair Value Changes	As at March 31, 2018
Short term Borrowings	2,306.08	(594.17)	-	**1,711.91**
Total Liabilities from Financing Activities	2,306.08	(594.17)	-	**1,711.91**

As per our report of even date attached

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

For and on behalf of the Board

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date: May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Standalone Financial Statements for the year ended March 31, 2018

1. General Information

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

2. Significant Accounting Policies

2.1. Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its Financial Statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first IndAS Financial Statements. The date of transition to IndAS is April 1, 2017. Accordingly Company had prepared an opening IndAS Balance sheet as on 01.04.2016 and comparative figures for the year ending 31.03.2017 and also in compliance with IndAS. An Explanation as to how transition to IndAS has effected to the previously reported financial position, financial performance and Cash flows of the Company is provided in Note No. 47 of the Notes to Standalone Financial Statements.

2.2. Basis of Preparation and Presentation

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

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

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

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

The principal accounting policies are set out below:

2.3. Revenue Recognition

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

2.3.1 Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales prior to July 1, 2017 include excise duty but post introduction of Goods and Services Tax (GST) exclude GST.

2.3.2 Income from services

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

2.3.3 Export Incentive

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

2.4 Other Income

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

2.4.1 Government Grants

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

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

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

2.4.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

2.4.3 Finance Lease

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if except lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.5 Functional and presentation currency

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

2.6 Foreign currency transactions

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

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

2.7 Borrowing costs

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

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

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

2.8 Employee benefits

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

2.8.1 Defined Contribution Plans

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

Define Contribution Plan for Superannuation scheme of officers and the staff of the Plant I and II is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

2.8.2 Defined benefit plans

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

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

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

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

2.8.3 Short-term employee benefits

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

2.8.4 Other long-term employee benefits

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

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

2.9 Earnings per share

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

2.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

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

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

2.11 Property, Plant and Equipment

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

Componentization

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

Expenditure during the Construction period

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

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

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

i) Certain Plant and Machinery – 20 years

ii) Software – 5 years

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

2.12 Impairment of tangible assets

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

2.13 Inventories

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

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

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

2.15 Financial instruments

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

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

2.16 Financial assets

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

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

2.17 Classification of financial assets

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

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

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

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

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost.

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

All other financial assets are subsequently measured at fair value.

2.18 Effective interest method

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

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

2.19 Investments in subsidiaries

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.20 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

2.22 Impairment of financial assets

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

2.23 De-recognition of financial assets

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

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

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

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

2.24 Foreign exchange gains and losses

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

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

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

2.25 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

Foreign Exchange Gains and Losses

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

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

Derecognition of Financial Liabilities

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

2.26 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Useful lives of property, plant and equipment

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

b. Provision for doubtful receivables

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

c. Estimation of net realisable value of inventories

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

d. Provision for employee benefits

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

e. Provision for taxes

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

3. Property, Plant and Equipment

A. Tangible Assets

[₹ in lakh]

Particulars	Land	Develepment on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At April 01, 2016	3,099.33	1.26	1,018.12	9,071.60	86.39	82.18	49.17	20.88	**13,428.93**
Additions	-	-	265.60	1,321.63	128.51	40.89	15.97	-	**1,772.60**
Disposals	-	-	10.07	92.48	6.04	-	5.46	-	**114.05**
As At March 31, 2017	3,099.33	1.26	1,273.65	10,300.75	208.86	123.07	59.68	20.88	**15,087.48**
Additions	-	-	50.80	3,698.83	-	3.15	-	16.08	**3,768.86**
Disposals	-	-	-	-	4.74	-	-	-	**4.74**
As At March 31, 2018	**3,099.33**	**1.26**	**1,324.45**	**13,999.58**	**204.12**	**126.22**	**59.68**	**36.96**	**18,851.60**
Depreciation and Amortisation									
As At April 01, 2016	-	-	-	-	-	-	-	-	**-**
Charged during the year	-	1.22	87.11	794.47	5.58	11.03	16.87	2.88	**919.16**
On Disposals	-	-	0.60	9.80	0.42	-	1.89	-	**12.71**
As At March 31, 2017	-	1.22	86.51	784.67	5.16	11.03	14.98	2.88	**906.45**
Charged during the year	-	-	92.42	681.17	34.45	13.01	-	3.69	**824.74**
On Disposals	-	-	-	-	4.11	-	-	-	**4.11**
As At March 31, 2018	**-**	**1.22**	**178.93**	**1,465.84**	**35.50**	**24.04**	**14.98**	**6.57**	**1,727.08**
Net Book Value									
As At April 01, 2016	3,099.33	1.26	1,018.12	9,071.60	86.39	82.18	49.17	20.88	**13,428.93**
As At March 31, 2017	3,099.33	0.04	1,187.14	9,516.08	203.70	112.04	44.70	18.00	**14,181.03**
As At March 31, 2018	**3,099.33**	**0.04**	**1,145.52**	**12,533.74**	**168.62**	**102.18**	**44.70**	**30.39**	**17,124.52**

The additions during the year 2017-18 includes those relating to R & D aggregating to ₹ 28.53 lakh (Previous Year 2016-17 ₹ 297.23 lakh, 2015-16 - ₹ 275.86 lakh)

B. Other Intangible Assets: Nil

C. Details of Gross Block and Accumulated Depreciation as per IGAAP and Deemed Cost as at April 01, 2016 are as follows:

Gross Block	179.75	20.25	1,684.33	27,461.91	120.99	123.75	404.02	52.00	**30,047.00**
Accumulated Depreciation	(0.53)	(18.99)	(666.21)	(18,390.31)	(34.60)	(41.57)	(354.85)	(31.12)	**(19,538.18)**
Net Block of Assets	179.22	1.26	1,018.12	9,071.60	86.39	82.18	49.17	20.88	**10,508.82**
IndAS adjustments	2,920.11	-	-	-	-	-	-	-	**2,920.11**
Deemed cost as per PPE	**3,099.33**	**1.26**	**1,018.12**	**9,071.60**	**86.39**	**82.18**	**49.17**	**20.88**	**13,428.93**

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
4	**Other Non-Current Investments**			
	Non-Current Investments			
	Quoted Investments			
a)	**Investments in equity instruments at FVTOCI**			
	Quoted Investments			
	Chennai Petroleum Corporation Limited (500 Equity shares of ₹ 10 each fully paid)	**1.65**	1.81	1.00
	Mercantile Ventures Limited * (Nil [16,48,000 in 2016-17 & 2015-16] Equity shares of ₹ 10 each fully paid)	**-**	412.00	412.00
	Total Quoted Investments	**1.65**	413.81	413.00
	Unquoted Investments			
	OPG Power Generation Private Limited (1,00,600 [84,999 in 2016-17 & 2015-16] Equity shares of ₹ 10 each fully paid)	**10.76**	8.97	8.97
	AM Foundation (Formerly AM Corporate Social Responsibility Foundation) (1,300 Equity shares of ₹ 10 each fully paid)	**0.13**	0.13	0.13
	Total unquoted Investments	**10.89**	9.10	9.10
	Total Investments at FVTOCI (a)	**12.54**	422.91	422.10
b)	**Investment in equity shares of wholly owned subsidiary**			
	Unquoted Investments			
	AMCHEM Speciality Chemicals Private Limited, Singapore (1,64,21,208 Equity Shares [1,64,21,208 in 2016-17 & 7,45,000 in 2015-16] of USD 1 each fully paid)	**11,032.18**	11,032.18	494.37
	Total unquoted Investments	**11,032.18**	11,032.18	494.37
	Total Investments (a+b)	**11,044.72**	11,455.09	916.47
	Aggregate book value of quoted investments	**1.65**	413.81	413.00
	Aggregate market value of quoted investments	**1.65**	196.28	142.89
	Aggregate carrying value of unquoted investments	**11,044.72**	11,455.09	916.47
	Aggregate amount of impairment in value of investments	**-**	-	-

* During the year 2012-13, 16,48,000 equity shares of ₹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 Honorable Madras High Court, at a premium of ₹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. The shares of this Company has been listed in BSE on 9th February 2015. During the year 2017-18, the shares were transferred to the said Associate of Mercantile Ventures Limited adjusting the same against the payable shown under Trade Payables, consequently the asset as well as liability amounting to ₹ 412 lakh has been extinguished.

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5	**Other Financial Assets**			
	Non-Current			
	Security deposits	**16.14**	15.92	15.92
	Total Other Financial Assets	**16.14**	15.92	15.92

6 Other Non-Current Assets

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Others			
	Capital advances	**32.12**	148.66	502.29
	Advance tax (Net of provision for tax)	**984.83**	-	439.24
	Other Advances	**998.02**	1,450.94	1,403.45
	Total Other Non-Current Assets	**2,014.97**	1,599.60	2,344.98

7 Inventories

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	At lower of cost and net realisable value			
	Raw materials	**3,001.00**	4,329.55	6,320.96
	Raw materials in transit	**524.95**	3,670.73	1,517.15
	Work-in-progress	**110.16**	195.18	136.28
	Traded goods	**-**	-	1.82
	Finished goods	**1,858.76**	3,202.88	2,283.91
	Stores and spares	**173.20**	244.42	186.91
	Total Inventories	**5,668.07**	11,642.76	10,447.03

8 Current Investments

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Quoted Investments			
	Investment in Mutual Funds	**5,676.29**	1,141.86	6,439.81
	Total Other Current Investments	**5,676.29**	1,141.86	6,439.81
	Aggregate Book value of quoted Investments	**5,676.29**	1,141.86	6,439.81
	Aggregate Market value of quoted Investments	**5,676.29**	1,141.86	6,439.81

9 Trade Receivables

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Current:			
	Unsecured considered good	**7,646.28**	6,886.68	9,544.74
	Doubtful	**23.52**	7.34	7.34
	Allowance for doubtful debts (expected credit loss)	**(23.52)**	(7.34)	(7.34)
	Total Trade Receivables	**7,646.28**	6,886.68	9,544.74

[₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
10 Cash and Cash Equivalents			
Balances with Banks:			
In current accounts	**161.04**	217.71	33.28
In EEFC accounts	**0.42**	126.14	27.52
Cheques on hand *	**-**	862.11	2.57
Cash on hand	**2.98**	2.19	1.87
Cash and Cash Equivalents	**164.44**	1,208.15	65.24

* Cheques on hand as at March 31, 2017, includes ₹ 860.66 lakh received towards repayment of Inter-Corporate Deposit along with Interest, realised subsequently.

Cash on hand includes ₹ 1.38 lakh (2016-17 - ₹ Nil and 2015-16 - ₹ Nil) of various foreign currencies.

11 Bank balances other than Cash and Cash Equivalents

Margin money deposit accounts	**134.42**	564.23	186.97
Unpaid dividend accounts	**420.29**	400.11	375.11
Total Bank balances	**554.71**	964.34	562.08

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

12 Loans

Security deposits	**18.39**	43.38	28.55
Others:			
Loans and advances to employees	**41.80**	42.95	29.55
Total Loans	**60.19**	86.33	58.10

13 Other Financial Assets

Interest Accrued on Deposits	**9.34**	79.08	62.48
Total Other Financial Assets	**9.34**	79.08	62.48

14 Other Current Assets

Advances given to vendors	**406.18**	948.02	5,649.89
Prepaid expenses	**165.64**	243.68	339.08
Unamortised premium on forward contracts	**4.11**	27.90	24.65
Other claims	**-**	-	47.45
Balances with Government authorities			
GST / CENVAT / VAT Credit receivable	**102.62**	735.03	879.38
Total Other Current Assets	**678.55**	1,954.63	6,940.45

15 Equity share capital

[₹ in lakh]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	**Amount**	No. of shares	Amount	No. of shares	Amount
Authorised share capital						
Share Capital at the beginning of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00	24,00,00,000	12,000.00
Movements during the year	**-**	**-**	-	-	-	-
Share Capital at the end of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00	24,00,00,000	12,000.00
Issued, Subscribed and paid up shares						
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**17,19,99,229**	**8,599.96**	17,19,99,229	8,599.96	17,19,99,229	8,599.96
Forfeited Share Capital		**3.51**		3.51		3.51
Total Equity Share Capital	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47	17,19,99,229	8,603.47

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

a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	**Amount**	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	17,19,99,229	8,603.47	17,19,99,229	8,603.47	17,19,99,229	8,603.47
Issued / Forfeited during the year	-	-	-	-	-	-
Outstanding at the end of the year	17,19,99,229	8,603.47	17,19,99,229	8,603.47	17,19,99,229	8,603.47

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	**Holding %**	No. of shares	Holding %	No. of shares	Holding %
Fully paid equity shares						
SIDD Life Sciences Private Limited	6,58,46,053	38.28	6,58,46,053	38.28	6,58,46,053	38.28
Tamilnadu Industrial Development Corporation Limited	1,12,12,500	6.52	1,12,12,500	6.52	1,12,12,500	6.52

c) Terms / rights attached to equity shares

The Company has only one class of shares referred to as Equity Shares having a face value of ₹5/-. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held. Each fully paid up equity share holders is entitled to one vote per share and carry right to dividends.

[₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
16 Non-Current Provisions			
Employee Benefits			
Post employment benefits	**50.81**	50.24	49.14
Compensated absences	**80.87**	82.86	86.92
Total Non-Current Provisions	**131.68**	133.10	136.06

17 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities			
Property, Plant & Equipment	**2,269.77**	1,981.23	2,013.68
(Difference between book balance and tax balance)			
Tax Effect of Items Constituting Assets			
Provision for doubtful debts / advances	**(8.22)**	(2.54)	(2.54)
Provisions Disallowed u/s 43B of Income Tax Act, 1961	**(773.54)**	(1,292.62)	(1,747.01)
Provisions for Compensated Absences, Gratuity and Other Employee Benefits	**(74.33)**	(60.32)	(58.46)
Net Deferred Tax Liabilities	**1,413.68**	625.75	205.67

18 Other Non-Current Liabilities

Unsecured - at amortised cost			
Deposits	**130.35**	145.68	161.01
Deferred Income	**351.15**	-	-
Total Non-Current Liabilities	**481.50**	145.68	161.01
The deposits have been classified as under:			
As Non-Current Liabilities	**130.35**	145.68	161.01
As Current Liabilities	**15.33**	15.33	15.33
Total Deposits	**145.68**	161.01	176.34
Interest free deposit movement:			
Opening Deposit Balance	**161.01**	176.34	191.67
Less: Deposit refunded during the year	**15.33**	15.33	15.33
Closing Balance	**145.68**	161.01	176.34

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

The Deferred Income have been classified as under:

As Non-Current Deferred Income	**351.15**	-	-
As Current Deferred Income	**16.79**	-	-
Total Deferred Income	**367.94**	-	-

The above Deferred Income was received as subsidy from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC. Stage I was completed in all aspects by December 2016. Ozone Cell appointed an Independent consultant to inspect the facility and the same was carried out in May 2017. The Company has received 100% subsidy of ₹ 369.34 lakh and the same has been considered as Deferred Income as per IndAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. The current portion of the above said subsidy is shown under Other Current Liabilities in Note: 23.

[₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
19 Current Borrowings			
Secured - at amortised cost			
From Banks:			
Cash Credit & Bills Discounted	**1,111.91**	2,306.08	767.35
Unsecured - at amortised cost			
From Banks:			
Short-Term Borrowings	**600.00**	-	-
Total current borrowings	**1,711.91**	2,306.08	767.35

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.

20 Trade Payables

Trade Payables			
Due to Micro, Small and Medium Enterprises	**-**	-	43.87
Due to Related Parties	**16.67**	237.06	356.44
Due to Others	**4,503.07**	10,539.62	12,189.12
Total Trade Payables	**4,519.74**	10,776.68	12,589.43

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

21 Other Financial Liabilities

Unpaid dividend	**420.29**	400.11	375.11
Total Other Financial Liabilities	**420.29**	400.11	375.11

22 Current Provisions

Employee benefits			
Gratuity	**58.83**	19.00	24.67
Compensated absences	**22.19**	22.19	8.21
Others			
Provision for wage arrears *	**434.11**	792.35	893.22
Other Provisions	**1,101.48**	1,083.00	1,085.06
Total Current Provisions	**1,616.61**	1,916.54	2,011.16

*** Provision for wage arrears**

In 2004, a claim was made against the Company by its workmen, demanding wage revision for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008, which was challenged by the Company in the Supreme Court. In October 2015, the Employees' Union filed an Interim Application (IA) No. 12 of 2015 in the Supreme court. Upon hearing both sides, the Supreme court gave directions to withdraw the SLP and approach the Madras High Court, where the matter is pending at present. Based on the Management's efforts a majority of the workmen opted for out of court settlement to whom payments were made in 2017-18 and adjusted against the earlier provisions. The balance provision is in respect of the other workmen, who have not yet come forward for out of court settlement and the provision is carried pending the final outcome of the case.

The movement in the provision for wage arrears is given below: [₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**792.35**	893.22
Additions for the year	**113.84**	254.45
Payments made during the year	**(472.08)**	(355.32)
Balance at the end of the year	**434.11**	792.35

23 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other advances			
Advance received from insurance company	**-**	87.89	600.00
Others			
Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST, ED, VAT, Service Tax, etc)	**300.27**	187.25	84.81
Contractually reimbursable expenses	**32.69**	34.46	37.60
Deposits	**15.33**	15.33	15.33
Other Current Liabilities *	**2,629.12**	3,155.72	4,432.86
Total Other Current Liabilities	**2,977.41**	3,480.65	5,170.60

* The Company received a demand for ₹ 1,677 lakh during October 2013, towards arrears of lease rent for factory land, provision for which was made in the year 2014-15 and included in the above.

24	**Revenue from Operations**		
a)	**Sale of Products**		
	Finished Goods *	**64,998.80**	59,419.21
	Traded Goods	**-**	4,788.43
b)	**Other Operating Revenues**		
	Scrap Sales	**151.65**	127.52
	Other Service Income	**236.00**	-
	Provisions no longer required written back	**850.80**	622.00
	Unclaimed liabilities written back	**53.23**	-
	Total Revenue from Operations	**66,290.48**	64,957.16

* Consequent to the introduction of Goods and Services Tax (GST) w.e.f 01.07.2017, revenue from operation for the year ended 31.03.2018 is disclosed net of GST. Till 30.06.2017, Excise Duty recovered from sale of excisable goods was included in revenue from operations, Excise Duty remitted was included in expenditure and difference between Excise Duty on opening and closing inventories was included in Other Expenses. Hence, revenue from the operations and excise duty remitted for the year are not comparable with earlier period figures.

Excise Duty on decrease in finished goods amounting to ₹ 408.80 lakh (March 31, 2017 - increase ₹ 121.86 lakh) has been considered as expense during the year.

[₹ in lakh]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017

25 Other Income

a)	**Interest income**		
	Bank deposits (at amortised cost)	**10.44**	30.69
	Interest from Customers	**6.19**	28.14
	Inter-corporate deposits	**-**	70.99
b)	**Dividend income**		
	Dividends from current investments in Mutual funds	**86.58**	169.81
c)	**Other non-operating income (net of expenses directly attributable to such income)**		
	Insurance claims received	**-**	777.00
	Miscellaneous Income	**63.36**	87.73
d)	**Net foreign exchange gains/(losses)**	**-**	70.96
	Total Other Income	**166.57**	1,235.32

26 Cost of Materials Consumed

Opening Stock	**8,000.28**	7,838.11
Add: Purchases	**36,270.72**	38,102.67
Less: Closing Stock	**3,525.95**	8,000.28
Cost of Materials Consumed	**40,745.05**	37,940.50

27 Purchases of Stock in Trade

Isocyanates	**-**	1,079.12
Polyols	**-**	472.92
Others	**-**	2,956.12
Purchases of Stock in Trade	**-**	4,508.16

28 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Inventories at the end of the year		
Finished Goods	**1,858.76**	3,202.88
Work-in-process	**110.16**	195.18
Traded Goods	**-**	-
	1,968.92	3,398.06
Inventories at the beginning of the year		
Finished Goods	**3,202.88**	2,283.91
Work-in-process	**195.18**	136.28
Traded Goods	**-**	1.82
	3,398.06	2,422.01
Net Decrease / (Increase) in Inventories	**1,429.14**	(976.05)

[₹ in lakh]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017

29 Employee Benefits Expense

Salaries and Wages *	**1,648.95**	1,601.44
Contribution to provident and other funds	**97.13**	102.47
Gratuity expense	**56.45**	19.34
Post-Employment benefits	**29.12**	32.09
Staff welfare expenses	**398.85**	464.34
Total Employee Benefits Expense	**2,230.50**	2,219.68

* Salaries and Wages include ₹ 89.70 lakh (Previous Year ₹ 121.25 lakh) towards R & D Expenses.

30 Finance Costs

Interest on working capital borrowings	**172.57**	104.16
Other finance cost	**109.03**	81.59
Total Finance Costs	**281.60**	185.75

31 Depreciation Expenses

Depreciation of property, plant and equipment pertaining to continuing operations	**824.74**	919.16
Total Depreciation Expenses	**824.74**	919.16

32 Other Expenses

a)	Consumption of Stores and Spares	**788.81**	168.05
b)	Increase / (Decrease) of excise duty on inventory *	**(408.80)**	121.86
c)	Water charges	**880.57**	706.40
d)	Repairs and Maintenance		
	Building	**157.24**	186.47
	Plant and machinery	**991.10**	102.94
	Information Technology	**29.78**	37.19
	Others	**111.57**	78.53
e)	Legal and Professional	**340.09**	179.74
f)	Directors sitting fees	**13.00**	16.50
g)	Expenditure on Corporate Social Responsibility	**39.71**	40.00
h)	Loss on Property, Plant and Equipment sold/scrapped/written off	**0.63**	101.33
i)	Provision for Bad and Doubtful Debts	**16.18**	-
j)	Payments to Statutory auditors:		
	For audit services	**8.50**	11.75
	For other services	**2.25**	5.25
k)	Payments to Other auditors	**17.08**	15.46
l)	Rent	**205.44**	120.06
m)	Insurance	**173.23**	283.91
n)	Rates & Taxes	**330.50**	228.36
o)	Agency Commission	**254.85**	212.79
p)	Freight Outward	**154.67**	184.79
q)	Net foreign exchange losses	**81.00**	-
r)	Miscellaneous Expenses	**488.42**	524.96
	Total Other Expenses	**4,675.82**	3,326.34

The above other expenses include those relating to R&D aggregating to ₹ 188.96 lakh (Previous Year ₹ 124.06 lakh).

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

[₹ in lakh]

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
33 Income Tax recognised in Statement of Profit and Loss		
Current Tax		
In respect of current year	**2,110.00**	1,600.00
Deferred Tax		
In respect of current year	**787.93**	420.08
Total Tax Expenses	**2,897.93**	2,020.08

Reconciliation of Effective Tax Rate:

Applicable tax rate (%)	**34.56%**	32.33%
Effect of Tax on Exempt Income (%)	**-0.35%**	-0.81%
Effect of Non-Deductible expenses (%)	**0.01%**	0.94%
Effective Tax Rate (%)	**34.22%**	32.46%

34 Earnings Per Share (EPS)

The following reflects the profit and shares related data used in the Basic EPS computations:		
Total Comprehensive Income for the period	**5,453.47**	4,233.01
No. of Shares used in computing earnings per share	**17,19,99,229**	17,19,99,229
Earnings Per Share - Basic and Diluted (in ₹)	**3.17**	2.46
Face Value Per Share (in ₹)	**5.00**	5.00

35 Segment Reporting (IndAS 108)

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

36 Contingent Liabilities (IndAS 37)

a) Claims against Company not acknowledged as debt

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39	**53.39**
	High Court of Madras	2012	**380.89**	380.89	**380.89**
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80	**6.80**
	Disputed Excise Duty & Service Tax Demand		**441.08**	441.08	**441.08**
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	36.74	36.74	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	10.74	10.74	10.74
	Appellate Deputy Commissioner (CT)	2008-09	6.06	6.06	6.06
	High Court of Madras	Various Years	3.44	3.44	3.44
	Disputed Sales Tax Demand		**56.98**	56.98	56.98

[₹ in lakh]

Nature of the Dues	Forum before which the dispute is pending	Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax	Commissioner of Income Tax (Appeals)	2006-07	**-**	-	1,080.74
	Commissioner of Income Tax (Appeals)	2007-08	**-**	-	1,192.08
	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12	3.12
	Commissioner of Income Tax (Appeals)	2010-11	**176.88**	176.88	176.88
	Commissioner of Income Tax (Appeals)	2012-13	**476.90**	476.90	476.90
	Commissioner of Income Tax (Appeals)	2014-15	**78.08**	78.08	-
	Commissioner of Income Tax (Appeals)	2015-16	**108.22**	-	-
	Disputed Income Tax Demand **		**1,361.65**	1,253.43	3,448.17

** Against the above demands, the Company has paid ₹ 21.64 lakh (₹ 11.71 lakh in 2016-17 and ₹ 100 lakh in 2015-16)

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.

b) Capital and other Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed (net of advances)	**836.88**	2,552.03	3,239.75
Total Commitments	**836.88**	2,552.03	3,239.75

37 Payable to MSME

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

There are no over due amounts payable to Micro, Small & Medium Enterprises [MSME] as on the Balance sheet date or anytime during the year and hence no interest has been paid/payable. 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.

38. Employee Benefits (IndAS 19)

Defined contribution plans

The Company makes Provident Fund and Pension (Funded) contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 82.05 lakh (year ended 31 March, 2017 - ₹ 96.07 lakh) for Provident Fund contributions and ₹ 29.12 lakh (year ended 31 March, 2017 - ₹ 32.10 lakh) for Pension (Funded) Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the Rules of the Schemes.

Defined benefit plans

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

i) Gratuity (included as part of gratuity expense as per Note 29: Employee Benefits Expense).

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

iii) Compensated absences (included as a part of Salaries & Wages as per Note 29 : Employee Benefits Expense).

[₹ in lakh]

Gratuity- Plant 1

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

Inherent Risk

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

Gratuity- Plant 2

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

Pension

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

Statement of Assets and Liabilities for Defined Benefit Obligations as at April 01, 2016:

[₹ in lakh]

Particulars	Gratuity (Funded)	Pension (Funded)
Defined Benefit Obligation	322.08	108.90
Fair Value of the Planned Assets	334.44	154.54

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

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Discount Rate (%)	**7.58%**	7.25%	**7.69%**	7.25%
Estimated Rate of Return on Plan Assets (%)	**7.25%**	8.00%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**35.00**	37.00
Weighted Average Duration of Defined Benefit Obligation (Years)	**8.70**	8.56	**12.43**	14.45

Net employee benefit expense and remeasurement cost of net defined benefits recognised in Profit and Loss / Total Comprehensive Income

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Expense recognised in Statement of Profit or Loss				
Current service cost	**4.96**	4.94	**19.58**	20.49
Past service cost	**-**	-	**5.27**	-
Interest cost on benefit obligation	**9.21**	8.44	**16.97**	17.35
Expected return on plan assets	**(12.58)**	(11.98)	**(16.36)**	(16.39)
Sub Total	**1.59**	1.40	**25.46**	21.45

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	**-**	-	**0.01**	-
ii. Financial Assumptions on obligation	**(6.64)**	(7.34)	**(10.20)**	9.50
iii. Experience Adjustments on obligation	**(14.46)**	12.16	**42.90**	(14.60)
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**21.08**	(2.36)	**0.68**	0.27
Sub Total	**(0.02)**	2.46	**33.39**	(4.83)
Net benefit expense	**1.57**	3.86	**58.85**	16.62

Balance Sheet

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Benefit asset / liability				
Present value of defined benefit obligation	**129.33**	127.07	**288.32**	254.23
Fair value of plan assets	**169.56**	168.87	**229.49**	237.61
Assets / (Liability) recognized in the balance sheet	**40.23**	41.80	**(58.83)**	(16.62)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**127.07**	108.90	**254.23**	226.27
Benefit transferred in	**-**	-	**-**	-
Benefit transferred Out	**-**	-	**-**	-
Benefits paid	**9.19**	-	**(40.45)**	(4.78)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**4.96**	4.94	**24.85**	20.49
Interest cost on benefit obligation	**9.21**	8.44	**16.97**	17.35
Recognised in Other Comprehensive Income	**(0.02)**	2.46	**33.39**	(4.83)
Actuarial (gain)/loss on obligation	**(21.08)**	2.33	**(0.67)**	(0.27)
Closing defined benefit obligation	**129.33**	127.07	**288.32**	254.23

Movement in the fair value of plan assets [₹ in lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Opening fair value of plan assets	**168.87**	154.54	**237.61**	201.60
Contributions by employer	**-**	-	**-**	24.67
Contributions transfer in	**-**	-	**15.76**	16.39
Benefits paid	**9.19**	-	**(40.45)**	(4.78)
Expenses Recognised in Profit and Loss Account				
Expected return	**13.88**	12.36	**16.57**	(0.27)
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**(22.39)**	1.97	**-**	-
Closing fair value of plan assets	**169.55**	168.87	**229.49**	237.61

Percentage allocation of plan assets by category:

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Government Securities	**45.19%**	52.60%	**50.39%**	55.54%
Debentures / bonds	**42.30%**	41.84%	**39.91%**	39.09%
Equity instruments	**4.75%**	5.56%	**4.76%**	5.37%
Savings/Fixed deposits	**7.76%**	0.00%	**4.94%**	0.00%
Total	**100.00%**	100.00%	**100.00%**	100.00%

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

Maturity Profile of the DBO and Expected cash flows in the following period:

Particulars	Pension (Funded)		Gratuity (Funded)	
	31/03/2018	31/03/2017	**31/03/2018**	31/03/2017
Within next 12 Months	**9.60**	3.09	**12.13**	10.05
Between 1 and 5 years	**46.80**	40.21	**89.48**	78.91
5 years and above	**72.93**	83.77	**186.71**	165.27

Sensitivity Analysis

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

Pension (Funded) [₹ in lakh]

Particulars	Increase		Decrease	
	FY 2017-18	FY 2016-17	**FY 2017-18**	FY 2016-17
Impact of the change in discount rate - 1%	**6.59**	(9.13)	**12.49**	13.50
Impact of the change in salary increase - 1%	**0.37**	6.61	**(15.28)**	(3.34)
Impact of the change in Mortality - 5%	**4.19**	5.30	**15.29**	17.83

Gratuity

Particulars	Increase		Decrease	
	FY 2017-18	FY 2016-17	**FY 2017-18**	FY 2016-17
Impact of the change in discount rate - 1%	**(21.83)**	(19.26)	**23.27**	20.68
Impact of the change in salary increase - 1%	**23.15**	20.38	**(21.93)**	(19.34)
Impact of the change in Mortality - 5%	**0.18**	0.24	**(0.20)**	(0.12)

39 Related Party Disclosures (IndAS 24)

a) List of Related Parties where control exists:

Name of the Related Party	Principal Place of Business	Shareholding and Voting Power		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Subsidiary Companies				
a) AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016) (AMCHEM, Singapore)	Singapore	100.00%	100.00%	100.00%
b) AMCHEM Speciality Chemicals UK Limited (w.e.f. 29th September, 2016) (AMCHEM, UK) *	UK	100.00%	100.00%	NA
c) M/s Notedome Limited (w.e.f. 1st October, 2016) #	UK	100.00%	100.00%	Nil

* 100% Subsidiary Company of AMCHEM, Singapore

100% Subsidiary Company of AMCHEM, UK

b) Other Related Parties with whom there were transactions during the year:

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

[₹ in lakh]

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

Sl. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**329.23**	329.23
	Tamilnadu Industrial Development Corporation Limited	**56.06**	56.06
	Southern Petrochemical Industries Corporation Limited	**0.05**	0.05
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited *	**827.40**	1,196.78
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited	**33.24**	-
	CNGSN & Associates LLP	**5.83**	5.28
	AMCHEM Speciality Chemicals Private Limited	**105.20**	-
4	**Purchase of Fixed Assets/ Property, Plant and Equipment:**		
	Tamilnadu Petroproducts Limited *	**0.31**	13.96
	Notedome Limited	**12.92**	-
5	**Rendering of Services:**		
	Tamilnadu Petroproducts Limited *	**236.00**	-
6	**Sale of Goods:**		
	Tamilnadu Petroproducts Limited *	**-**	3,202.29
7	**Sale of Fixed Assets/ Property, Plant and Equipments:**		
	Tamilnadu Petroproducts Limited *	**84.22**	110.20
8	**Reimbursements of Expenses:**		
	Tamilnadu Petroproducts Limited *	**51.12**	7.76
9	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust *	**28.55**	19.50
	MPL Employees Gratuity Fund Trust *	**16.62**	24.67

d) **Outstanding Balances:**

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	**Trade Payables**			
	Tamilnadu Petroproducts Limited *	**16.67**	237.06	356.44
2	**Trade Advances**			
	Tamilnadu Petroproducts Limited *	**-**	-	1,200.00

* Related Parties under IndAS 24 and not under erstwhile AS.

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

40 Operating Leases (IndAS 17)

Details of operating leasing arrangements - Non-cancellable leases:

Bulk storage facility at Ennore Port-

The lease is for a period of 15 years from 1st April, 2014. In the event of premature termination of this agreement prior to the expiry of fifteen year firm period, the Company is liable to make payment of termination compensation as per terms of agreement. The lease agreement provides for an increase in the lease payments by 3% every year.

Storage of polyols at Meerut-

The lease is is for a period of 54 months from 1st February 2016. The lease agreement provides for an increase of 4% every year.

Office premises-

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

Future minimum lease payments [₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**605.17**	584.24
Later than one year and not later than five years	**2,553.95**	2,952.41
Later than five years	**3,775.13**	4,522.99
Total	**6,934.25**	8,059.64

41 Corporate Social Responsibility

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

- Gross amount required to be spent by the Company during the year 133.82 lakh
- Amount spent during the year on:

S. No.	Particulars	2017-18	2016-17
1	Construction / acquisition of any property	**-**	-
2	On purpose other than above	**39.71**	40.00

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

1	Revenue Expenditure	**278.65**	245.31
2	Capital Expenditure (including capital work-in-progress)	**28.53**	297.23

43 Distribution made and proposed (IndAS 1)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: ₹ 0.50 per share (March 31 2016: ₹ 0.50 per share)	**860.00**	860.00
Dividend Distribution Tax thereon	**175.08**	175.08
Total Distribution made	**1,035.08**	1,035.08
Proposed Dividend on Equity Shares		
Final dividend for the year ended on March 31, 2018: ₹ 0.50 per share (March 31 2017: ₹ 0.50 per share)	**860.00**	860.00
Dividend Distribution Tax thereon	**175.08**	175.08
Total Distribution Proposed	**1,035.08**	1,035.08

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31, 2018

[₹ in lakh]

44 Capital Management (IndAS 1)

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2018.

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

Particulars	March 31, 2018	March 31, 2017
Net debt (Long term debt less Cash and Cash equivalent)	**-**	-
Total equity	**38,606.50**	34,188.11

45 Financial Risk Management Objectives and Policies (IndAS 107)

Financial Risk Management Framework

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

Risk Exposures and Responses

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

i) Market Risk

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

Interest Rate Risk

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

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

Sensitivity Analysis

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2018	March 31, 2017
Financial Liabilities - Borrowings		
+1% (100 basis points)	**11.14**	15.00
-1% (100 basis points)	**(11.14)**	(15.00)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

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

Company's Total Foreign Currency Exposure

Particulars	Currency	March 31, 2018		
		Exchange Rate	Amount in Foreign Currency in lakh	Amount ₹ in lakh
Trade Payables	USD	64.5018	23.77	1,533.05
		March 31, 2017		
Trade Receivables	USD	64.8386	2.84	184.47
Trade Payables	USD	65.6970	83.42	5,480.58

Company's Unhedged Foreign Currency Exposure

Particulars	Currency	March 31, 2018		
		Exchange Rate	Amount in Foreign Currency in lakh	Amount ₹ in lakh
Trade Payables	USD	65.0441	8.26	536.97
		March 31, 2017		
Trade Receivables	USD	64.8386	2.84	184.47
Trade Payables	USD	64.8386	0.31	19.80

Sensitivity

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

[₹ in lakh]

Particulars	Profit / (Loss) after taxation	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD- increase by 5%	(17.47)	(0.65)
INR/USD- decrease by 5%	17.47	0.65

Commodity Risk

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

ii. **Credit risk management**

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

Trade Receivables:

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

Total Trade receivable as on March 31, 2018 is ₹ 7,646.28 lakh (March 31, 2017 ₹ 6,886.68 lakh, April 01, 2016 ₹ 9,544.74 lakh)

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

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2018.

iii. Liquidity risk

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

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

[₹ in lakh]

Particulars	**At 31 March 2018**			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	**1,111.91**	-	-	**1,111.91**
Bank Borrowings	**600.00**	-	-	**600.00**
Trade and other payables	**6,136.35**	-	-	**6,136.35**
Total financial liabilities	**7,848.26**	-	-	**7,848.26**
Current Investments	**5,676.29**	-	-	**5,676.29**

Particulars	At 31 March 2017			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	2,306.08	-	-	2,306.08
Bank Borrowings	-	-	-	-
Trade and other payables	12,693.22	-	-	12,693.22
Total financial liabilities	14,999.30	-	-	14,999.30
Current Investments	1,141.86	-	-	1,141.86

46 A) Classification of Financial Assets and Liabilities (IndAS 107)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Financial assets			
Fair Value Through Profit and Loss			
Investments	**5,676.29**	1,141.86	6,439.81
Fair Value Through Other Comprehensive Income			
Equity Shares	**12.54**	422.91	422.10
Amortised Cost			
Trade receivables	**7,646.28**	6,886.68	9,544.74
Loans	**60.19**	86.33	58.10
Cash and cash equivalents	**164.44**	1,208.15	65.24
Bank Balances	**554.71**	964.34	562.08
Other Financial Assets	**9.34**	79.08	62.48
Total	**14,123.79**	10,789.35	17,154.55

[₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial liabilities			
Amortised Cost			
Borrowings	**1,711.91**	2,306.08	767.35
Trade payables	**4,519.74**	10,776.68	12,589.43
Other Financial Liabilities	**420.29**	400.11	375.11
Total	**6,651.94**	13,482.87	13,731.89

B) Fair Value measurements (IndAS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

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

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

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets at Fair value through profit or loss			
Investments - Level - 1	**5,676.29**	1,141.86	6,439.81
Financial Assets at Fair value through other Comprehensive income			
Investments Listing Equity shares - Level - 1	**1.65**	413.81	413.00
Investments Unlisting Equity shares - Level - 2	**10.89**	9.10	9.10

Valuation Techniques used to determine the fair Value

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

Nature of Financial Instrument	Valuation Technique	Remarks
Investments in lisited equity shares	Market Value	Closing price as at 31st March in stock exchange except for Investment in MPL shares Refer Note No. 4
Investments in unlisited equity shares	Market Approach	Based on Information provided and considering the availability of information in the public domain

47 First Time Adoption of IndAS (IndAS 101)

These Financial Statements, for the year ended 31 March 2018, are the first Financial Statements the Company has prepared in accordance with IndAS. For periods up to and including the year ended 31 March 2017, the Company prepared its Financial Statements in accordance with the then Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared Financial Statements which comply with IndAS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these Financial Statements, the

[₹ in lakh]

Company's opening Balance Sheet was prepared as at 1 April 2016, the Company's date of transition to IndAS. An explanation of how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows is set out below:

i) Transition election

a) Optional Exemptions

The Company applying IndAS principle for measurement of recognised assets and liabilities is subject to availment of certain optional exemptions, apart from mandatory exceptions, which were availed by the Company as detailed below:

1 Deemed Cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to avail exemption under IndAS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment except free hold land and intangible assets as per the statement of financial position prepared in accordance with previous GAAP. Free hold Land has been revalued on the transition date and fair value is considered as deemed cost.

2 Investments in subsidiaries in Standalone Financial Statements

The Company has elected to carry its investment in subsidiary, joint venture and associates at deemed cost which is its previous GAAP carrying amount at the date of transition to IndAS.

3 Designation of previously recognised financial instruments

The Company has designated unquoted equity instruments other than investments in subsidiaries and jointly controlled entities held at April 01, 2016 as fair value through OCI investments.

As per IndAS 109, an entity can make an irrevocable election to present in Other Comprehensive Income the subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

4 Fair value measurement of financial assets or financial liabilities at initial recognition

As per IndAS exemption the Company has not fair valued the financial assets and liailities retrospectively and has measured the same prospectively.

b) Mandatory Exceptions

The Mandatory exceptions applicable to the Company are given below:

1 Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with

(i) FVTOCI – unquoted equity shares

(ii) Impairment of financial assets based on the risk exposure and application of ECL model.

The estimates used by the Company to present these amounts in accordance with IndAS reflect conditions at 1 April 2016, the date of transition to IndAS and as of March 31, 2017.

2 Derecognition of assets and liabilities

IndAS 101 requires a first-time adopter to apply the de-recognition provisions of IndAS 109 prospectively for transactions occurring on or after the date of transition to IndAS. However, IndAS 101 allows a first-time adopter to apply the de-recognition requirements in IndAS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply IndAS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of IndAS 109 prospectively from the date of transition to IndAS.

3 Classification and measurment of financial assets and liabilities

IndAS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IndAS.

4 **Impairment of Financial assets**

The Company has applied the impairment requirements of IndAS 109 retrospectively; however, as permitted by IndAS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

II) Reconciliation of Equity as at April 01, 2016 and March 31, 2017

[₹ in lakh]

Particulars	April 01, 2016	March 31 2017
Other Equity as of April 01, 2016 as per IGAAP	19,666.66	23,709.09
Add: Fair Valualion of Freehold Land (a)	2,920.11	2,920.11
Add: Reversal of Proposed Dividend and Tax thereon (b)	1,035.08	-
Add: Rent Equalisation (c)	213.80	305.10
Add: Fair valuation of Equity investments through OCI (d)	0.55	1.37
Less: Provision for Expected Credit Loss (e)	(1,014.66)	(1,014.66)
Less: Deferred Tax Adjustments (f)	(6.59)	39.64
Less. Adjustment to Property, Plant and Equipment on Adoption of IndAS (g)	-	(135.25)
Less: Other IndAS Adjustments	(428.24)	(240.76)
Other Equity as of April, 01, 2016 - as IndAS	**22,386.71**	**25,584.64**

III) Reconciliation of Total Comprehensive income for year ended March 31, 2017

Particulars	31.03.2017
Profit after Tax as reported under previous GAAP	4,042.43
Add: Rent Equalisation (c)	91.30
Add: Deferred Tax Adjustment (f)	46.23
Less: Adjustment to Property, Plant and Equipment on Adoption of IndAS (g)	(135.25)
Less: Actuarial gain/losses on remeasurement of the defined benefit obligation recognised OCI (h)	(4.83)
Add: Other IndAS Adjustments	187.48
Profit for the period as per IndAS	**4,227.36**
Other Comprehensive Income	5.65
Total Comprehensive Income	**4,233.01**

Notes to the Reconciliation of equity as April 1, 2016 and March 31, 2017 and Total Comprehensive Income for the year ended March 31, 2017 :

a The Company has considered fair value for property, viz free hold land ad measuring over 28.48 acres, situated in India, in accordance with stipulations of IndAS 101 with the resultant Impact being accounted for in the reserves.

b Under IGAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IndAS, proposed dividend is recognised as a liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. In case of the Company, the declaration of dividend occurs after period end. Accordingly, proposed dividend has been reversed as at the date of transition and adjusted in retained earnings in financial year 2016-17 when paid.

c Rent Equalisation accounted in the IGAAP has been reversed in IndAS Transition and accordingly credited to the retained earning in other equity.

d The Company has designated investments other than Investment in Subsidiary, Joint Arrangements and Associates at Fair Value through Profit and Loss (FVTOCI). IndAS requires FVTOCI investments to be measured at fair value. At the date of transition to IndAS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings.

e The provision is made against receivables based on expected credit loss model as per IndAS 109.

f Pursuant to adoption of IndAS, the Company had assessed the deferred tax assets/ liabilities in accordance with IndAS 12. Adjustments to deferred tax assets/ liabilities arising on such assessment have been recognised in the reserves.

g Depreciation adjustment to property plant and equipment on adoption of IndAS.

h Both under IGAAP and IndAS, the Company recognised costs to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under IndAS, re-measurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

i Statement of cash flows : The transition from Indian GAAP to IndAS does not have a material impact on the Standalone statement of cash flows.

48 Note on Leasehold Land

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

49 Regrouping / Reclassification

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

50 Approval of Financial Statements

The Financial Statements of Manali Petrochemicals Limited were approved by the Board of Directors at its meeting held on May 16, 2018

As per our report of even date attached

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

For and on behalf of the Board

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date: May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS
2017-18

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Consolidated IndAS Financial Statements

We have audited the accompanying Consolidated IndAS Financial Statements of **Manali Petrochemicals Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated IndAS Financial Statements").

Management's Responsibility for the Consolidated IndAS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated IndAS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective standalone IndAS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated IndAS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated IndAS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors and on the other financial information of the subsidiaries, the aforesaid Consolidated IndAS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS, of the consolidated financial position of the Group as at 31 March 2018, and their consolidated financial performance (including other comprehensive income), their Consolidated cash flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Emphasis of Matter

Attention in invited to Note No. 50 to the Consolidated IndAS Financial Statements, which explains that the period of lease relating to the leasehold land on which one of the manufacturing units of the Holding Company is operating has since expired, on June 30, 2017 for which requests for renewal have been filed by the Holding Company with

Govt. of Tamil Nadu, (the Lessor) and the decision for extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Consolidated IndAS Financial Statements for the year ended March 31, 2018 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management is confident of obtaining the renewal of lease of land.

Our opinion is not qualified in respect of the above matter.

Other Matter

a) The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April 2016 included in these Consolidated IndAS Financial Statements, are based on the previously issued Consolidated Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Deloitte Haskins & Sells., Chartered Accountants for the year ended 31 March 2017 and 31 March 2016, whose reports dated May 16, 2017 and May 23, 2016, respectively, expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IndAS, which have been audited by us.

   Our opinion is not modified in respect of this matter.

b) We did not audit the Financial Statements and other financial information of the three overseas subsidiaries included in the Consolidated IndAS Financial Statements, whose Financial Statements reflect total assets of ₹ 34,421 lakh and net assets of ₹ 29,115 lakh as at 31st March, 2018, total revenues (including other income) of ₹ 11,310 lakh, net cash flows of ₹ 1,033 lakh and net profit of ₹ 922 lakh for the year ended on that date as considered in the Consolidated IndAS Financial Statements. The Financial Statements and other financial information of these subsidiaries have been audited by the other auditors whose reports have been furnished to us by the Management and our report on the Consolidated IndAS Financial Statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors, and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated IndAS Financial Statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated IndAS Financial Statements.

d) In our opinion, the aforesaid Consolidated IndAS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure; and

g) With respect to the other matters to be included 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 and based on the consideration of reports of the other auditors, as also the other financial information of the subsidiaries as noted in the 'Other Matters' paragraph:

   i. The Group has disclosed the impact of pending litigations on its financial position in Note 36(a) to the Consolidated IndAS Financial Statements.

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

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

For **Brahmayya & Co.,**
Chartered Accountants
(Firm's Registration No.000511S)

N Sri Krishna
Partner
(Membership No. 026575)

Place: Chennai
Date: May 16, 2018

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the Consolidated IndAS Financial Statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **Manali Petrochemicals Limited** ("the Holding Company") as of that date. The Holding Company does not have any subsidiary companies incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.,**
Chartered Accountants
(Firm's Registration No. 000511S)

N Sri Krishna
Partner
(Membership No. 026575)

Place: Chennai
Date: May 16, 2018

MANALI PETROCHEMICALS

Consolidated Balance Sheet as at March 31, 2018

[₹ in lakh]

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. ASSETS				
I Non current assets				
a) Property, Plant and Equipment	3	**18,586.44**	15,524.34	13,428.93
b) Goodwill on Consolidation		**8,720.48**	7,885.83	2.44
c) Capital work-in-progress		**1,221.10**	2,839.98	1,580.34
d) Intangible Assets		**-**	-	-
e) Financial Assets:				
i) Investments	4	**12.53**	422.91	422.10
ii) Other Financial Assets	5	**16.14**	15.92	15.92
f) Other non-current assets	6	**2,014.97**	1,599.59	2,344.98
TOTAL NON-CURRENT ASSETS		**30,571.66**	28,288.57	17,794.71
II Current assets				
a) Inventories	7	**7,247.04**	12,404.98	10,447.03
b) Financial Assets:				
i) Current Investments	8	**5,676.29**	1,141.86	6,439.82
ii) Trade Receivables	9	**10,110.32**	8,783.59	9,544.74
iii) Cash and Cash equivalents	10	**647.46**	1,863.44	513.84
iv) Bank balances other than iii) above	11	**554.71**	964.41	562.09
v) Loans	12	**60.19**	86.33	58.11
vi) Other Financial Assets	13	**9.34**	79.08	62.48
c) Other Current assets	14	**722.49**	1,991.75	6,964.53
TOTAL CURRENT ASSETS		**25,027.84**	27,315.44	34,592.64
TOTAL ASSETS		**55,599.50**	55,604.01	52,387.35
B. EQUITY AND LIABILITIES				
I Equity				
a) Equity Share Capital	15	**8,603.47**	8,603.47	8,603.47
b) Other Equity		**30,567.60**	24,427.48	22,360.91
TOTAL-EQUITY		**39,171.07**	33,030.95	30,964.38
II Liabilities				
A Non-Current Liabilities				
a) Provisions	16	**131.68**	133.10	136.07
b) Deferred Tax Liabilities (net)	17	**1,407.26**	691.23	205.67
c) Other non-current Liabilities	18	**964.25**	733.11	161.01
TOTAL NON-CURRENT LIABILITIES		**2,503.19**	1,557.44	502.75
B Current Liabilities				
a) Financial Liabilities				
i) Borrowings	19	**2,307.14**	2,615.31	767.35
ii) Trade Payables	20	**6,455.60**	12,294.49	12,590.66
iii) Other financial liabilities	21	**420.29**	400.11	375.11
b) Provisions	22	**1,616.64**	1,916.54	2,011.16
c) Current Tax Liabilities (Net)		**-**	82.76	-
d) Other current liabilities	23	**3,125.57**	3,706.41	5,175.94
TOTAL CURRENT LIABILITIES		**13,925.24**	21,015.62	20,920.22
TOTAL LIABILITIES		**16,428.43**	22,573.06	21,422.97
TOTAL EQUITY AND LIABILITIES		**55,599.50**	55,604.01	52,387.35

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board

N. Sri Krishna
Partner
(Membership No. 026575)

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

[₹ in lakh]

	Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
1	**Revenue**			
	a) Revenue from Operations (Gross)	24	**76,536.23**	69,884.51
	b) Other Income	25	**298.69**	1,321.68
	Total Revenue (Gross)		**76,834.92**	71,206.19
2	**Expenses**			
	a) Cost of materials consumed	26	**48,289.78**	41,235.33
	b) Excise duty on sale of goods		**1,757.97**	6,678.59
	c) Purchase of Stock-in-trade	27	**-**	4,508.16
	d) Changes in inventories of finished goods, stock-in-trade and work-in-progress.	28	**1,372.93**	(1,033.82)
	e) Employee benefits expense	29	**3,649.48**	3,284.81
	f) Finance costs	30	**325.59**	231.31
	g) Depreciation expense	31	**892.06**	967.15
	h) Power & Fuel		**6,219.46**	5,182.96
	i) Other expenses	32	**5,547.76**	4,028.12
	Total Expenses		**68,055.03**	65,082.61
3	**Profit Before Exceptional items and Tax [1-2]**		**8,779.89**	6,123.58
4	**Exceptional Items**		**-**	-
5	**Profit Before Tax [3-4]**		**8,779.89**	6,123.58
6	**Tax Expenses**	33		
	a) Current Tax		**2,207.73**	1,757.55
	b) Deferred Tax		**782.22**	410.52
	Total Tax Expenses		**2,989.95**	2,168.07
7	**Profit for the period [5-6]**		**5,789.94**	3,955.51
8	**Other Comprehensive Income**			
	Items that will not be classified to profit or loss			
	Changes in Fair Value of Equity Investments		**(0.17)**	0.82
	Remeasurement Cost of net defined benefits		**(33.38)**	4.83
9	**Total Comprehensive Income**		**5,756.39**	3,961.16
10	**Earnings per Equity Share of ₹ 5/- each**	34		
	a) Basic (in ₹)		**3.35**	2.30
	b) Diluted (in ₹)		**3.35**	2.30

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

N. Sri Krishna
Partner
(Membership No. 026575)

Place: Chennai
Date : May 16, 2018

For and on behalf of the Board

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Changes in Equity

[₹ in lakh]

A. Equity Share Capital

For the year ended 31st March 2018

Balance as at April 01, 2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
8,603.47	-	**8,603.47**

For the year ended 31st March 2017

Balance as at April 01, 2016	Changes in Equity Share Capital during the year	Balance as at March 31, 2017
8,603.47	-	**8,603.47**

B. Other Equity

Statement of Changes in Other Equity (2017-18)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2017)	91.45	109.20	84.00	24,996.04	1.37	4.83	(859.41)	**24,427.48**
Profit for the year	-	-	-	5,789.94	(0.17)	(33.38)	-	**5,756.39**
Transfer within Other Equity	-	-	-	-	-	-	-	**-**
Dividend paid during the year	-	-	-	(1,035.08)	-	-	-	**(1,035.08)**
Any other Change	-	-	-	-	-	-	1,418.81	**1,418.81**
Balance at the end of reporting Period (31.03.2018)	**91.45**	**109.20**	**84.00**	**29,750.90**	**1.20**	**(28.55)**	**559.40**	**30,567.60**

Statement of Changes in Other Equity (2016-17)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2016)	91.45	109.20	84.00	22,075.62	0.55	-	0.20	**22,361.03**
Profit for the year	-	-	-	3,955.51	0.82	4.83	-	**3,961.15**
Transfer within Other Equity	-	-	-	-	-	-	-	**-**
Dividend paid during the year	-	-	-	(1,035.08)	-	-	-	**(1,035.08)**
Any other Change	-	-	-	-	-	-	(859.62)	**(859.62)**
Balance at the end of reporting Period (31.03.2017)	**91.45**	**109.20**	**84.00**	**24,996.05**	**1.37**	**4.83**	**(859.42)**	**24,427.48**

As per our report of even date attached

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

N. Sri Krishna
Partner
(Membership No. 026575)

Place: Chennai
Date : May 16, 2018

For and on behalf of the Board

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2018

[₹ in lakh]

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
A. Cash Flow from operating activities				
Profit before Tax		**8,746.51**		6,128.41
Adjustments for				
Depreciation	**892.06**		967.15	
Provisions no longer required written back	**(904.03)**		(622.00)	
Dividend income	**(86.58)**		(169.81)	
Finance costs	**325.59**		231.31	
Interest income	**(17.55)**		(129.81)	
Provision for doubtful debts	**16.18**		-	
Net unrealised exchange (gain) / loss	**198.04**		(140.11)	
Loss on sale / write-off of assets	**(0.83)**		101.68	
Net Adjustments		**422.88**		238.41
Operating Profit		**9,169.39**		6,366.82
Changes in Working Capital				
Adjustments for decrease / (increase) in operating assets				
Inventories	**5,157.94**		(1,957.96)	
Trade Receivables	**(1,342.91)**		761.15	
Other Financial Assets	**26.14**		(28.23)	
Other Current Assets	**1,334.00**		5,700.77	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	**(5,591.79)**		(160.90)	
Other financial liabilities	**251.32**		25.00	
Other Current liabilities	**269.96**		(847.53)	
Short-term provisions	**(1,148.46)**		(315.03)	
Other non-current Liabilities	**231.14**		572.10	
Long-term provisions	**(1.42)**		(2.96)	
Net Adjustments		**(814.07)**		3,746.41
Net income tax paid		**(2,542.00)**		(1,377.52)
Net cash from/(used in) operating activities [A]		**5,813.32**		8,735.71
B. Cash Flow from investing activities				
Capital expenditure on fixed assets, including capital advances		**(3,169.11)**		(12,307.28)
Proceeds from sale of fixed assets				
Transition adjustment				
Investments in Equity shares		**410.38**		(0.81)
Interest income		**17.55**		129.81
Dividend income		**86.58**		169.81
Bank balances not considered as cash and cash equivalents		**409.69**		(402.32)
Net cash from/(used in) Investing activities [B]		**(2,244.91)**		(12,410.79)

[₹ in lakh]

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow from financing activities		
Proceeds from / (Repayment of) Short-term borrowings	**(308.17)**	1,847.96
Interest paid	**(325.59)**	(231.31)
Dividend paid	**(860.00)**	(860.00)
Tax on dividend	**(175.08)**	(175.08)
Net cash from/(used in) Financing Activities [C]	**(1,668.84)**	581.57
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**1,899.57**	(3,093.51)
Cash and cash equivalents at the beginning of the period	**3,005.31**	6,953.67
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**1,418.87**	(854.85)
Cash and cash equivalents at the end of the period	**6,323.75**	3,005.31

Components of Cash & Cash Equivalents:

Cash and Cash Equivalents (Note:10)		
Cash on hand	**2.98**	2.19
Cheques on hand	**-**	862.11
Balance(s) in current accounts (including debit balance(s) in cash credit accounts)	**644.06**	873.01
Balance(s) in EEFC accounts	**0.42**	126.14
Current Investments (Note:8)	**5,676.29**	1,141.86
Total Cash and Cash Equivalents	**6,323.75**	3,005.31

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

Particulars	As at March 31, 2017	Cash Flows	**Fair Value Changes**	**As at March 31, 2018**
Short term Borrowings	**2,615.31**	**(308.17)**	**-**	**2,307.14**
Total Liabilities from Financing Activities	**2,615.31**	**(308.17)**	**-**	**2,307.14**

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board

N. Sri Krishna
Partner
(Membership No. 026575)

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

1. General Information

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

2. Significant Accounting Policies

2.1 Principles of Consolidation

The Consolidated Financial Statements relate to Manali Petrochemicals Limited (the 'Company') and AMCHEM Speciality Chemicals Private Limited, Singapore, AMCHEM Speciality Chemicals UK Limited , UK and Notedome Limited UK, all are wholly owned subsidiaries of the Company. The Consolidated Financial Statements have been prepared on the following basis:

(i) The Financial Statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2018.

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

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

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

(v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.2. Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31,2017, the Company prepared its Financial Statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules,2006. These are the Company's first IndAS Financial Statements. The date of transition to IndAS is April 1, 2017. Accordingly Company had prepared an opening IndAS Balance sheet as on 01.04.2016 and comparative figures for the year ending 31.03.2017 and also in compliance with IndAS. An Explanation as to how transition to IndAS has effected to the previously reported financial position, financial performance and Cash flows of the Company is provided in Note No. 49 of the Notes to Separate Financial Statements.

2.3. Basis of Preparation and Presentation

The Financial Statements of the Company have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and Employee defined benefit plan as per actuarial valuation, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services. Fair value is the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value for measurement and/or disclosure purposes in these separate Financial Statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IndAS or value in use in IndAS 36.

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

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

The principal accounting policies are set out below:

2.4. Revenue Recognition

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

2.4. (a) Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales prior to July 1, 2017 include excise duty but post introduction of Goods and Services Tax (GST) exclude GST.

2.4. (b) Income from services

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

2.4. (c) Export Incentive

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

2.5. Other Income

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

2.5. (a) Government Grants

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

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

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

2.5. (b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

2.5. (c) Finance Lease

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if except lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.6. Functional and presentation currency

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

2.7. Foreign currency transactions

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

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

2.8. Borrowing costs

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

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

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

2.9. Employee beneFIts

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

2.9. (a) Defined Contribution Plans

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

Define Contribution Plan for Superannuation scheme of officers and the staff of the Plant I and II is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

2.9. (b) Defined benefit plans

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

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

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

2.9. (c) Short-term employee benefits:

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

2.9. (d) Other long-term employee benefits:

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

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

2.10. Earnings per share

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

2.11. Taxation

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

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

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

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

2.12. Property, Plant and Equipment

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

Componentization

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

Expenditure during the Construction period

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

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

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

i) Certain Plant and Machinery – 20 years

ii) Software – 5 years

Any Preliminary and Pre-operative expenditure incurred during the construction of properties is charged off to Profit and Loss Account.

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

2.13. Impairment of tangible assets

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

2.14. Inventories

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

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

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

2.15. Provisions, Contingent Liabilities and Contingent Assets

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

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

2.16.Financial instruments

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

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

2.17. Financial assets

All regular purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.18. Classification of FInancial assets

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

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

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

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

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

  All other financial assets are subsequently measured at fair value.

2.19. Effective interest method

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

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

2.20. Investments in subsidiaries

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

2.21. Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

2.22. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

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

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

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

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

2.23. Impairment of Financial assets

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

2.24. De-recognition of Financial assets

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

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

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

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

2.25. Foreign exchange gains and losses

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

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

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

2.26. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

Foreign Exchange Gains and Losses

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

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

Derecognition of Financial Liabilities

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

2.27. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

a. Useful lives of property, plant and equipment

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

b. Provision for doubtful receivables

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

c. Estimation of net realisable value of inventories

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

d. Provision for employee benefits

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

e. Provision for taxes

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

3. Property, Plant and Equipment

A. Tangible Assets

[₹ in lakh]

Particulars	Land	Develepment on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At April 01, 2016	**3,099.33**	**1.26**	**1,018.12**	**9,071.60**	**86.39**	**82.18**	**49.17**	**20.88**	**13,428.93**
Additions	-	-	265.60	1,321.63	128.51	40.89	15.97	-	**1,772.60**
Additions on Acquisition	-	-	931.74	481.66	-	-	-	35.58	**1,448.98**
Disposals	-	-	10.07	92.48	6.04	-	5.46	-	**114.05**
Effect of foreign currency translation	-	-	(6.86)	(50.98)	-	-	-	0.10	**(57.74)**
As At March 31, 2017	**3,099.33**	**1.26**	**2,198.53**	**10,731.43**	**208.86**	**123.07**	**59.68**	**56.56**	**16,478.72**
Additions	-	-	50.80	3,736.86	-	3.15	-	30.42	**3,821.23**
Disposals	-	-	-	-	4.74	-	-	17.93	**22.67**
Effect of foreign currency translation	-	-	131.39	67.88	-	-	-	3.44	**202.71**
As At March 31, 2018	**3,099.33**	**1.26**	**2,380.72**	**14,536.17**	**213.60**	**126.22**	**59.68**	**108.35**	**20,525.33**
Depreciation and Amortisation									
As At April 01, 2016	-	-	-	-	-	-	-	-	**-**
Charged during the year	-	1.22	92.38	833.70	5.58	11.03	16.87	6.31	**967.09**
On Disposals	-	-	0.60	9.80	0.42		1.89	-	**12.71**
Effect of foreign currency translation	-	-	-	-	-	-	-	-	**-**
As At March 31, 2017	**-**	**1.22**	**91.78**	**823.90**	**5.16**	**11.03**	**14.98**	**6.31**	**954.38**
Charged during the year	-	0.00	102.68	732.02	34.54	13.01	-	9.81	892.06
On Disposals	-	-	-	-	4.11	-	-	-	4.11
Effect of foreign currency translation	-	-	5.47	87.82	-	-	-	3.26	96.56
As At March 31, 2018	**-**	**1.22**	**199.93**	**1,643.74**	**35.59**	**24.04**	**14.98**	**19.38**	**1,938.89**
Net Book Value									
As At April 01, 2016	**3,099.33**	**1.26**	**1,018.12**	**9,071.60**	**86.39**	**82.18**	**49.17**	**20.88**	**13,428.93**
As At March 31, 2017	**3,099.33**	**0.04**	**2,106.75**	**9,907.53**	**203.70**	**112.04**	**44.70**	**50.25**	**15,524.34**
As At March 31, 2018	**3,099.33**	**0.04**	**2,180.78**	**12,892.43**	**178.01**	**102.18**	**44.70**	**88.97**	**18,586.44**

The Addition during the year 2017-18 includes those relating to R & D aggregating to ₹ 3.28 lakh (Previous Year 2016-17 ₹ 297.23 lakh, 2015-16 - ₹ 275.86 lakh)

B. Other Intangible Assets: Nil

C. Details of Gross Block and Accumulated Depreciation as per IGAAP and Deemed Cost as at April 01, 2016 are as follows:

Gross Block	179.75	20.25	1,684.33	27,461.91	120.99	123.75	404.02	52.00	**30,047.00**
Accumulated Depreciation	-	(18.99)	(666.21)	(18,390.31)	(34.60)	(41.57)	(354.85)	(31.12)	**(19,537.65)**
Net Block of Assets	179.75	1.26	1,018.12	9,071.60	86.39	82.18	49.17	20.88	**10,509.35**
IndAS adjustments	2,919.58	-	-	-	-	-	-	-	**2,919.58**
Deemed cost as per PPE	**3,099.33**	**1.26**	**1,018.12**	**9,071.60**	**86.39**	**82.18**	**49.17**	**20.88**	**13,428.93**

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
4	**Other Non-Current Investments**			
	Non-Current Investments			
	Quoted Investments			
a)	**Investments in equity instruments at FVTOCI**			
	Quoted Investments			
	Chennai Petroleum Corporation Limited (500 Equity shares of ₹ 10 each fully paid)	**1.64**	1.81	1.00
	Mercantile Ventures Limited * (Nil [16,48,000 in 2016-17 & 2015-16] Equity shares of ₹ 10 each fully paid)	**-**	412.00	412.00
	Total Quoted Investments	**1.64**	413.81	413.00
	Unquoted Investments			
	OPG Power Generation Private Limited (1,00,600 [84,999 in 2016-17 & 2015-16] Equity shares of ₹ 10 each fully paid)	**10.76**	8.97	8.97
	AM Foundation [Formerly AM Corporate Social Responsibility Foundation] (1,300 Equity shares of ₹ 10 each fully paid)	**0.13**	0.13	0.13
	Total unquoted Investments	**10.89**	9.10	9.10
	Total Investments at FVTOCI (a)	**12.53**	422.91	422.10
	Total Investments	**12.53**	422.91	422.10
	Aggregate book value of quoted investments	**1.64**	413.81	413.00
	Aggregate market value of quoted investments	**1.64**	196.28	142.89
	Aggregate carrying value of unquoted investments	**-**	-	-
	Aggregate amount of impairment in value of investments	**-**	-	-

*During the year 2012-13, 16,48,000 equity shares of ₹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 ₹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. The shares of this Company has been listed in BSE on 9th February 2015. During the year 2017-18, the shares were transferred to the said Associate of Mercantile Ventures Limited adjusting the same against the payable shown under Trade Payables consequently the asset as well as liability amounting to ₹ 412 lakh has been extinguished.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5	**Other Financial Assets**			
	Non-Current			
	Security deposits	**16.14**	15.92	15.92
	Total Other Financial Assets	**16.14**	15.92	15.92

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
6	**Other Non-Current Assets**			
	Others			
	Capital advances	**32.12**	148.66	502.29
	Advance tax (Net of provision for tax)	**984.83**	-	439.24
	Other Advances	**998.02**	1,450.94	1,403.45
	Total Other Non-Current Assets	**2,014.97**	1,599.60	2,344.98

7 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At lower of cost and net realisable value			
Raw materials	**4,182.58**	4,750.59	6,320.96
Raw materials in transit	**524.95**	3,670.73	1,517.15
Work-in-progress	**195.18**	195.18	136.28
Traded goods	**-**	-	1.82
Finished goods	**2,171.13**	3,544.06	2,283.91
Stores and spares	**173.20**	244.42	186.91
Total Inventories	**7,247.04**	12,404.98	10,447.03

8 Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted Investments			
Investment in Mutual Funds	**5,676.29**	1,141.86	6,439.82
Total Other Current Investments	**5,676.29**	1,141.86	6,439.82
Aggregate Book value of quoted Investments	**5,676.29**	1,141.86	6,439.82
Aggregate Market value of quoted Investments	**5,676.29**	1,141.86	6,439.82

9 Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current:			
Unsecured considered good	**10,110.32**	8,783.59	9,544.74
Doubtful	**23.52**	7.34	7.34
Allowance for doubtful debts (expected credit loss)	**(23.52)**	(7.34)	(7.34)
Total Trade Receivables	**10,110.32**	8,783.59	9,544.74

10 Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with Banks:			
In current accounts	**644.06**	873.01	481.88
In EEFC accounts	**0.42**	126.14	27.52
Cheques on hand *	**-**	862.11	2.57
Cash on hand	**2.98**	2.19	1.87
Cash and Cash Equivalents	**647.46**	1,863.44	513.84

* Cheques on hand as at 31st March 2017, includes ₹ 860.66 lakh received towards repayment of Inter-Corporate Deposit along with Interest, realised subsequently.

Cash on hand includes ₹ 1.38 lakh (2016-17 - ₹ Nil and 2015-16 - ₹ Nil) of various foreign currencies with the Holding Company.

[₹ in lakh]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
11	**Bank balances other than Cash and Cash equivalents**			
	Margin money deposit Accounts	**134.42**	564.23	186.97
	Unpaid dividend accounts	**420.29**	400.18	375.11
	Total Bank balances	**554.71**	964.41	562.09

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

12 Loans

	Security deposits	**18.39**	43.38	28.55
	Others:			
	Loans and advances to employees	**41.80**	42.95	29.55
	Total Loans	**60.19**	86.33	58.11

13 Other Financial Assets

	Interest accrued on Deposits	**9.34**	79.08	62.48
	Total Other Financial Assets	**9.34**	79.08	62.48

14 Other Current Assets

	Advances given to vendors	**408.06**	949.41	5,649.89
	Prepaid expenses	**207.70**	279.41	363.16
	Unamortised premium on forward contracts	**4.11**	27.90	24.65
	Other claims	**-**	-	47.45
	Balances with Government authorities			
	GST / CENVAT / VAT Credit receivable	**102.62**	735.03	879.38
	Total Other Current Assets	**722.49**	1,991.75	6,964.53

15 Equity share capital

[₹ in lakh]

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	**Amount**	No of shares	Amount	No of shares	Amount
Authorised share capital						
Share capital at the beginning of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00	24,00,00,000	12,000.00
Movements during the year	**-**	**-**	-	-	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00	24,00,00,000	12,000.00
Issued, Subscribed and paid up shares						
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**17,19,99,229**	**8,599.96**	17,19,99,229	8,599.96	17,19,99,229	8,599.96
Forfeited Share capital - Amount paid up		**3.51**		3.51		3.51
Total Equity Share Capital	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47	17,19,99,229	8,603.47

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

a) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	**Amount**	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47	17,19,99,229	8,603.47
Issued / Forfeited during the year	**-**	**-**	-	-	-	-
Outstanding at the end of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47	17,19,99,229	8,603.47

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	**Holding %**	No of shares	Holding %	No of shares	Holding %
Fully paid equity shares						
SIDD Life Sciences Private Limited	**6,58,46,053**	**38.28**	6,58,46,053	38.28	6,58,46,053	38.28
Tamilnadu Industrial Development Corporation Ltd.	**1,12,12,500**	**6.52**	1,12,12,500	6.52	1,12,12,500	6.52

c) Terms / rights attached to equity shares

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

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
16	**Non-Current Provisions**			
	Employee Benefits			
	Post employment benefits	**50.81**	50.24	49.14
	Compensated absences	**80.87**	82.86	86.92
	Total Non-Current Provisions	**131.68**	133.10	136.07

17 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities			
Property, Plant & Equipment	**2,269.77**	1,981.23	2,013.68
(Difference between book balance and tax balance)			
Deferred Tax of Subsidiaries	**(6.42)**	65.48	-
Tax Effect of Items Constituting Assets			
Provision for doubtful debts / advances	**(8.22)**	(2.54)	(2.54)
Provisions Disallowed u/s 43B of Income Tax Act, 1961	**(773.54)**	(1,292.62)	(1,747.01)
Provisions for Compensated Absences, Gratuity and Other Employee Benefits	**(74.33)**	(60.32)	(58.46)
Net Deferred Tax Liabilities	**1,407.26**	691.23	205.67

18 Other Non-Current Liabilities

Unsecured - at amortised cost			
Deposits	**130.35**	145.68	161.01
Deferred Income	**351.15**	-	-
Other Long-term Payables	**482.75**	587.43	-
Total Non-Current Borrowings	**964.25**	733.11	161.01
The deposits have been classified as under:			
As Non-Current Liabilities	**130.35**	145.68	161.01
As Current Liabilities	**15.33**	15.33	15.33
Total Deposits	**145.68**	161.01	176.34
Interest free deposit movement:			
Opening Deposit Balance	**161.01**	176.34	191.67
Less: Deposit refunded during the year	**15.33**	15.33	15.33
Closing Balance	**145.68**	161.01	176.34

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

The Deferred Income have been classified as under:

As Non-Current Deferred Income	**351.15**	-	-
As Current Deferred Income	**16.79**	-	-
Total Deferred Income	**367.94**	-	-

The above Deferred Income was received as subsidy from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC. Stage I was completed in all aspects by December 2016. Ozone Cell appointed an Independent consultant to inspect the facility and the same was carried out in May 2017. The Company had received 100% subsidy of ₹ 369.34 lakh and the same has been considered as Deferred Income as per IndAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. The current portion of the above said subsidy is shown under Other Current Liabilities in Note: 23.

[₹ in lakh]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
19	**Current Borrowings**			
	Secured - at amortised cost			
	From Banks:			
	Cash Credit and Bill Discounted	**1,707.14**	2,615.31	767.35
	Unsecured - at amortised cost			
	From Banks:			
	Short-Term Borrowings	**600.00**	-	-
	Total current borrowings	**2,307.14**	2,615.31	767.35

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.

20 Trade Payables

Trade Payables			
Due to Micro, Small and Medium Enterprises	**-**	-	43.87
Due to Related Parties	**16.67**	237.06	356.44
Due to Others	**6,438.93**	12,057.43	12,190.35
Total Trade Payables	**6,455.60**	12,294.49	12,590.66

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

21 Other Financial Liabilities

Unpaid dividend	**420.29**	400.11	375.11
Total Other Financial Liabilities	**420.29**	400.11	375.11

22 Current Provisions

Employee benefits			
Gratuity	**58.83**	19.00	24.67
Compensated absences	**22.19**	22.19	8.21
Others			
Provision for wage arrears *	**434.11**	792.35	893.22
Other Provisions	**1,101.51**	1,083.00	1,085.06
Total Current Provisions	**1,616.64**	1,916.54	2,011.16

*** Provision for wage arrears**

In 2004, a claim was made against the Company by its workmen, demanding wage revision for the years from 2001 to 2004. This matter was adjudicated by the Industrial Tribunal on October 23, 2008, which was challenged by the Company in the Supreme Court. In October 2015, the Employees' Union filed an Interim Application (IA) No. 12 of 2015 in the Supreme court. Upon hearing both sides, the Supreme court gave directions to withdraw the SLP and approach the Madras High Court, where the matter is pending at present. Based on the Management's efforts a majority of the workmen opted for out of court settlement to whom payments were made in 2017-18 and adjusted against the earlier provisions. The balance provision is in respect of the other workmen, who have not yet come forward for out of court settlement and the provision is carried pending the final outcome of the case.

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

[₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning of the year	**792.35**	893.22	951.72
Additions for the year	**113.84**	254.45	60.51
Payments made during the year	**(472.08)**	(355.32)	(119.01)
Balance at the end of the year	**434.11**	792.35	893.22

23 Other Current Liabilities

Other advances			
Advance received from insurance company	-	87.89	600.00
Others			
Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST, ED, VAT, Service Tax, etc)	**348.55**	258.98	84.81
Contractually reimbursable expenses	**32.69**	34.46	37.60
Deposits	**15.33**	15.33	15.33
Other Current Liabilities *	**2,729.00**	3,309.79	4,438.25
Total Other Current Liabilities	**3,125.57**	3,706.45	5,176.00

* The Company received a demand for ₹ 1,677 lakh during October 2013, towards arrears of lease rent for factory land, provision for which was made in the year 2014-15 and included in the above.

24 Revenue from Operations

	Particulars	As at March 31, 2018	As at March 31, 2017
a)	**Sale of Products**		
	Finished Goods *	**75,244.55**	64,346.55
	Traded Goods	-	4,788.43
b)	**Other Operating Income**		
	Scrap Sales	**151.65**	127.52
	Other Service Income	**236.00**	-
	Provisions no longer required written back	**850.80**	622.00
	Unclaimed liabilities written back	**53.23**	-
	Total Revenue from Operations	**76,536.23**	69,884.51

* Consequent to the introduction of Goods and Services Tax (GST) w.e.f 01.07.2017, revenue from operation for the year ended 31.03.2018 is disclosed net of GST. Till 30.06.2017, Excise Duty recovered from sale of excisable goods was included in revenue from operations, Excise Duty remitted was included in expenditure and difference between Excise Duty on opening and closing inventories was included in Other Expenses. Hence, revenue from the operations and excise duty remitted for the year are not comparable with earlier period figures.

Excise Duty on decrease in finished goods amounting to ₹ 408.80 lakh (March 31, 2017 - increase ₹ 121.86 lakh) has been considered as expense during the year.

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017
25	**Other Income**		
a)	**Interest income**		
	Bank deposits (at amortised cost)	**11.35**	30.69
	Interest from Customers	**6.19**	28.14
	Inter-corporate deposits	**-**	70.99
b)	**Dividend income**		
	Dividends from current investments in Mutual funds	**86.58**	169.81
c)	**Other non-operating income (net of expenses directly attributable to such income)**		
	Insurance claims received	**-**	777.00
	Miscellaneous Income	**194.56**	104.95
d)	**Net foreign exchange gains/(losses)**	**-**	140.11
	Total Other Income	**298.69**	1,321.68

26 Cost of Materials Consumed

Opening Stock	**8,421.32**	7,838.11
Add: Purchases	**44,575.99**	41,818.54
Less: Closing Stock	**4,707.53**	8,421.32
Cost of Materials Consumed	**48,289.78**	41,235.33

27 Purchases of Stock in Trade

Isocyanates	**-**	1,079.12
Polyols	**-**	472.92
Others	**-**	2,956.12
Purchases of Stock in Trade	**-**	4,508.16

28 Changes in inventories of finished goods, stock-in-trade and work-in-progress.

Inventories at the end of the year		
Finished Goods	**2,171.15**	3,544.06
Work-in-process	**195.18**	195.18
Traded Goods	**-**	-
	2,366.33	3,739.24
Inventories at the beginning of the year		
Finished Goods	**3,544.06**	2,283.91
Work-in-process	**195.18**	136.28
Trading Goods	**-**	1.82
	3,739.24	2,422.01
Add: Opening Inventories on account of acquisition of subsidiaries		283.41
Net Decrease / (Increase) in Inventories	**1,372.93**	(1,033.82)

[₹ in lakh]

Particulars		As at March 31, 2018	As at March 31, 2017
29	**Employee Benefits Expenses**		
	Salaries and Wages *	**3,046.78**	2,592.94
	Contribution to provident and other funds	**97.13**	102.47
	Gratuity expense	**56.45**	19.34
	Post-Employment benefits	**63.49**	53.10
	Staff welfare expenses	**419.02**	512.13
	Total Employee Benefits Expenses	**3,682.86**	3,279.98

* Salaries and Wages include ₹ 89.70 lakh (Previous Year ₹ 121.25 lakh) towards R & D Expenses

30 Finance Costs

	Interest on working capital borrowings	**172.57**	56.70
	Other Finance cost	**153.02**	174.61
	Total Finance Costs	**325.59**	231.31

31 Depreciation expenses

	Depreciation of property, plant and equipment pertaining to continuing operations	**892.06**	967.15
	Total Depreciation Expenses	**892.06**	967.15

32 Other Expenses

a)	Consumption of Stores and Spares	**788.81**	168.04
b)	Increase / (Decrease) of excise duty on inventory *	**(408.80)**	121.86
c)	Water charges	**951.79**	740.55
d)	Repairs and Maintenance		
	Building	**157.24**	186.47
	Plant and machinery	**1,070.28**	138.76
	Information Technology	**29.78**	37.19
	Others	**111.57**	78.53
e)	Legal and Professional	**350.40**	534.03
f)	Directors sitting fees	**13.00**	16.50
g)	Expenditure on Corporate Social responsibility	**39.71**	40.00
h)	Loss on Property, Plant and Equipment sold/scrapped/written off	**(0.83)**	101.68
i)	Provision for Bad and Doubtful Debts	**16.18**	-
j)	Payments to Statutory auditors:		
	For audit services	**8.50**	12.16
	For other services	**2.25**	5.25
k)	Payments to Other auditors	**29.28**	18.93
l)	Rent	**243.82**	129.45
m)	Insurance	**284.13**	335.04
n)	Rates & Taxes	**345.17**	228.36
o)	Agency Commission	**254.87**	212.87
p)	Freight Outward	**490.77**	184.79
q)	Net foreign exchange (gains)/losses	**198.04**	-
r)	Miscellaneous Expenses	**571.81**	737.67
	Total Other Expenses	**5,547.76**	4,028.12

The above other expenses include those relating to R&D aggregating to ₹ 188.96 lakh (Previous Year ₹ 124.06 lakh).

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

[₹ in lakh]

	Particulars	As at March 31, 2018	As at March 31, 2017
33	**Income Tax recognised in Statement of Profit & Loss**		
	Current Tax		
	In respect of current year	**2,207.73**	1,757.29
	Deferred Tax		
	In respect of current year	**782.22**	460.96
	Total Tax Expenses	**2,989.95**	2,218.25

Reconciliation of Effective Tax Rate:

Applicable tax rate (%)	**34.56%**	32.33%
Effect of Tax on Exempt Income (%)	**-0.35%**	-0.81%
Effect of Non-Deductible expenses (%)	**0.01%**	0.94%
Effective Tax Rate (%)	**34.23%**	32.46%

34 Earnings Per Share (EPS)

The following reflects the profit and shares related data used in the Basic EPS computations:		
Total Comprehensive Income for the period	**5,756.39**	3,961.16
No. of Shares used in computing earnings per share	**171,999,229**	171,999,229
Earnings Per Share - Basic and Diluted (in ₹)	**3.35**	2.30
Face Value Per share (in ₹)	**5.00**	5.00

35 Segment Reporting (IndAS 108)

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

36 Contingent Liabilities (IndAS 37)

a) Claims against Company not acknowledged as debt

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39	53.39
	High Court of Madras	2012	**380.89**	380.89	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80	6.80
	Disputed Excise & Customs Demand		**441.08**	441.08	441.08
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	36.74	36.74	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	10.74	10.74	10.74
	Appellate Deputy Commissioner (CT)	2008-09	6.06	6.06	6.06
	High Court of Madras	Various Years	3.44	3.44	3.44
	Disputed Sales Tax Demand		**56.98**	56.98	56.98

[₹ in lakh]

Nature of the Dues	Forum before which the dispute is pending	Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax	Commissioner of Income Tax (Appeals)	**2006-07**	**-**	-	1,080.74
	Commissioner of Income Tax (Appeals)	**2007-08**	**-**	-	1,192.08
	Commissioner of Income Tax (Appeals)	**2008-09**	**518.45**	518.45	518.45
	Commissioner of Income Tax (Appeals)	**2009-10**	**3.12**	3.12	3.12
	Commissioner of Income Tax (Appeals)	**2010-11**	**176.88**	176.88	176.88
	Commissioner of Income Tax (Appeals)	**2012-13**	**476.90**	476.90	476.90
	Commissioner of Income Tax (Appeals)	**2014-15**	**78.08**	78.08	-
	Commissioner of Income Tax (Appeals)	**2015-16**	**108.22**	-	-
	Disputed Income Tax Demand **		**1,361.65**	1,253.43	3,448.17

** Against the above demands, the Company has paid ₹ 21.64 lakh (₹ 11.71 lakh in 2016-17 and ₹ 100 lakh in 2015-16)

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.

b) Capital and other Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed (net of advances)	**836.88**	2,552.03	3,239.75
Total Commitments	**836.88**	**2,552.03**	**3,239.75**

37 Payable to MSME

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

There are no over due amounts payable to Micro, Small & Medium Enterprises [MSME] as on the Balance Sheet date or anytime during the year and hence no interest has been paid/payable. 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.

38. Employee Benefits (IndAS 19)

Defined contribution plans

The Company makes Provident Fund and Pension (Funded) contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 82.05 lakh (year ended 31 March, 2017 - ₹ 96.07 lakh) for Provident Fund contributions and ₹ 29.12 lakh (year ended 31 March, 2017 - ₹ 32.10 lakh) for Pension (Funded) Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the Rules of the Schemes.

Defined benefit plans

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

i) Gratuity (included as part of gratuity expense as per Note 29 : Employee Benefits Expense).

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

iii) Compensated absences (included as a part of Salaries and Wages as per Note 29 : Employee Benefits Expense)

Gratuity- Plant 1

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

Inherent Risk

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

Gratuity- Plant 2

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

Pension

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

Statement of Assets and Liabilities for Defined Benefit Obligations as at April 01, 2016

[₹ in lakh]

Particulars	Gratuity (Funded)	Pension (Funded)
Defined Benefit Obligation	322.08	108.90
Fair Value of the Planned Assets	334.44	154.54

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

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Discount Rate (%)	**7.58%**	7.25%	**7.69%**	7.25%
Estimated Rate of Return on Plan Assets (%)	**7.25%**	8.00%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**35.00**	37.00
Weighted Average Duration of Defined Benefit Obligation (Years)	**8.70**	8.56	**12.43**	14.45

Net Employee benefit expense and remeasurement cost of net defined benefits recognised in Profit and Loss / Total Comprehensive Income

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Expense recognised in Statement of Profit or Loss				
Current service cost	**4.96**	4.94	**19.58**	20.49
Past service cost	**-**	-	**5.27**	-
Interest cost on benefit obligation	**9.21**	8.44	**16.97**	17.35
Expected return on plan assets	**(12.58)**	(11.98)	**(16.36)**	(16.39)
Sub Total	**1.59**	1.40	**25.46**	21.45

[₹ in lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	**-**	-	**0.01**	-
ii. Financial Assumptions on obligation	**(6.64)**	(7.34)	**(10.20)**	9.50
iii. Experience Adjustments on obligation	**(14.46)**	12.16	**42.90**	(14.60)
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**21.08**	(2.36)	**0.68**	0.27
Sub Total	**(0.02)**	2.46	**33.39**	(4.83)
Net benefit expense	**1.57**	3.86	**58.85**	16.62

Balance Sheet

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Benefit asset / liability				
Present value of defined benefit obligation	**129.33**	127.07	**288.32**	254.23
Fair value of plan assets	**169.56**	168.87	**229.49**	237.61
Assets / (Liability) recognized in the balance sheet	**40.23**	41.80	**(58.83)**	(16.62)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**127.07**	108.90	**254.23**	226.27
Benefit transferred in	**-**	-	**-**	-
Benefit transferred Out	**-**	-	**-**	-
Benefits paid	**9.19**	-	**(40.45)**	(4.78)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**4.96**	4.94	**24.85**	20.49
Interest cost on benefit obligation	**9.21**	8.44	**16.97**	17.35
Recognised in Other Comprehensive Income	**(0.02)**	2.46	**33.39**	(4.83)
Actuarial (gain)/loss on obligation	**(21.08)**	2.33	**(0.67)**	(0.27)
Closing defined benefit obligation	**129.33**	127.07	**288.32**	254.23

[₹ in lakh]

Movement in the fair value of plan assets

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2018	For the Period Ended March 31, 2017	**For the Period Ended March 31, 2018**	For the Period Ended March 31, 2017
Opening fair value of plan assets	**168.87**	154.54	**237.61**	201.60
Contributions by employer	**-**	-	**-**	24.67
Contributions transfer in	**-**	-	**15.76**	16.39
Benefits paid	**9.19**	-	**(40.45)**	(4.78)
Expenses Recognised in Profit and Loss Account				
Expected return	**13.88**	12.36	**16.57**	(0.27)
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**(22.39)**	1.97	**-**	-
Closing fair value of plan assets	**169.55**	168.87	**229.49**	237.61

Percentage allocation of plan assets by category:

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Government Securities	**45.19%**	52.60%	**50.39%**	55.54%
Debentures / bonds	**42.30%**	41.84%	**39.91%**	39.09%
Equity instruments	**4.75%**	5.56%	**4.76%**	5.37%
Savings/Fixed deposits	**7.76%**	0.00%	**4.94%**	0.00%
Total	**100.00%**	100.00%	**100.00%**	100.00%

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

Maturity Profile of the DBO and Expected cash flows in the following period:

Particulars	Pension (Funded)		Gratuity (Funded)	
	31/03/2018	31/03/2017	**31/03/2018**	31/03/2017
Within next 12 Months	**9.60**	3.09	**12.13**	10.05
Between 1 and 5 years	**46.80**	40.21	**89.48**	78.91
5 years and above	**72.93**	83.77	**186.71**	165.27

Sensitivity Analysis

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

[₹ in lakh]

Pension (Funded)

Particulars	Increase		Decrease	
	FY 2017-18	FY 2016-17	**FY 2017-18**	FY 2016-17
Impact of the change in discount rate - 1%	**6.59**	(9.13)	**12.49**	13.50
Impact of the change in salary increase - 1%	**0.37**	6.61	**(15.28)**	(3.34)
Impact of the change in Mortality - 5%	**4.19**	5.30	**15.29**	17.83

Gratuity

Particulars	Increase		Decrease	
	FY 2017-18	FY 2016-17	**FY 2017-18**	FY 2016-17
Impact of the change in discount rate - 1%	**(21.83)**	(19.26)	**23.27**	20.68
Impact of the change in salary increase - 1%	**23.15**	20.38	**(21.93)**	(19.34)
Impact of the change in Mortality - 5%	**0.18**	0.24	**(0.20)**	(0.12)

39 Related Party Disclosures (IndAS 24):

a) Related Parties with whom there were transactions during the year:

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

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

Sl. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**329.23**	329.23
	Tamilnadu Industrial Development Corporation Limited	**56.06**	56.06
	Southern Petrochemical Industries Corporation Limited	**0.05**	0.05
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited *	**827.40**	1,196.78
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited*	**33.24**	-
	CNGSN & Associates LLP	**5.83**	5.28
4	**Purchase of Fixed Assets/ Property, Plant and Equipment:**		
	Tamilnadu Petroproducts Limited *	**0.31**	13.96
5	**Rendering of Services:**		
	Tamilnadu Petroproducts Limited *	**236.00**	-

[₹ in lakh]

Sl. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
6	**Sale of Goods:**		
	Tamilnadu Petroproducts Limited *	-	3,202.29
7	**Sale of Fixed Assets/ Property, Plant and Equipments:**		
	Tamilnadu Petroproducts Limited *	**84.22**	110.20
8	**Reimbursements of Expenses:**		
	Tamilnadu Petroproducts Limited *	**51.12**	7.76
9	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust *	**28.55**	19.50
	MPL Employees Gratuity Fund Trust *	**16.62**	24.67

c) **Outstanding Balances:**

Sl No	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	**Trade Payables**			
	Tamilnadu Petroproducts Limited *	**16.67**	237.06	356.44
2	**Trade Advances**			
	Tamilnadu Petroproducts Limited *	**-**	-	1,200.00

* Related Parties under IndAS 24 and not under erstwhile AS.

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

40 Operating Leases (IndAS 17)

Details of operating leasing arrangements - Non cancellable leases

Bulk storage facility at Ennore Port-

The lease is for a period of 15 years from 1st April, 2014 . In the event of premature termination of this agreement prior to the expiry of fifteen year firm period, the Company is liable to make payment of termination compensation as per terms of agreement. The lease agreement provides for an increase in the lease payments by 3% every year.

Storage of polyols at Meerut-

The lease is for a period of 54 months from 1st February 2016. The lease agreement provides for an increase of 4% every year.

Office premises-

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

Future minimum lease payments [₹ in lakh]

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**605.17**	584.24
Later than one year and not later than five years	**2,553.95**	2,952.41
Later than five years	**3,775.13**	4,522.99
Total	**6,934.25**	8,059.64

41 Corporate Social Responsibility

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

- Gross amount required to be spent by the Company during the year ₹ 133.82 lakh

- Amount spent during the year on:

Sl. No.	Particulars	2017-18	2016-17
1	Construction / acquisition of any property	-	-
2	On purpose other than above	**39.71**	40.00

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

Sl. No.	Particulars	2017-18	2016-17
1	Revenue Expenditure	**278.65**	245.31
2	Capital Expenditure (including capital work-in-progress)	**28.53**	297.23

43 Distribution Made and Proposed (IndAS 1)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: ₹ 0.50 per share (March 31 2016: ₹ 0.50 per share)	**860.00**	860.00
Dividend Distribution Tax thereon	**175.08**	175.08
Total Distribution made	**1,035.08**	**1,035.08**
Proposed Dividend on Equity Shares		
Final dividend for the year ended on March 31, 2018: ₹ 0.50 per share (March 31 2017: ₹ 0.50 per share)	**860.00**	860.00
Dividend Distribution Tax thereon	**175.08**	175.08
Total Distribution Proposed	**1,035.08**	**1,035.08**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31, 2018.

44 Capital Management (IndAS 1)

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2018.

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

[₹ in lakh]

Particulars	March 31, 2018	March 31, 2017
Net debt (Long term debt less Cash and Cash equivalent)	-	-
Total equity	**38,605.66**	34,188.11

45 Financial Risk Management Objectives and Policies (IndAS 107)

Financial Risk Management Framework

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

Risk Exposures and Responses

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

i) Market Risk

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

Interest Rate Risk

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

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

Sensitivity Analysis

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2018	March 31, 2017
Financial Liabilities - Borrowings		
+1% (100 basis points)	**11.14**	15.00
-1% (100 basis points)	**(11.14)**	(15.00)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

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

Company's Total Foreign Currency Exposure:

[₹ in lakh]

Particulars	**Currency**	**March 31, 2018**		
		Exchange Rate	**Amount in Foreign Currency**	**Amount**
Trade Payables	USD	64.5018	23.77	1,533.05
		March 31, 2017		
Trade Receivables	USD	64.8386	2.84	184.47
Trade Payables	USD	65.6970	83.42	5,480.58

[₹ in lakh]

Company's Unhedged Foreign Currency Exposure:

Particulars	Currency	March 31, 2018		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Payables	USD	65.0441	8.26	536.97
		March 31, 2017		
Trade Receivables	USD	64.8386	2.84	184.47
Trade Payables	USD	64.8386	0.31	19.80

Sensitivity

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD- increase by 5%	(17.47)	(0.65)
INR/USD- decrease by 5%	17.47	0.65

Commodity Risk

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

ii. Credit risk management

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

Trade Receivables:

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

Total Trade receivable as on March 31, 2018 is ₹ 10,110.32 lakh (March 31, 2017 ₹ 8,783.59 lakh, April 01, 2016 ₹ 9,544.74 lakh)

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

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31st March 2018.

iii. Liquidity risk

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

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

[₹ in lakh]

Particulars	At 31 March 2018			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	**1,707.14**	-	-	**1,707.14**
Bank Borrowings	**600.00**	-	-	**600.00**
Trade and other payables	**11,197.78**	-	-	**11,197.78**
Total financial liabilities	**13,504.92**	-	-	**13,504.92**
Current Investments	**5,676.29**	-	-	**5,676.29**

Particulars	At 31 March 2017			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	2,615.31	-	-	2,615.31
Bank Borrowings	-	-	-	-
Trade and other payables	17,917.48	-	-	17,917.48
Total financial liabilities	20,532.79	-	-	20,532.79
Current Investments	1,141.86	-	-	1,141.86

46 A) Classification of Financial Assets and Liabilities (IndAS 107)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets			
Fair Value Through Profit and Loss			
Investments	**5,676.29**	1,141.86	6,439.82
Fair Value Through Other Comprehensive Income			
Equity Shares	**12.53**	422.91	422.10
Amortised Cost			
Trade receivables	**10,110.32**	8,782.59	9,544.74
Loans	**60.19**	86.33	58.11
Cash and cash equivalents	**647.46**	1,863.44	513.84
Bank Balances	**554.71**	964.41	562.09
Total	**17,061.51**	13,262.54	17,540.70
Financial liabilities			
Amortised Cost			
Borrowings	**2,307.14**	2,615.31	767.35
Trade payables	**6,455.60**	12,294.49	12,590.66
Other Financial Liabilities	**420.29**	400.11	375.11
Total	**9,183.04**	**15,309.92**	**13,733.12**

B) Fair value measurements (IndAS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

[₹ in lakh]

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

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

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial Assets at fair value through Profit or Loss			
Investments- Level-1	**5,676.29**	1,141.86	6,439.82
Financial Assets at fair value through other comprehensive income			
Investments in Listed Equity Shares- Level-1	**1.64**	413.81	413.00
Investments in unlisted Equity Shares- Level-2	**10.89**	9.10	9.10

Valuation Techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are as shown below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investments in listed equity shares	Market Value	Closing price as at 31st March in Stock Exchange except for Investement in MVL Shares refer note no 4.
Investments in unlisted equity shares	Market Approch	Based on information provided and considering the availability of information in the public domain.

47 Business combinations (IndAS 103)

A) Summary of acquisition

In August 2016, the Subsidiary Company, AMCHEM Speciality Chemicals Private Limited, Singapore has incorporated an entity, AMCHEM Speciality Chemicals UK Limited (AMCHEM, UK), as SPV for acquisition of Notedome Limited, Coventry, UK.

On 01st October 2016 the AMCHEM, UK has acquired Notedome Limited, a manufacturer of Neuthane and Polyurethane cast Elastomers catering to customers across 45 Countries. The acquisition was made to increase the group's base international markets.

B) Purchase consideration

[₹ in lakh]

Particulars	Notedome Limited
Cash paid	11,701.31
Total purchase consideration	**11,701.31**

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Notedome Limited
	Fair value
Freehold buildings	1,030.41
Plant and machinery	440.03
Inventories	1,099.34
Trade receivables	2,177.00
Cash	966.69
Trade payables	(1,656.87)
Deferred tax liabilities	(75.04)
Post-employee benefit obligations, net of plan assets	(649.75)
Net identifiable assets acquired	**3,331.81**

C) Calculation of goodwill

Particulars	Notedome Limited
Consideration transferred	11,701.31
Less: Net identifiable assets acquired	(3,331.81)
Goodwill	**8,369.49**

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

D) Purchase consideration – cash outflow

Particulars	October 01, 2016
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	11,701.31
Less: Balances acquired	-
Cash	(966.69)
Net outflow of cash in investing activities	**10,734.61**

48 Additional information on Consolidated Net Assets, Share of Profit or Loss, Other Comprehensive Income and Total Comprehensive Income as required under Schedule III to the Companies Act, 2013

[₹ in lakh]

Name of the Entity in the Group	Net Assets*		Share of Profit or Loss		Share in OCI#		Share in TCI@	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI#	Amount	As % of Consolidated TCI@	Amount
Parent	97.61	38,236.52	88.78	5,140.33	100.00	(33.55)	88.71	5,106.78
Manali Petrochemicals Limited								
Subsidiaries - Foreign								
1. AMCHEM Speciality Chemicals P Ltd, Singapore	(0.19)	(76.35)	(5.14)	(297.82)	-	-	(5.17)	(297.82)
2. AMCHEM Speciality Chemicals UK Ltd, UK	0.07	28.81	6.95	402.76	-	-	7.00	402.76
3. Notedome Ltd, UK	2.51	982.09	9.41	544.67	-	-	9.46	544.67
Total	**100.00**	**39,171.07**	**100.00**	**5,789.94**	**100.00**	**(33.55)**	**100.00**	**5,756.39**

* Total Assets - Total Liabilities
\# Other Comprehensive Income
@ Total Comprehensive Income

49 First Time Adoption of IndAS (IndAS 101)

These Financial Statements, for the year ended 31 March 2018, are the first Financial Statements the Company has prepared in accordance with IndAS. For periods up to and including the year ended 31 March 2017, the Company prepared its Financial Statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared Financial Statements which comply with IndAS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these Financial Statements, the Company's opening Balance Sheet was prepared as at 1 April 2016, the Company's date of transition to IndAS. An explanation of how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows is set out below:

i) Transition election

a) Optional Exemptions

The Company applying IndAS principle for measurement of recognised assets and liabilities is subject to availment of certain optional exemptions, apart from mandatory exceptions, availed by the Company as detailed below.

1 Deemed Cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to avail exemption under IndAS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment except free hold land and intangible assets as per the statement of financial position prepared in accordance with previous GAAP. Free hold Land has been revalued on the transition date and fair value is considered as deemed cost.

2 Investments in subsidiaries in separate Financial Statements

The Company has elected to carry its investment in subsidiary, joint venture and associates at deemed cost which is its previous GAAP carrying amount at the date of transition to IndAS.

3 Designation of previously recognised financial instruments

The Company has designated unquoted equity instruments other than investments in subsidiaries and jointly controlled entities held at April 01, 2016 as fair value through OCI investments.

As per IndAS 109, an entity can make an irrevocable election to present in Other Comprehensive Income the subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

4 Business combinations

The Company has elected not to apply IndAS 103- Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP Financial Statements.

5 Fair value measurement of financial assets or financial liabilities at initial recognition

As per IndAS exemption the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

b) Mandatory Exceptions

The Mandatory exceptions applicable to the Company are given below:

1 Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

(i) FVTOCI – unquoted equity shares

(ii) Impairment of financial assets based on the risk exposure and application of ECL model.

The estimates used by the Company to present these amounts in accordance with IndAS reflect conditions at 1 April 2016, the date of transition to IndAS and as of March 31, 2017.

2 **Derecognition of assets and liabilities**

IndAS 101 requires a first-time adopter to apply the de-recognition provisions of IndAS 109 prospectively for transactions occurring on or after the date of transition to IndAS. However, IndAS 101 allows a first-time adopter to apply the de-recognition requirements in IndAS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply IndAS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of IndAS 109 prospectively from the date of transition to IndAS.

3 **Classification and measurment of financial assets and liabilities**

IndAS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IndAS.

4 **Impairment of Financial assets**

The Company has applied the impairment requirements of IndAS 109 retrospectively; however, as permitted by IndAS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

ii) Reconciliation of Consolidated Equity as at April 01, 2016 and March 31, 2017

[₹ in lakh]

Particulars	April 01, 2016	March 31, 2017
Other Equity as per Previous GAAP	19,640.86	22,551.93
Add: Fair Valuation of Freehold Land (a)	2,920.11	2,920.11
Add: Reversal of Proposed Dividend and Tax thereon (b)	1,035.08	-
Add: Rent Equalisation (c)	213.80	305.10
Add: Fair valuation of Equity Investments through OCI (d)	0.55	1.37
Less: Provision for Expected Credit Loss (e)	(1,014.66)	(1,014.66)
Less: Deferred Tax Adjustments (f)	(6.59)	39.64
Less: Adjustment to Property, Plant and Equipment on Adoption of IndAS (g)	-	(135.25)
Less: Other IndAS Adjustments	(428.12)	(240.76)
Other Equity as per IndAS	**22,361.03**	**24,427.48**

iii) Reconciliation of Consolidated Total Comprehensive Income for year ended March 31, 2017

Particulars	March 31, 2017
Profit after Tax as reported under previous GAAP	3,770.67
Add: Rent Equalisation (c)	91.30
Less: Adjustment to Property, Plant and Equipment on Adoption of IndAS (g)	(135.25)
Add: Other IndAS Adjustments	187.38
Deferred Tax Adjustment	46.23
Actuarial gain/losses on remeasurement of the Defined benefit obligation	(4.83)
Profit for the period as per IndAS	**3,955.51**
Other Comprehensive Income	5.65
Total Comprehensive Income	**3,961.16**

Notes to the Reconciliation of equity as at April 1, 2016 and March 31, 2017 and Total Comprehensive Income for the year ended March 31, 2017:

a The Company has considered fair value for property, viz free hold land admeasuring over 28.48 acres, situated in India, in accordance with stipulations of IndAS 101 with the resultant impact being accounted for in the reserves.

b Under IGAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under IndAS, proposed dividend is recognised as a liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. In case of the Company, the declaration of dividend occurs after period end. Accordingly, proposed dividend has been reversed as at the date of transition and adjusted in retained earnings in financial year 2016-17 when paid.

c Rent Equalisation accounted in the IGAAP has been reversed in IndAS Transition and accordingly credited to the retained earning in other equity.

d The Company has designated investments other than Investment in Subsidiary, Joint Arrangements and Associates at Fair Value through other comprehensive Income (FVTOCI). IndAS requires FVTOCI investments to be measured at fair value. At the date of transition to IndAS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings.

e The provision is made against receivables based on expected credit loss model as per IndAS 109.

f Pursuant to adoption of IndAS, the Company had assessed the deferred tax assets/liabilities in accordance with IndAS 12. Adjustments to deferred tax assets/liabilities arising on such assessment have been recognised in the reserves.

g Depreciation adjustment to property plant and equipment on adoption of IndAS

h Both under IGAAP and IndAS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under IndAS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

i Statement of cash flows : The transition from Indian GAAP to IndAS does not have a material impact on the Consolidated statement of cash flows.

50 Note on Leasehold Land

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

51 Regrouping / Reclassification

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

52 Approval of Financial Statements

The Financial Statements of Manali Petrochemicals Limited were approved by the Board of Directors at its meeting held on May 16, 2018

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board

N. Sri Krishna
Partner
(Membership No. 026575)

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures)

Part 'A'- Subsidiary

Particulars	AMCHEM Speciality Chemicals Private Limited, Singapore		AMCHEM Speciality Chemicals UK Limited, UK		Notedome Limited, UK	
	31st March 2018		31st March 2018		31st March 2018	
	₹ in lakh*	In USD	₹ in lakh*	In GBP	₹ in lakh*	In GBP
Capital	10,681.03	1,64,21,208.00	10,612.73	1,15,00,000.00	3.61	3,916.00
Reserves	(860.53)	(13,22,989.00)	47.28	51,231.00	4,559.27	49,40,446.00
Total Assets	10,051.78	1,54,53,789.00	12,672.05	1,37,31,484.00	8,386.79	90,87,960.00
Total Liabilities	231.28	3,55,570.00	2,012.04	21,80,253.00	3,823.90	41,43,598.00
Investments	9,867.58	1,51,70,600.00	12,298.92	1,33,27,165.00	-	-
Turnover (inc other income)	636.48	9,78,542.00	434.72	4,71,060.00	11,062.24	1,19,87,092.00
Profit/(Loss) before Tax	88.28	1,35,717.00	402.76	4,36,428.00	628.87	6,81,448.00
Provision for Taxation	14.63	22,500.00	15.15	16,418.00	84.20	91,237.00
Profit/(Loss) after Tax	73.65	1,13,217.00	387.61	4,20,010.00	544.67	5,90,211.00
% of shareholding	100%		100%@		100%#	

*** Translated at exchange rate prevailing as on 31.3.2018**

1 USD= ₹ 65.0441

1GBP= ₹ 92.2846

@ Held by AMCHEM Speciality Chemicals Private Limited, Singapore

Held by AMCHEM Speciality Chemicals UK Limited, UK

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

For and on behalf of the Board

N. Sri Krishna
Partner
(Membership No. 026575)

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : May 16, 2018

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Manali Petrochemicals Limited

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