


I G PETROCHEMICALS LIMITED

SECT/1042
10th October, 2016

BSE Limited

Corporate Relationship Department
1st Floor, P J Towers
Dalal Street
Mumbai - 400 001

Scrip Code: 500199

The National Stock Exchange of India Ltd.

Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

Scrip Code: IGPL

Dear Sirs,

Sub : Submission of Annual Report for the year 2015-16

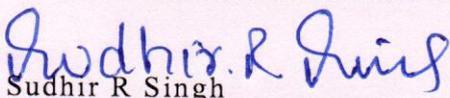
This is in furtherance to our letter ref No. SECT/1042 dated 3rd September, 2016 in connection with the submission of Annual Report for the year 2015-2016.

Due to technical issue with the soft copy of the file, we are sending herewith a revised copy of the Annual Report.

We request you to kindly take the same on your record in lieu of the earlier report.

Thanking you.

Yours faithfully,
For I G Petrochemicals Limited


Sudhir R Singh
Company Secretary

Encl: As above

Corp. Office : 401-404, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021, India.
Tel.: (91) 22 - 3028 6100; Fax: (91) 22 - 2204 0747; E-mail: igpetro@vsnl.com; <http://www.igpetro.com>
Regd. Office : T-10, 3rd Floor, Jairam Complex, Mala, Neugi Nagar, Panaji, Goa - 403 001, India.
Tel.: 0832 - 2434979 E-mail: igplgoa@gmail.com CIN: L51496GA1988PLC000915



I G PETROCHEMICALS LIMITED



27th
ANNUAL
REPORT
2015-16



27TH ANNUAL GENERAL MEETING

Date and Time: 31st August, 2016 at 3.00 p.m.

Venue: Hotel Mandovi, D B Bandodkar Road, Panaji, Goa - 403 001.



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HIGHLIGHTS FOR THE YEAR

Financial Highlights, 2015-16

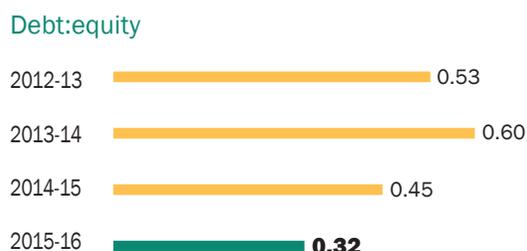
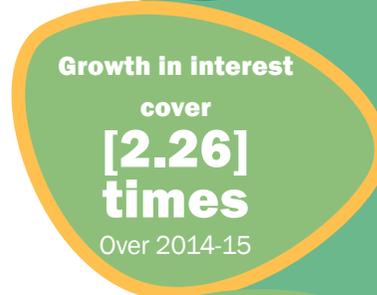
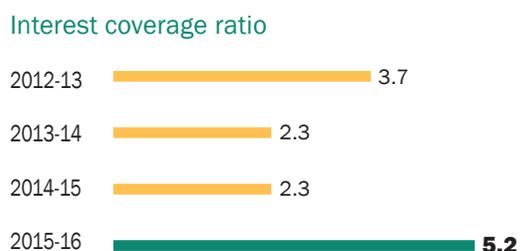
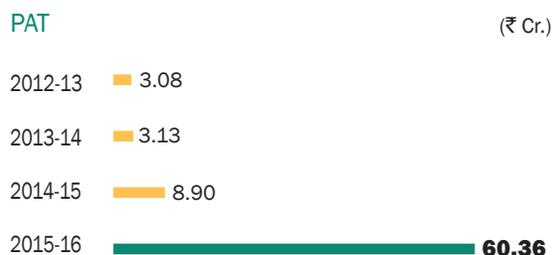
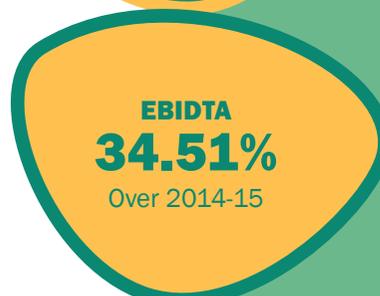
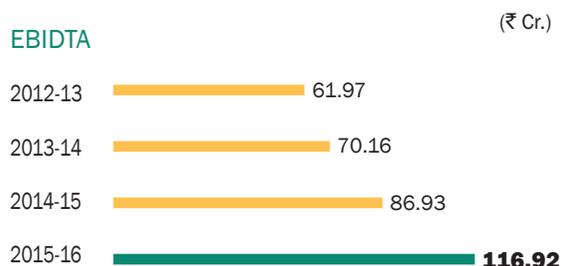
(₹ in Cr, except EPS)

PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16
Total Revenue (Net)	889.97	975.62	1,213.98	1,193.32	956.41
Gross Profit/EBIDTA	46.15	61.97	70.16	86.93	116.92
Finance Cost	14.65	16.67	30.36	38.17	22.67
Depreciation & Amortisation	14.90	13.75	18.03	16.39	17.54
Profit before Extraordinary Item & Tax	16.60	31.55	3.91**	32.37	76.71
Profit Before Tax @	16.60	3.89	3.91	11.26	76.71
Tax Expense	3.31	0.81	0.78	2.36	16.35
Profit After Tax	13.29	3.08	3.13	8.90	60.36
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	228.58	231.66	234.78	238.81	291.76
Earnings Per Share (EPS) of ₹ 10/- each					
Before Extraordinary Item	4.32	9.98	1.02	9.74	19.60
After Extraordinary Item	4.32	1.00	1.02	2.89	19.60

@ Profit before tax for 2014-15 & 2012-13 is after provision of arrears of depreciation of ₹ 21.11 crores & ₹ 27.66 crores respectively

** Profit before extraordinary item & tax is after adjustment of exchange loss (Net) of ₹ 17.86 crores

THE STORY IN OUR NUMBERS



CHAIRMAN'S REVIEW

“I am happy to state that with immense focus and years of planning, we have managed to strengthen the fundamentals of the Company.”



Dear Fellow Shareholders,

It gives me immense pleasure to present to you the 2015-16 annual report of the Company. The fiscal year 2015-16 witnessed the country's economy getting stronger as improved focus on fiscal targets and rolling out of favourable policies led to the economy growing strongly by 7.6% during a time when most of the world's major and developing nations are struggling. The interest rates have fallen, inflation is under 5%, fiscal deficit reduced to a low of 3.99% and foreign exchange reserves strengthened to an all-time high of USD 355.60 bn as on 31st March, 2016. The various initiatives ('Digital India', 'Make in India' and 'Start-up India' among others) undertaken by the government to simplify ease of doing business in India is likely to contribute to the economic growth momentum and boost the manufacturing sector.

In the past, despite big investments, Indian economy was more about work-in-progress considering the fact that most of the infrastructure and industrial expansion projects were stuck at some levels. This led to a vicious cycle creating troubles for all the sectors of the economy. However, things have started to change as projects are getting clearances, road and rail expansion projects are on fast track, agriculture sector is getting the required importance and more importantly FDI policies have been eased out for various sectors which shall lead to foreign players entering the markets and sharing their technical expertise. This positive move shall provide the much-needed kick to the industrial concerns in India and contribute to the economic growth.

The past two years were a difficult one for the petrochemicals industry as weakening oil prices led to buyers being reluctant to procure goods expecting a further decline in oil prices. This led to inventory pile-ups and pressure on margins. However, after the oil price falling to a relatively low level, the scenario is expected to stabilise with no major shocks for the industry players. The stabilising crude prices would result in better margin realisations for the Company.

Moreover, with the increased government focus on rural water management and infrastructure projects along with the reviving construction and automobile sector, the demand for plasticisers, paints and unsaturated polyester resins are expected to rise. Your Company, being a proactive one, anticipated this upcoming demand

trend and embarked on various capacity expansion and operational efficiency enhancement programme that are completed and have stabilised operations. With this, your Company is well-poised to make most of the opportunities and grow.

I am happy to state that with immense focus and years of planning, we have managed to strengthen the fundamentals of the Company. In spite of undertaking large-scale expansion project and investing in environment protection and process improvement technologies, we have emerged to be a relatively low debt Company with a debt:equity of 0.32 as on March 31, 2016. This has resulted in improvement of our credit ratings by India Ratings & Research from 'IND BBB+' to 'IND A-' for long-term borrowings and 'IND A2+' to 'IND A1' for short-term borrowings. We are proud of the fact that not only are we the largest Phthalic Anhydride producer in India, but we are also amongst the most environment-friendly companies in India across all sectors. We have strengthened the recovery process at our plants thereby utilising 100% steam generated from processes for producing power that meets the entire energy requirements of our plants and reduces oil consumption. We have also installed effluent management system that utilises wastes generated from operations for developing value-added products having commercial value.

As a responsible Company, we shall continue to focus on investing in environment-friendly processes and utilising a part of profits towards our community development initiatives. In 2015-16, we spent a sum of ₹ 26.87 lacs (2% of our net profits) towards education, healthcare and community services.

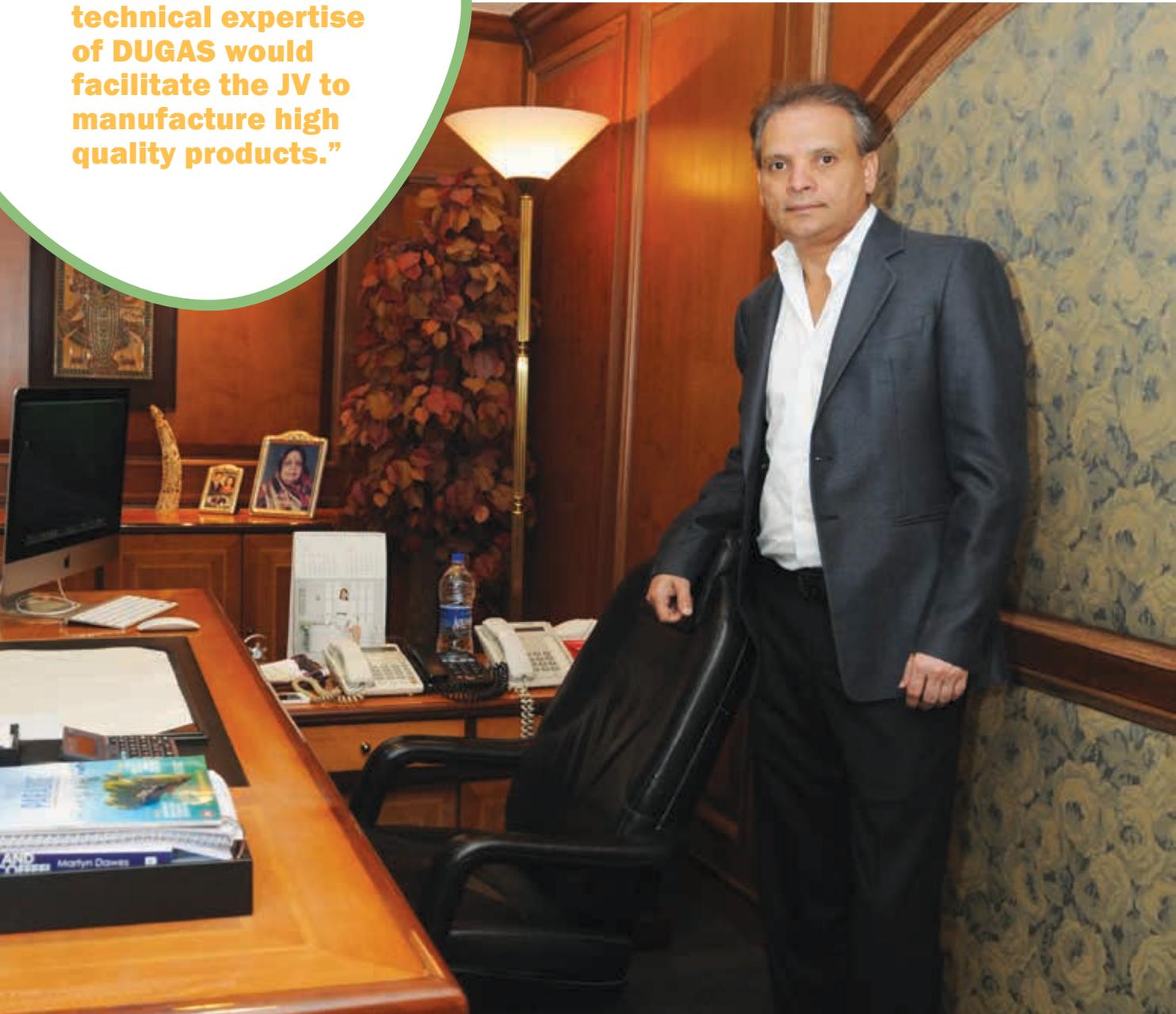
I would like to thank all the shareholders who have been with us through good and bad times. I would like to assure you that the Company is sweetly positioned in the industry to make the most of the upcoming opportunities to grow and enhance shareholders' value. Finally, I would also like to thank all our employees, whose efforts and expertise have contributed to the growth of the Company, and our customers, bankers and vendors for their continued support to the Company.

Yours sincerely,

MM Dhanuka
Chairman

MANAGING DIRECTOR'S REVIEW

“The robust technical expertise of DUGAS would facilitate the JV to manufacture high quality products.”



Dear Fellow Shareholders,

The year 2015-16 has been a very exciting one for the Company in terms of profitability growth achieved and strategic decisions undertaken. However, this annual report is not about where we are at present but it is more about where we intend to be over a period of time.

To begin with, the Company's revenues decreased 19.85% during the year to ₹ 956.41 cr. Despite this, the profitability and margins of the Company increased significantly as rising crude prices led to proportionately higher increase in the prices of Phthalic Anhydride (finished goods) as compared to Orthoxylene (raw material) prices. The EBIDTA increased 34.51% to ₹ 116.92 cr, while PAT grew 578.20% to ₹ 60.36 cr. Moreover, the declining leverage in the Company resulted in 40.57% decline in finance costs. The return on equity increased from 12.6% in 2014-15 to 20.7%. In consideration of this performance, the Company declared a dividend of 20% (₹ 2 per equity share of ₹ 10 face value).

During the year, the Company made a significant strategic decision of extending its product portfolio in a similar line of business having similar clientele – Maleic Anhydride (MA) manufacturing. IGPL, through its wholly-owned subsidiary IGPL (FZE) entered into joint venture with M/s. Dubai Natural Gas Co. Ltd (DUGAS), a wholly-owned subsidiary of ENOC, for setting-up of a 45,000 MTPA MA manufacturing unit. The robust technical expertise of DUGAS would facilitate the JV to manufacture high quality products. While the strong marketing and distribution network of IGPL would enable the JV to easily market them to end-users. Gulf countries and India would be the primary markets with a view to extend to European markets in later stages.

In our existing business of phthalic anhydride, our investments in scaling (PA1, PA2, and PA3 with a combined capacity of 1,69,250 MTPA), operational front improvement

and adoption of environment-friendly technologies will contribute towards business growth and sustainability. The stabilising crude prices, improvements in global markets, strong consumption demand, increasing government initiatives and thrust on infrastructure sector is further likely to boost PAN demand. Another important event during the year was the ruling of the DTA (domestic tariff area) sales and Catalyst cases in the Company's favour resulting in it being absolved of contingent liabilities related to Excise and Customs duties to the extent of ₹ 204.05 cr.

One of the major challenges for the PAN industry is the dumping of low cost products from the Chinese, Korean, Russian and Japanese markets. However, in December 2015, the Government of India imposed anti-dumping duties on phthalic anhydride exported by Russian and Japanese markets in India thereby securing Indian players. The industry further expects consideration for these duties on goods from Chinese and Korean markets to safeguard the interests of players in India.

Going forward, I see the Company growing both in volume and value terms with margins improving. We intend to develop a business model which is relatively non-cyclical, protecting bottomline in challenging times and maximising returns during favourable scenario. I thank all our stakeholders inside and outside the Company for being with us during these years. I like to welcome you all to stay with us over the years as they would be more rewarding.

Yours sincerely,

Nikunj Dhanuka
Managing Director & CEO

ABOUT US

IG Petrochemicals Ltd. (IGPL) is the flagship Company of the Dhanuka Group. It is more than just one of India's largest Phthalic Anhydride (PAN) manufacturers.

It is amongst the world's most competitive and reputed PAN manufacturers. For years, the Company continued to focus on one business – avoiding disruption and deviations. Leveraging years of experience, size, quality and competence, it has emerged as the most trusted manufacturer to some of the largest global downstream customers.

Lineage

- Incorporated in 1988 and began Commercial production in 1992
- Scaled from 45,000 MTPA PAN manufacturing capacity to 1,69,250 MTPA
- Internationally renowned in the PAN market
- Listed at National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE)

Presence

- Headquartered in Mumbai
- Three PAN manufacturing units at MIDC, Tajola in Raigad district (Maharashtra, India)
- Proposed to set up a Maleic Anhydride (MA) manufacturing unit in Jebel Ali (UAE) through JV with DUGAS (Dubai Natural Gas Co.)

Key strengths

- India's leading and lowest cost PAN manufacturer
- ISO 9001:2008 for quality management system and ISO 14001:2004 for environment certification from Bureau Veritas
- All major raw material suppliers and end-users located in close proximity to the western region from the plant leading to lower logistics cost and faster turnaround. Majority of the raw materials are procured from India's largest petroleum refinery in Gujarat
- Six-sigma quality control processes and ERP systems across the organisation
- 100% energy requirement through captive power plants
- Strong intellectual capital

OVER THE YEARS

1988

- Incorporated as a 100% Export Oriented Unit (EOU)
- Technical collaboration with Lurgi GmbH of Germany

1995-96

- De-bottlenecking of capacity 21,250 MTPA

2008-09

- Converted from EOU to DTA (Domestic Tariff Area)

1992-93

- Commenced commercial production with a capacity of 45,000 MTPA (PA1)

1999-2000

- Brownfield expansion of 50,000 MTPA (PA2)

2013-14

- Brownfield expansion of 53,000 MTPA (PA3)

2015

- Entered into JV with DUGAS (Dubai Natural Gas Co.) a wholly-owned subsidiary of Emirates National Oil Company (ENOC) to set up a 45,000 metric tonnes Maleic Anhydride (MA) manufacturing unit in Jebel Ali (UAE)

BUSINESS OVERVIEW

Phthalic Anhydride (PAN)

OVERVIEW

PAN, a colourless solid, is a versatile intermediate chemical that finds application in large-scale production of plasticisers that is required for the manufacture of plastics. Orthoxylene (OX) is the single and major raw material required in PAN production. It is cheaper and has reduced impact on environment.

APPLICATIONS

The primary application of PAN is for the manufacture of the following:

PLASTICISERS



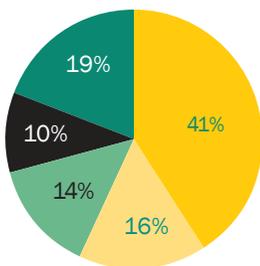
Used for the manufacture of poly vinyl chloride (PVC) products for manufacturing a range of **consumer care, personal care and home care products like shoes, wires & cables, pipes & hoses, boxes, containers, packaging films, medical and surgical equipments among others**

UNSATURATED POLYESTER RESINS

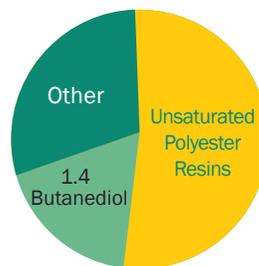


Used as thermostat for manufacture of fibreglass reinforced plastics for automobile, construction, marine and transportation industries.

KEY END-USER INDUSTRIES



- Plasticisers
- Paints
- Unsaturated Polyester Resins
- CPC (Colour Pigments)
- Others



ALKYD RESINS



Used for the manufacture of paints and coatings

COPPER PHTHALOCYANINE



Used for making inks, photovoltaic cells

ADVANTAGE I G PETROCHEMICALS

The key competitive advantages that IGPL enjoys over its competitors include:

LARGEST AND LOWEST COST PRODUCER

IGPL is the largest PAN manufacturer in India having production capacity (1,69,250 MTPA) at a single location across its three plants (PA1, PA2 and PA3). Its plants are engineered with latest internationally acclaimed technological advancement and are designed on the low-energy based processes. The Company also undertook significant process enhancement initiatives through investment in modern technologies. The captive power plant meets the Company's entire power requirements. The combination of these factors allows it to be one of the lowest cost producers of PAN in the world.

LOCATION ADVANTAGE

The Company's plant is strategically located in Taloja (50 kms from Mumbai) and enjoys the advantage of being in close proximity to ports for exports, chemical belt in

western India where majority of downstream industries are located including procurement of Orthoxylene. This enables the Company to gain from significant logistics advantage (cost and time savings) in terms of sourcing raw materials and supplying to end-users.



Majority of domestic sales is within Western India



Majority of orthoxylene procurement is from Western India

50 Kms

Radius within which JNPT and Mumbai ports are located



Inventory lead time. Amongst, the lowest in the industry

EFFICIENT RECOVERY PROCESSES

The Company utilises steam generated in manufacturing process to generate power thereby reducing oil consumption resulting in cost savings. The by-products generated during the manufacturing is efficiently recovered from waste stream and is sold in the open market contributing to the topline growth.

CORPORATE SOCIAL RESPONSIBILITY





The major activities undertaken by the Company include:



EDUCATION

The Company undertook distribution of necessary school equipment, education materials and stationeries to school children. In Ghotgaon, Taloja (Maharashtra), the Company distributed LED TVs with set top box to a primary school.



HEALTHCARE

The Company donated funds for catering to the medical and healthcare needs of the community with primary focus on Blind Organisation and preventive health care services for the treatment of cancer patients.



COMMUNITY SERVICE

The Company's community development services include providing financial support to trust and old age homes located near its factory at Taloja (Maharashtra) that looks after the maintenance of the homeless aged people and upliftment of the needy sections of the public. The Company also focusses on enhancing its operations to reduce its carbon footprint and protecting environment.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri M M Dhanuka, Chairman
Shri Nikunj Dhanuka, Managing Director & CEO
Shri Rajesh Muni
Dr. A K A Rathi
Shri P H Ravikumar
Dr. Vaijayanti Pandit
Shri J K Saboo, Executive Director

CHIEF FINANCIAL OFFICER

R Chandrasekaran

COMPANY SECRETARY (w.e.f. 11-07-2015)

Sudhir R Singh

AUDITORS

M/s. Hariharan & Co.
Chartered Accountants
No. 133, 26th Cross
6th Block, Jayanagar
Bengaluru - 560 082

M/s ASA & Associates LLP
Chartered Accountants
68, Film Centre
J. Dadaji Road, Tardeo
Mumbai - 400 034

INTERNAL AUDITORS

M/s. Shyam Malpani & Associates
Chartered Accountants
307, Chartered House
297/299, Dr. Cawasji Hormusji Street
Near Marine Lines Church
Mumbai - 400 002

BANKERS

The Lakshmi Vilas Bank Ltd.
State Bank of India
YES Bank Ltd.
The Cosmos Co-operative Bank Ltd.
Andhra Bank
Federal Bank Ltd.
Central Bank of India

REGISTERED OFFICE

T-10, 3rd Floor, Jairam Complex, Mala, Neugi Nagar
Panaji, Goa - 403 001
Tel.: 0832 - 2434973

CORPORATE OFFICE

401-404, Raheja Centre, Free Press Journal Marg
214, Nariman Point, Mumbai - 400 021
Tel.: 022 - 30286100/132/133
Fax: 022 - 22040747
Email: igpetro@vsnl.com
CIN: L51496GA1988PLC000915

EXECUTIVE OFFICE

D/4, Jyothi Complex, 134/1, Infantry Road
Bengaluru - 560 001
Tel.: 080 - 22868372
Fax: 080 - 22868778

FACTORY

T-2, MIDC Industrial Area, Taloja - 410 208
Maharashtra
Tel.: 022 - 39289100/146
Fax: 022 - 27410192

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai - 400 072
Tel.: 022 - 40430200
Fax: 022 - 28475207
Email: info@bigshareonline.com

Notice

NOTICE is hereby given that the 27th Annual General Meeting of the members of **I G PETROCHEMICALS LIMITED** (CIN:L51496GA1988PLC000915) will be held on Wednesday, 31st August, 2016 at 3.00 p.m. at Hotel Mandovi, D B Bhandodkar Road, Panaji, Goa – 403 001, to transact the following business:

As Ordinary Business

1. To consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2016 and the Report of the Board of Directors and Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri M M Dhanuka (DIN 00193456) who retires by rotation and being eligible offers himself for re-appointment.

4. Ratification of appointment of Statutory Auditors

To consider ratification of appointment of Statutory Auditors and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (“the said Rules”), the Company hereby ratifies the appointment of M/s Hariharan & Co., Chartered Accountants (Firm Registration No. 001083S) and M/s ASA & Associates, Chartered Accountants (Firm Registration No. 009571N/N500006) as Statutory Auditors of the Company to hold office until the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2017 at such remuneration as may be agreed upon by the Board of Directors and the Auditors in addition to service tax and re-imbursment of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.”

As Special Business

5. Re-appointment of Shri Nikunj Dhanuka as Managing Director & CEO

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder (including any statutory modification from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the Act and subject to the approval of the Central Government, if required, and such other authorities as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Nikunj Dhanuka (DIN 00193499) as Managing Director and Chief Executive Officer of the Company for a period of 3 years with effect from 27-04-2016 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice and as contained in the agreement entered into and approved by the Board of Directors of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary such terms of appointment and remuneration subject to the recommendation of the Nomination and Remuneration Committee and within the limits specified in Schedule V to the Act and as may be agreed by Shri Nikunj Dhanuka.

RESOLVED FURTHER that any one Director or Company Secretary of the Company be and are hereby severally authorized to do all necessary acts, deeds and things, as may be necessary to give effect to the resolution.”

6. Ratification of Remuneration of Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies

Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 40,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2017 as approved by the Board of Directors of the Company, payable to M/s Krishna S & Associates, Cost Accountants, (Firm Registration No. 100939) to conduct the audit of the cost records of the Company be and is hereby ratified and confirmed.”

By Order of the Board
For I G Petrochemicals Limited

Place : Mumbai
Date : 27-06-2016

Sudhir R Singh
Company Secretary

Registered Office

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001.

Notes

1. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed hereto and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies in order to be effective must be received by the Company at its Registered Office not later than 48 hours before the commencement of the meeting. A person can act as a proxy for not more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
5. A statement giving the relevant details of the Directors seeking re-appointments under item nos. 3 and 5 of the accompanying Notice is annexed hereto. The Directors have furnished the requisite declarations for their re-appointments.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25th August, 2016 to Tuesday, 30th August, 2016 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved.
7. If dividend as recommended by the Board of Directors is approved at the meeting, payment will be made on or after 5th September, 2016 as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 24-08-2016;
 - b) To all Members holding shares in physical form, whose names stand on the Register of Members of the Company on 24-08-2016

8. Members holding shares in physical form are requested to immediately intimate change of address/bank mandate, if any, to the Company/Registrar & Share Transfer Agents (RTA).
9. During the year, there was no amount which was liable to be transferred to the Investor Education and Protection Fund (IEPF) in terms of Sections 205A and 205C of the Companies Act, 1956. A statement of unclaimed dividend declared at the last AGM held on 17-08-2015 is available on the Company's website www.igpetro.com. Members are requested to claim their dividend before they become due for transfer to IEPF.
10. Members desirous of making a nomination in respect of their shareholding in the Company may obtain the form from the Company/RTA. Members holding shares in electronic form may obtain Nomination form from their respective Depository Participant.
11. Electronic copy of the Annual Report is being sent to the members whose email ID's are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode and they are requested to register their e-mail address with the Company to facilitate the faster receipt of communication and avoid any possible loss in postal transit apart from benefits resulting out of reduction in paper consumption and contributing towards a greener environment. **A form for registration of your e-mail address is being sent. You are requested to kindly avail the facility.** Alternatively the Members can also download the e-mail registration form from the Company's website www.igpetro.com/investorinformation. Shareholders may note that even after registering their e-mail address, they shall always have a right to ask for a physical copy of the annual report. In case of any change in email ID, members are requested to notify such change to the Company/RTA (for shares held in physical form) or to their respective Depository Participants (for shares held in demat form)
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company/RTA for assistance in this regard.
13. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for the year 2015-16 will also be available on the Company's website www.igpetro.com for download.
15. A route map showing directions to reach the venue of the meeting is produced in the Annual Report.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal working days, up to and including the date of the Annual General Meeting of the Company.
17. The Company is providing the facility to the Members to cast their vote by electronic means i.e. through the e-voting services provided by CDSL on all resolutions set forth in this Notice and the Members may transact such vote on resolutions through such e-voting.
18. The facility for voting by ballot or polling paper shall also be made available to the Members at the meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to vote either through ballot or polling at the meeting. However, the Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but they shall not be able to cast their vote again at the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 28-08-2016 (10.00 a.m. IST) and ends on 30-08-2016 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 24-08-2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <I G Petrochemicals Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non-Individual Shareholders and Custodians
- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The voting rights shall be as per the number of shares held by the Members as on 24-08-2016, being the cut off date. Members are eligible to cast their vote electronically only if they are holding shares as on the cut off date.
- ii. Any person who becomes a member of the Company after dispatch of the notice of the meeting and holding shares as on the cut off date i.e. 24-08-2016 shall follow the process as mentioned at sr. no. (ii) to (v) above.
- iii. Shri Martinho Ferrao, Practicing Company Secretary (Membership No. 6221) has been appointed as the Scrutinizer to scrutinise the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 02-09-2016 a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his/her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.igpetro.com and on the website of CDSL www.evotingindia.com immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE & NSE where its shares are listed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5

Shri Nikunj Dhanuka was re-appointed as Managing Director of the Company for a period of 5 years with effect from 27-04-2011 by the members of the Company at an Annual General Meeting held on 24-09-2011 which term expired on 26-04-2016.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 11-02-2016 re-appointed Shri Nikunj Dhanuka as Managing Director and CEO for a period of 3 years with effect from 27-04-2016 on the remuneration, terms and conditions recommended by the Nomination and Remuneration Committee as set out herein.

Shri Nikunj Dhanuka is associated with the Company since 1998 and has played an instrumental role in the growth of the Company over the last several years. He possesses diverse experience and extensive knowledge on the functioning of Chemical Industries, Finance and Banking and is in charge of the overall affairs of the Company. Some of the achievements of the Company during his tenure are highlighted below:

- ✓ Equipped with one of the largest capacity at a single location.
- ✓ Ability to cater to local and international market.
- ✓ The largest producer of Phthalic Anhydride in India.
- ✓ Brownfield expansion of 53,000 MTPA with the setup of PA-3
- ✓ Total Licensed Capacity of 169,250 MTPA
- ✓ Crossed turnover of ₹ 1,000 crores for the first time in the history of the Company during the financial year 2013-14.
- ✓ Entered into a Joint Venture with M/s Dubai Natural Gas Co. Ltd. through its wholly owned subsidiary IGPL (FZE) to manufacture Maleic Anhydride in Dubai.

After taking into account the considerable increase in the duties and responsibilities shouldered by him and the prevailing managerial remuneration in the chemical industries and the recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the remuneration, terms and conditions of the re-appointment of Shri Nikunj Dhanuka as Managing Director and Chief Executive Officer for the approval of the members of the Company as set out below:

- a. **Remuneration** – ₹ 5,00,000/- per month with such increases as may be determined by the Board of Directors of the Company from time to time.
- b. **Personal Pay** – Equivalent to two months remuneration with such increases as may be determined by the Board of Directors of the Company from time to time.
- c. **Perquisites & Allowances** – In addition to the aforesaid remuneration and personal pay, he shall be entitled to the following perquisites which are classified into 3 categories:

Category A

- i. **Housing**
Shri Nikunj Dhanuka will be entitled to the House Rent Allowance of ₹ 50,000/- per month.
- ii. He shall be entitled to additional perquisite i.e. soft furnishing incurred at the place of his residence upto maximum of 10% of his salary i.e. ₹ 6,00,000/- p.a.
- iii. **Medical re-imburement**
Expenses incurred by him and his family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.

- iv. Leave Travel Concession
For self and family once in a year in accordance with the rules of the Company.
 - v. Leave
Earned leave with full pay and allowances as per the rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure as per the rules of the Company will be allowed.
 - vi. Club fees
Subject to a maximum of two clubs.
 - vii. Insurance
Cost of insurance in respect of mediclaim policy for self and family and personal accident insurance shall be borne by the Company.
 - viii. Other perquisites
Subject to the overall ceiling on remuneration, Shri Nikunj Dhanuka may be given any other allowances, benefits, perquisites and facilities as the Board of Directors of the Company (which term includes any Committee thereof) may from time to time decide.
- d. Tenure – For a period of 3 years w.e.f. 27-04-2016 and he shall be liable to retire by rotation.

Category B

Contribution to provident fund, superannuation fund or annuity fund as per rules of the Company. Gratuity payable shall not exceed half month's salary for each completed year of service.

Category C

Provision for use of car and telephone as per the rules of the Company.

Minimum Remuneration

Where, in any financial year during the currency of the tenure of Shri Nikunj Dhanuka, the Company has no profits or its profits are inadequate, the payment of remuneration, bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part I of Schedule V to the Companies Act, 2013 as amended from time to time.

The terms of re-appointment and remuneration are within the prescribed limits and hence the approval of the Central Government is not required.

The Directors recommends the Special Resolution for approval of the members.

Except for Shri Nikunj Dhanuka none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

Item No. 6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Accountant in Practice to conduct an audit of its cost records.

On recommendation of Audit Committee, the Board has considered and approved the appointment of M/s Krishna S & Associates, Cost Accountants, for conducting an audit of cost records of the Company's product i.e. Phthalic Anhydride at a remuneration of ₹ 40,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2017.

M/s Krishna S & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

The Ordinary Resolution is set out for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

By Order of the Board
For I G Petrochemicals Limited

Place : Mumbai
Date : 27-06-2016

Sudhir R Singh
Company Secretary

Registered Office

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENTS

(As required under SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Shri M M Dhanuka	Shri Nikunj Dhanuka
Director Identification Number (DIN)	00193456	00193499
Date of Birth	17-04-1948	26-05-1967
Date of Appointment on the Board	18-10-1988	01-07-1998
Qualifications	B.E (Chem)	B. Com.
Expertise	Over three decade of experience and expertise in technical, production and marketing.	Possesses diverse experience and extensive knowledge on the functioning of Chemical Industries, Finance and Banking.
Directorship held in listed companies	Mysore Petro Chemicals Ltd.	Mysore Petro Chemicals Ltd.
Chairmanships / Memberships of Committees in other listed companies	Nil	Mysore Petro Chemicals Ltd.: Audit Committee – Member Stakeholders Relationship Committee - Chairman
Shares held in the Company	1,04,904	Nil
Relationship between directors inter-se	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Scenario and Outlook

The year 2015-16 saw India as one of the fastest growing large economy in the world. The Indian economy grew in the range of 7% to 7.75%. While public investment and urban consumption were the major drivers of growth in FY2015-16, a revival of private investment and rural consumption is critical if growth is to remain strong in FY2017, given the likely sluggish recovery in the advanced economies and the anemic outlook for global trade.

The growth in FY2016 at 7.6% is marginally lower than that achieved in FY2015 as the expected decline in external demand offsets a pickup in domestic demand. This will put India firmly on its way to catapult into a global growth engine which is further expected to pick up a bit to 7.8% in FY2017, helped by the government's strengthening of public sector banks' capital and operations, private investment benefitting from corporate deleveraging, the financing of stalled projects and an uptick in bank credit.

The International Monetary Fund predicted that India would retain the status of fastest growing economy until 2020.

Overview

The Company is one of the world's leading Phthalic Anhydride (PA) manufacturers. It is strategically located in the western zone which is a major hub for PA downstream industries – majority of the country's PA demand comes through this region. The PA is primarily used in the manufacture of plasticizers, paints, unsaturated polyester resins, pigments, speciality chemicals, etc.

PA Industry-Opportunities, Concerns and Future Outlook

The PA industry in the country continues to be dominated by the Company, being the largest producer commanding more than half of the market share in terms of production out of the total installed capacity in India of approx. 3,00,000 MT. India is the fastest growing emerging nation in the world and an important market for PA as it finds applications across various downstream petrochemical industries. With the increasing significance of 'Make in India' and the thrust on infrastructure, the demand for PA is expected to grow between 5% - 6% in the coming years.

The anti-dumping duty levied by the Government on imports of PA has ensured that the domestic market is insulated and excessive supplies due to cheaper imports are being regulated. Industries such as Plasticizers,

Paints, etc. which are the end users of PA have shown signs of growth primarily due to the surge in the economy and infrastructural development.

However, imports originating from non-regular countries such as Turkey, Belarus, etc. do pose a challenge to the PA industry in the country.

The overall outlook is positive as the industry concern is being fairly addressed.

End-user industry

Phthalate plasticizers, Alkyd resins, Pigment, Unsaturated Polyester Resins (UPR) and Speciality chemicals constitutes the end user of PA.

Increasing demand for phthalate plasticizers due to rise in consumption of polyvinyl chloride coupled with growing demand for unsaturated polyester resins is expected to drive the market growth for PA. Applications in coating and paints industry are expected to serve as key market opportunity in the near future.

Phthalate plasticizer is the largest application segment of PA accounting with almost 60% of PA being used by the PVC industry. Pigment and UPR are the other significant end users of PA. Further UPR is also projected to register the highest growth rate between 2015 and 2020.

PA is the main raw material for the pigment industry namely Copper Phthalocyanine Blue and Phthalocyanine Green which are predominantly used in the manufacture of inks, plastics, rubber and textile pigments.

PA also finds its application in UPR which are used for manufacture of sheet moulding compounds, bulk moulding compounds, reinforced fibreglass plastics, etc. There has been a surge in the demand for pigment products and UPR which augurs well for the PA industry.

PA is also used in manufacturing a vast range of speciality chemicals used in various applications.

Quality

The Company has a state-of-the-art manufacturing unit, equipped with highly advanced machineries. In addition to this, the Company's plant has ISO 9001:2008 (quality) and ISO 14001:2004 (environment) certification

by Bureau Veritas. All these factors enables the Company to manufacture products maintaining international quality standards.

Risk Management

The Company is in the business of a single product Phthalic Anhydride manufactured out of Orthoxylene (OX) by oxidation route. The various risk associated with the business of the Company from time to time are broadly categorized as:

Operational/Price Risk

The operations of the Plant were uninterrupted throughout the year. The impact of the fluctuation in the crude oil prices was felt by the Company during the second half of the financial year. The Company benefitted from the high crude prices primarily during the first quarter of the year but the lower crude prices during the major part of the year implied that the prices of PA too falling sharply. However the Company was able to extract better margins due to its operational efficiency. The Company tends to get the benefit of the averaging by virtue of its procurement spanning over a period of time. The Company's assets are adequately insured against all perils.

Exchange Rate Risk

The majority of the requirement of the raw material i.e. Orthoxylene are being met from the domestic market which is at a contracted rate while substantial part of the finished goods i.e. PA is sold in the DTA market.

The exports of PA far outpace the import of raw material and as such the exchange rate fluctuation is always under check. Necessary safeguards by way of hedging/forward cover are undertaken wherever warranted.

Interest Rate Risk

The borrowings of the Company consist of External Commercial Borrowings (ECB), Rupee Term Loans (RTL) and Working Capital Loans (WCL) out of which the rate of interest for ECB is fixed and that for RTL, it has been reduced. The interest rate for WCL is being reviewed from time to time in terms of the conditions of the loans. The Company has been regularly servicing its debts and the same are being reviewed at periodic intervals.

Economic and Geo-political Risk

The economic policies of the Country viz. import duty, taxes etc. and the international situation do have an impact on the

overall corporate growth. During the year, the Government had imposed an anti-dumping duty on imports of PA from Japan and Russia apart from those notified in the past.

The Company continues to keep itself abreast with the domestic and international economic developments to devise its strategy going forward.

Environment risk

PA being toxic in nature faces stringent regulations from the government. Handling, transportation, storage and manufacturing of raw materials and finished products is a major challenge. The Company is in the business of PA manufacturing for over two decades and have adopted world's best environment protection standards to ensure that its plant and product meets all the applicable regulations laid down by the government.

Internal Control Systems and their Adequacy

The Company has adequate internal control systems commensurate with its size and the industry. The processes and systems are well-defined and well-documented in the form of Standard Operating Processes. The Company strictly complies with all rules, laws, and statutes of the land. The business transactions are properly recorded and are in total compliance and conformity with accounting principle and processes. The Company also regularly monitors all expenses and ensures these are strictly within the allocated budgetary limits. The strict Code of Conduct lays down clear guidelines to be followed by employees of the Company and business associates in their day to day activities. There are regular internal audits conducted through an internal audit programme that check and correct any discrepancy or non-adherence or non-compliance with set and defined norms. The senior management executives of the Company supervises the internal audit programme.

Material Developments in HR

The Company believes that through its strong set of values and cohesive work-culture, the employees will be able to achieve their potential not only on the professional level, but also in their personal lives. The plant of the Company has all safety features to ensure its workers can work in a safe and secure environment. Health of its employees is paramount to the Company. The Company regularly organises workshops and trainings at all levels to ensure that its employees have the best-in-class skills and that these are always upgraded.

Cautionary Statement

This report contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company’s future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These

factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Directors' Report

To the Members

Your Directors hereby present the Twenty Seventh Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2016:

1. FINANCIAL RESULTS

	₹ in Lacs	
	2015-16	2014-15
Revenue from Operations (Net)	95,283.83	118,664.97
Other Income	356.74	666.56
Total Revenue	95,640.57	119,331.53
Gross Profit	11,692.54	8,692.85
Finance Cost	2,267.18	3,816.53
Depreciation and Amortization expenses	1,753.72	1,639.36
Profit/(Loss) before extraordinary item & tax	7,671.64	3,236.96
Extraordinary item – Depreciation relating to earlier years	–	2,111.10
Profit before tax	7,671.64	1,125.86
Current Tax Net (MAT)	1,635.18	236.19
Profit for the year	6,036.46	889.67
Balance brought forward from previous year	17,910.04	18,007.70
Profit available for appropriations	23,946.50	18,897.37
Appropriations		
Equity Dividend @ 20% (previous year @ 10%)	615.90	307.95
Tax on Equity Dividend	125.38	62.69
General Reserve	500.00	500.00
Depreciation in respect of Assets whose useful life is over	–	116.69
Surplus carried to the next year's account	22,705.22	17,910.04

2. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2/- per equity share of ₹ 10/- each. The total outgo for the current year amounts to ₹ 741.28 lacs (₹ 370.64 lacs) including dividend distribution tax of ₹ 125.38 lacs.

3. OPERATIONAL REVIEW

The year began with the robust growth in the bottom line of the Company by posting a best ever performance on the back of the rising crude prices and long term demand on track in the first half of the fiscal. The Company continued to excel in its performance all throughout the year and resultantly ended the year with a record 578% rise in the profits of the Company from ₹ 889.67 lacs in the previous year to ₹ 6,036.46 lacs during the current year. The ability of the Company in effectively managing its finance facilities during the year led to the overall reduction in the finance cost by ₹ 1,548.71 lacs or 41% from ₹ 3,816.56 lacs to ₹ 2,267.18 lacs.

The commissioning of PA-3 during the last year started to yield results and coupled with other factors such as better

management of input cost, production, efficiency, favourable demand and supply, better realization, high capacity utilization, etc. were some of the prime drivers for the stupendous improvement in the margins.

The total revenue of the Company fell by 19.85% from ₹ 119,331.53 lacs to ₹ 95,640.57 lacs mainly on account of the sharp fall in the global crude oil prices which directly impacted the realization of PA. The Company continues to focus on the overall improvement in its production efficiency and services for the benefit of the end users of its products.

Detailed information on the operations of the Company is contained in the Management Discussion and Analysis which form part of the Annual Report.

4. SHARE CAPITAL & FINANCE

4.1 Share Capital

The Paid-up Equity Share Capital of the Company as on 31st March, 2016 is ₹ 3,079.81 lacs. During the year under review the Company has neither issued any shares nor granted stock options or sweat equity. The shareholdings of the Promoters and Persons Acting in concert with Promoters remained unchanged at 72.22%.

4.2 Finance

The judicious mix of debt and equity has enabled the Company to tread its growth trajectory with controlled aggression. The debt: equity ratio of the Company stood at 0.32 which signifies a predominantly less reliance on debt.

The working capital facilities increased marginally from ₹ 35,300 lacs to ₹ 38,000 lacs whereas the outstanding term loan was ₹ 2,961.97 lacs and the External Commercial Borrowings as at year end were ₹ 5,529.61 lacs. During the year, the Company made a part pre-payment of the term loan amounting to ₹ 325.11 lacs.

The Company continues to service its debts regularly.

4.3 Credit Rating

During the year, the Credit Ratings of the Company were upgraded by India Ratings & Research. The long term and short term borrowings of the Company now stand upgraded to "IND A-" and "IND A1" respectively.

4.4 Deposits

During the year, the Company has not accepted or invited any deposits from the Public.

4.5 Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

5. CONTRIBUTION TO THE EXCHEQUER

The Company has contributed ₹ 13,826.14 lacs to the Central and State exchequer by way of Excise Duty, Central Sales Tax, MVAT, VAT, Income Tax, Wealth Tax, Professional Tax and Customs Duty.

6. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

During the year, the Company has formed a wholly owned subsidiary (WOS) namely IGPL (FZE) with Sharjah Airport International Free Zone Authority, UAE by investment of AED 150,000 in the equity capital of WOS to explore the opportunities to manufacture Maleic Anhydride (MA) through Joint Venture.

The WOS entered into a Joint Venture (JV) with M/s Dubai Natural Gas Co. Ltd., (DUGAS) a limited liability company

incorporated under the laws of UAE. DUGAS is a wholly owned subsidiary of the Emirates National Oil Company (ENOC) Group which is wholly owned by the Government of Dubai and has established presence for over 30 years in the oil, gas and petrochemicals industry in the Gulf and Middle East. The JV is called ENOC-IG Petrochemicals LLC and shall engage in the business of production of MA at an annual capacity of 45,000 MT. The commercial operation is yet to commence.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited accounts of Subsidiary is placed on the website of the Company and not enclosed in the Annual Report. A copy of the audited accounts shall be made available to the member upon request.

7. CONSOLIDATED FINANCIAL STATEMENTS

As required pursuant to the provisions of Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company are prepared in accordance with the Accounting Standards AS21 issued by the Institute of Chartered Accountants of India on the basis of the audited financial statements of the Company and its subsidiary.

A statement containing salient features of the financial statements of the subsidiary in Form AOC-1 is attached to this Annual Report.

8. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

During the year, the Company spent ₹ 26.87 lacs which were marginally higher than the statutory requirement.

The Corporate Social Responsibility (CSR) policy of the Company aims to channelize its resources towards providing equitable relief to the needy section of the public and the deprived ones. The CSR initiatives are still in its primitive stages of its enforcement. The well being of the companies would co-relate and have direct impact on the implementation of various CSR initiatives. During the year, the CSR Committee of the Company directed its spending on the sectors primarily in healthcare and education which is in accordance with its CSR Policy.

The Report on CSR activities is annexed herewith as Annexure 'A'.

9. INTERNAL FINANCIAL CONTROLS

The Company has an established 'Internal Financial Control' which commensurate with its size and operations and the same was operating effectively. The Audit Committee reviews the effectiveness of the Internal Financial Controls. The Internal Financial Controls aims to ensure that proper and sufficient care is being taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 2013, safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

10. VIGIL MECHANISM POLICY

The Vigil Mechanism Policy established by the Board provides a channel for reporting the genuine concerns about the actual or suspected unethical behavior, fraud, etc. The Audit Committee reviews the functioning of the vigil mechanism and there was no complaint received. The details of the Vigil Mechanism has been elaborated in the Corporate Governance Report and posted on the Company's website www.igpetro.com

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

Shri Nikunj Dhanuka was re-appointed as Managing Director of the Company for a period of 5 years with effect from 27-04-2011 by the members of the Company at the Annual General Meeting held on 24-09-2011. His term expired on 26-04-2016.

On the recommendation of the Nomination & Remuneration Committee and in accordance with the provision of the Companies Act, 2013 read with the Rules framed thereunder, the Board of Directors re-appointed him as Managing Director & CEO for a further period of 3 years w.e.f. 27-04-2016 subject to the approval of the shareholders. The terms, conditions and remuneration is stated in the Notice. It is proposed to re-appoint Shri Nikunj Dhanuka as Managing

Director & CEO of your Company for a period of 3 years i.e. upto 26-04-2019.

The Company has received necessary declarations from all Independent Directors of the Company as required under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Shri M M Dhanuka retires by rotation and being eligible has offered himself for re-appointment.

11.1 Board Evaluation

As mandated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual performance evaluation of the Directors individually vis-à-vis the Board and its committees have been carried out during the year. The manner of such evaluation has been disclosed in the Corporate Governance Report.

11.2 Key Managerial Personnel

During the year, Shri R Chandrasekaran stepped down as Company Secretary and he was re-designated as Chief Financial Officer of the Company. Shri Sudhir R Singh was appointed as Company Secretary of the Company w.e.f. 11-07-2015.

11.3 Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

11.4 Meetings

During the year, six meetings of the Board of Directors and four meetings of the Audit Committee were held as more particularly disclosed in the attached Corporate Governance Report. The intervening gap between any two meetings was within the prescribed period.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanation obtained by us, in terms of Section 134(3)(c) of the Companies Act, 2013, we state:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2016, all the applicable accounting standards have been followed and no material departures have been made from the same;
- b. that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are 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 ended 31st March, 2016 and of the profit of the Company for that year;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. RELATED PARTY TRANSACTIONS

The Company has an existing long term contract with a related party as defined under the provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is on an arm's length basis and in the ordinary course of business. During the year, related parties were appointed to an office in the Company. The disclosures as required pursuant to Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is attached to this report as an Annexure 'B'.

During the year, there were no material related party transactions i.e. those exceeding 10% of the annual consolidated turnover of the company as per the last audited financial statements.

The Related Party Transaction Policy is hosted onto the website of the Company.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

In September 2015, the matter relating to the Catalyst came up before the Supreme Court for hearing and was adjudicated in the Company's favour thus absolving the Company of the contingent liabilities amounting to ₹ 75.30 crores relating to excise and customs duties pending before the Supreme Court, disputes in appeals and show cause notices received from the concerned departments.

Thus along with the case pertaining to Domestic Tariff Area (DTA) sales which too was pronounced by the Supreme Court in the Company's favour in April 2015, the total contingent liabilities to the extent of ₹ 204.05 crores was extinguished.

15. AUDITORS

15.1 Statutory Auditors

M/s Hariharan & Company, Chartered Accountants (Firm's Registration No. 001083S) was re-appointed as Statutory Auditors of the Company at the last Annual General Meeting (AGM) to hold office until the conclusion of the 28th AGM of the Company to be held in the year 2017. M/s ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) was appointed as Joint Statutory Auditors of the Company at the last AGM to hold office until the conclusion of the 31st AGM of the Company to be held in the year 2020. The said appointments were subject to the ratification by the Members at every AGM till the expiry of their present tenure. The Auditors have provided a written confirmation to the effect that their appointment, if ratified, would be in conformity with the limits specified in Section 141(3)(g). The Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Members are requested to ratify the appointment of the Statutory Auditors as aforesaid and fix their remuneration. The Auditors' Report does not contain any qualification, reservation or adverse remark.

15.2 Cost Auditors

M/s Krishna S & Associates, Cost Accountants (Firm Registration No. 100939), was appointed as Cost Auditor to audit the cost records of the Company for the financial year 2015-16. The Cost Auditor submitted their report for the financial year 2014-15 in Form CRA-4 and the same was filed with the Registrar of Companies within the prescribed time.

The Audit Committee at their meeting held on 23-05-2016 recommended the appointment of M/s Krishna S & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2016-17 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Krishna S & Associates, Cost auditors is included at item no. 6 of the Notice convening the Annual General Meeting.

15.3 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Makarand M Joshi & Associates, Practicing Company Secretaries (Membership No. 5533) to conduct the Secretarial Audit for financial year 2015-16 and their Report on the Secretarial Audit is annexed herewith as Annexure 'C'.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

16. LISTING OF SHARES

Your Company's shares are listed at BSE under Scrip Code No. 500199 and NSE under the symbol "IGPL". The ISIN code is INE 204A01010.

17. ISO CERTIFICATION

Your Company is certified under ISO 9001:(2008) for quality management systems and ISO 14001 : (2004) for environment management systems by Beaureu Veritas as per their prescribed standards.

18. MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis forms part of the Annual Report

19. CORPORATE GOVERNANCE

The disclosures as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached with and forms part of this report.

20. PREVENTION OF SEXUAL HARASSMENT

The Company has adopted a policy on prevention and redressal of sexual harassment at work place in accordance with the provisions of Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received during the year.

21. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 'D'.

22. EXTRACT OF ANNUAL RETURN

An extract of the Annual return in Form MGT-9 is annexed herewith as Annexure 'E' to the Directors' Report.

23. PARTICULARS OF EMPLOYEES

During the year, there are no employees who are in receipt of the remuneration exceeding the limit specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information relating to remuneration in respect of directors/employees of the Company as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided to the members upon request.

24. ACKNOWLEDGEMENTS

Your Directors convey their sincere appreciation to the business partners for their unstinted support and contribution and thank the customers, members, dealers, employees, bankers and all stakeholders for their co-operation and confidence reposed in the Company.

For and on behalf of the Board

Place : Mumbai
Date : 23-05-2016

M M Dhanuka
Chairman

ANNEXURE 'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	CSR Policy of the Company is available on: www.igpetro.com
2.	Composition of the CSR Committee	Shri Rajesh Muni (Independent Director) Shri M M Dhanuka (Non-executive Director) Shri P H Ravikumar (Independent Director) Dr. Vijayanti Pandit (Independent Director) Shri J K Saboo (Executive Director)
3.	Average net profit of the Company for last three financial years	₹ 1,339.10 lacs.
4.	Prescribed CSR expenditure (two per cent of the amount as in item 3 above)	The Company was required to spend ₹ 26.78 lacs towards CSR.
5.	Details of CSR spend for the financial year 2015-16	a. Total amount spent for the financial year: ₹ 26.87 lacs. b. Amount unspent, if any: Nil

Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or program 1. Local area or other 2. Specify the State and district where projects or Programs was undertaken	Amount outlay (Budget) Project or Programs-wise	Amount spent on the Project or Programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Earthquake relief	Disaster relief	Nepal	-	4,900/-	4,900/-	Donation to Nepal Earthquake Relief Fund
2.	Aid to differently able person	Healthcare	Taloja/ Maharashtra	10,000/-	10,000/-	10,000/-	Donation to Blind Organisation of India
3.	Old age homes	Community Organisation	Taloja/ Maharashtra	4,00,000/-	3,60,000/-	3,60,000/-	Donation to Param Shantidham Vridhashram

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or program 1. Local area or other 2. Specify the State and district where projects or Programs was undertaken	Amount outlay (Budget) Project or Programs-wise	Amount spent on the Project or Programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4.	School – Distribution of LED TV's and Set Top Box	Education	Taloja/ Maharashtra	1,00,000/-	64,526/-	64,526/-	Direct
5.	Water Filter	Healthcare	Taloja/ Maharashtra	-	6,058/-	6,058/-	Direct
6.	Promoting education	Education	Taloja/ Maharashtra	1,00,000/-	57,456/-	57,456/-	Donation to Shree Sadguru Vamanbaba Madhyamik Vidyalaya
7.	Preventive health care	Healthcare	Mumbai/ Maharashtra	-	21,000/-	21,000/-	Donation to Parkinson's Disease and Movement Disorder Society
8.	Preventive health care	Healthcare	Mumbai/ Maharashtra	-	1,00,000/-	1,00,000/-	Donation to Nargis Dutt Memorial Charitable Trust
9.	School	Education	Vrindaban	10,00,000/-	11,00,000/-	11,00,000/-	Direct - Parmeshwari Devi Dhanuka Saraswati Vidya Mandir
10.	Trust	Community Organisation	Mumbai / Maharashtra	10,00,000/-	9,00,000/-	9,00,000/-	Donation to Smt. Parmeshwari Devi Jan Kalyan Trust
11.	Sanitation	Community Organisation	Thane / Maharashtra	50,000/-	63,000/-	63,000/-	Direct- Pragati Pratishtan
TOTAL				26,60,000/-	26,86,940/-	26,86,940/-	

6. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

Nikunj Dhanuka
Managing Director & CEO

Sd/-

Rajesh Muni
Chairman – CSR Committee

CSR POLICY

Our CSR activities shall aim to bring a difference in the lives of the needy, under privileged persons of the society including children, women and senior citizens.

Areas to be covered under CSR

- a) To identify core areas where social activities are required to be done i.e. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
 - b) Promoting education, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
 - c) Rural development projects.
 - d) Overall developmental activities in areas surrounding our manufacturing sites for the benefit of the society.
 - e) Any other projects which may be recommended and taken from time to time.
- In order to achieve the aforesaid objectives we shall collaborate with like-minded bodies like Governments, voluntary organizations and academic institutions in pursuit of our goals.

ANNEXURE 'B' Form AOC-2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Details	
a.	Name of the related party and nature of relationship	Shri Umang Dhanuka – Brother of Shri Nikunj Dhanuka, Managing Director	Shri Mayank Dhanuka- Son of Shri M M Dhanuka, Chairman
b.	Nature of contracts/arrangements/ transactions	Employment	Employment
c.	Duration of the contracts/arrangements/ transactions	Permanent	Permanent
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Re-designation and revision of remuneration w.e.f. 01-07-2015: Remuneration – ₹ 3 lacs per month Personal Pay – Equivalent to 2 months remuneration in a year Perquisites – Furnished accommodation not exceeding ₹ 25,000/- per month, medical reimbursement not exceeding 1 month's remuneration, leave travel concession, club fees, etc. Gratuity, contribution to provident fund, superannuation fund or annuity fund shall be as per the rules of the Company	Re-designation and revision of remuneration w.e.f. 01-07-2015: Remuneration – ₹ 3 lacs per month Personal Pay – Equivalent to 2 months remuneration in a year Perquisites – Furnished accommodation not exceeding ₹ 25,000/- per month, medical reimbursement not exceeding 1 month's remuneration, leave travel concession, club fees, etc. Gratuity, contribution to provident fund, superannuation fund or annuity fund shall be as per the rules of the Company
e.	Justification for entering into such contracts or arrangements or transactions	Professional services	Professional services
f.	Date of approval by the Board	10-07-2015	10-07-2015
g.	Amount paid as advances, if any	NIL	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	17-08-2015	17-08-2015

For and on behalf of the Board

Place : Mumbai
Date : 23-05-2016

M M Dhanuka
Chairman

ANNEXURE 'C'

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

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

The Members
I G Petrochemicals Limited
T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji – 403001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **I G PETROCHEMICALS LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 External Commercial Borrowing and Overseas Direct Investments (Foreign Direct Investment are not Applicable during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28-10-2014 and its amendments notified on 18-09-2015 (Not Applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period);
- i) The Securities and Exchange Board of India (Listing and Obligation Disclosure Requirements) Regulations, 2015 (w.e.f. 01-12-2015)

We 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 stock exchanges (till 30-11-2015)

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

We further report that, having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

- The Petroleum Act, 1934
- The Petroleum Rules, 2002 and
- The Chemicals Weapons Convention Act, 2000

We 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 in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Makarand M. Joshi & Co
Company Secretaries

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai
Date: 23-05-2016

ANNEXURE 'D'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of

The Companies (Accounts) Rules, 2014]

For Power & Fuel consumption per unit (MT) of Product, Technology Absorption & Foreign Earnings & Outgo

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased (Units)	78,800	147,720
Total Amount (₹)	1,351,989	1,737,994
Rate / Unit (₹)	17.16	11.77
b. Own Generation		
i. Through Diesel Generator	209,880	537,250
Units per Ltr. of Diesel Oil	4.28	3.46
Cost / Unit (₹)	12.50	18.78
ii. Through Steam Turbine Generator (Units)	38,952,323 —	37,416,640 —
Units per Ltr. of Fuel/Oil/Gas	—	—
2. Coal is not used in Manufacturing Process	—	—
3. Furnace Oil quantity (MT)	3,099	3,146
Total Amount (₹)	66,003,138	116,183,855
Average Rate / MT (₹)	21,301	36,936
4. Other/Internal Generation	—	—
B. CONSUMPTION PER UNIT (MT) OF PRODUCT		
Phthalic Anhydride	Standard	
Electricity - Units	Not Specified	239
Furnace Oil - Litres	Not Specified	19
C. TECHNOLOGY ABSORPTION		
Research & Development (R&D)		
(i) Specific area in which R&D carried out by the Company	The Company is conducting its R&D activities for developing the process of Phthalic Anhydride downstream value added products.	
(ii) Benefits derived as a result of above R&D.	Better quality and increased productivity.	
(iii) Future plan of action.	All the efforts are being continued in the direction of product / process development as mentioned above	
(iv) Expenditure incurred on R&D	The company has incurred expenditure to an extent of ₹ 39.49 lacs.	
	Total R&D expenses as a % of turnover : 0.03%	
(₹ in Lacs)		
D. Foreign Exchange Earnings & Outgo		
Total Foreign Exchange Earnings	19,036.18	24,034.89
Total Foreign Exchange Outgo	9,421.79	15,509.73

ANNEXURE 'E'

**EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2016**

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

FORM NO. MGT-9

I. Registration and other details

CIN	L51496GA1988PLC000915
Registration date	18-10-1988
Name of the Company	I G Petrochemicals Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and Contact details	T-10, 3 rd Floor, Jairam Complex Mala, Neugi Nagar Panaji, Goa-403 001. Tel. : 0832-2434973 E-mail : igpetro@vsnl.com
Whether listed company	Yes
Name, address and contact details of Registrar and Share Transfer Agents, if any	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (East), Mumbai-400 072. Tel. 022 40430200; Fax-022 28475207 Email: info@bigshareonline.com

II. Principal Business Activity of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services	NIC Code of the Product/Service	% of total turnover of the Company
Phthalic Anhydride	24119	100%

III. Particulars of Holding Subsidiary / Associate Companies

Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
IGPL (FZE) Executive Desk Q1-04-107/C, P.O. Box 513190 Sharjah, UAE	N.A.	Subsidiary	100%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March, 2015]				No. of Shares held at the end of the year [As on 31 st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	546012	0	546012	1.77	260010	0	260010	0.84	-0.93
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	21693915	0	21693915	70.45	21979917		21979917	71.38	0.93
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	22239927	0	22239927	72.22	22239927	0	22239927	72.22	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	9500	9500	0.03	0	9500	9500	0.03	0
b) Banks / FI	200	5200	5400	0.02	14873	5200	20073	0.07	0.05
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	3100	3100	0.01	0	3100	3100	0.01	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	200	17800	18000	0.06	14873	17800	32673	0.11	0.05
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	746443	58150	804593	2.61	560743	56450	617193	2.00	-0.61
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3787381	1910153	5697534	18.50	3899275	1849053	5748328	18.66	0.16
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1541528	0	1541528	5.01	1670942	0	1670942	5.43	0.42
c) Others (specify)									
i) Directors and their relatives	7800	0	7800	0.03	7800	0	7800	0.03	0
ii) Non-Resident Indians	134933	330800	465733	1.51	131371	325300	456671	1.48	-0.03
iii) Clearing Members	19735	0	19735	0.06	21216	100	21316	0.07	0.01
Sub-total (B)(2)	6237820	2299103	8536923	27.72	6291347	2230903	8522250	27.67	-0.05
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6238020	2316903	8554923	27.78	6306220	2248703	8554923	27.78	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	28477947	2316903	30794850	100.00	28546147	2248703	30794850	100.0	0

B. 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	Madan Mohan Dhanuka	104904	0.34	0.00	104904	0.34	0.00	0.00
2	Nikunj Dhanuka	19000	0.06	0.00	0	0	0.00	-0.06
3	Amishi Dhanuka	1000	0.00	0.00	1000	0.00	0.00	0.00
4	Bina Devi Dhanuka	22073	0.07	0.00	22073	0.07	0.00	0.00
5	Mayank Dhanuka	136288	0.44	0.00	0	0	0.00	-0.44
6	Neha Dhanuka	128235	0.42	0.00	128235	0.42	0.00	0.00
7	Rajkumari Dhanuka	25900	0.08	0.00	0	0	0.00	-0.08
8	Umang Dhanuka	108612	0.35	0.00	3798	0.01	0.00	-0.34
9	Bihariji Constructions (I) Ltd	550200	1.79	0.00	550200	1.79	0.00	0.00
10	Bihariji Projects Ltd	954850	3.10	0.00	954850	3.10	0.00	0.00
11	Brahmaputra Enterprises Ltd.	1833528	5.95	0.00	1833528	5.95	0.00	0.00
12	Ellenbarrie Steel & Allied Ind. Ltd	471667	1.54	0.00	471667	1.54	0.00	0.00
13	Gembel Trade Enterprises Ltd	2431489	7.90	0.00	2717491	8.82	0.00	0.92
14	Kalimpong Produce Co. Ltd	1200	0.00	0.00	1200	0.00	0.00	0.00
15	Kamakhya Enterprises Ltd.	422105	1.38	0.00	422105	1.38	0.00	0.00
16	Kamrup Enterprises Ltd.	1894884	6.15	0.00	1894884	6.15	0.00	0.00
17	Mysore Petro Chemicals Ltd.	4075000	13.23	0.00	4075000	13.23	0.00	0.00
18	Savita Investments Co. Ltd.	1933414	6.28	0.00	1933414	6.28	0.00	0.00
19	Shekhavati Investment Corp. Ltd.	4122210	13.39	0.00	4122210	13.39	0.00	0.00
20	Shogun Vinimay (P) Ltd.	369074	1.20	0.00	369074	1.20	0.00	0.00
21	Vincent (India) Ltd.	2634294	8.55	0.00	2634294	8.55	0.00	0.00
Total		22239927	72.22	0.00	22239927	72.22	0.00	0.00

C. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There has been no change in the Promoters' shareholding except for inter-se transfer of shares amongst Promoters.			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year				

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anil Kumar Goel	270000	0.88	-	-
	29-05-2015	6082	0.02	276082	0.90
	05-06-2015	23918	0.07	300000	0.97
	12-06-2015	31626	0.11	331626	1.08
	19-06-2015	12374	0.04	344000	1.12
	26-06-2015	108024	0.35	452024	1.47
	30-06-2015	23176	0.07	475200	1.54
	03-07-2015	9800	0.03	485000	1.57
	17-07-2015	65000	0.22	550000	1.79
	31-03-2016	-	-	550000	1.79
2	KLJ Plasticizers Ltd.	270052	0.88	-	-
	22-05-2015	-55000	-0.18	215052	0.70
	29-05-2015	-26000	-0.09	189052	0.61
	26-06-2015	-42692	-0.13	146360	0.48
	03-07-2015	-26970	-0.09	119390	0.39
	10-07-2015	-28072	-0.09	91318	0.30
	17-07-2015	-25000	-0.08	66318	0.22
	24-07-2015	-25000	-0.09	41318	0.13
	31-07-2015	-30000	-0.09	11318	0.04
	26-02-2016	36726	0.12	48044	0.16
	04-03-2016	23214	0.07	71258	0.23
	11-03-2016	10275	0.03	81533	0.26
	18-03-2016	36427	0.12	117960	0.38
	31-03-2016	5437	0.02	123397	0.40
3	Seema Goel	100000	0.32	-	-
	17-07-2015	55000	0.18	155000	0.50
	31-03-2016	-	-	155000	0.50
4	Ajay Upadhyaya	67440	0.22	-	-
	05-06-2015	1560	0.00	69000	0.22
	26-06-2015	6000	0.02	75000	0.24
	28-08-2015	2500	0.01	77500	0.25
	31-03-2016	-	-	77500	0.25
5	Kumarasun M Nadar	-	-	-	-
	17-07-2015	4141	0.01	4141	0.01
	31-07-2015	16877	0.06	21018	0.07
	07-08-2015	44532	0.14	65550	0.21
	22-09-2015	4073	0.02	69623	0.23
	09-10-2015	436	0.00	70059	0.23
	08-01-2016	643	0.00	70702	0.23
	15-01-2016	125	0.00	70827	0.23
	22-01-2016	2026	0.01	72853	0.24
	18-03-2016	4180	0.01	77033	0.25
	25-03-2016	37	0	77070	0.25
31-03-2016	-	-	77070	0.25	
6	Poonam Gupta	66300	0.22	66300	0.22
7	Shirin Watwani	60000	0.19	-	-
	10-07-2015	-1500	0.00	58500	0.19
	17-07-2015	-900	0.00	57600	0.19
	14-08-2015	-5100	-0.02	52500	0.17
	21-08-2015	-7500	-0.02	45000	0.15
	28-08-2015	1500	0.00	46500	0.15
	11-09-2015	-1500	0.00	45000	0.15
	12-02-2016	-3000	-0.01	42000	.014
	31-03-2016	-	-	42000	0.14

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	P F Dadabhoy	60000	0.19	-	-
	10-07-2015	-1500	0.00	58500	0.19
	17-07-2015	-900	0.00	57600	0.19
	14-08-2015	-6600	-0.02	51000	0.17
	21-08-2015	-6000	-0.02	45000	0.15
	12-02-2016	-3000	0.01	42000	0.14
	31-03-2016	-	-	42000	0.14
9	R F Dadabhoy	60000	0.19	-	-
	10-07-2015	-1500	0.00	58500	0.19
	17-07-2015	-900	0.00	57600	0.19
	14-08-2015	-5100	-0.02	52500	0.17
	21-08-2015	-6000	-0.02	46500	0.15
	11-09-2015	-1500	0.00	45000	0.15
	05-02-2016	-1500	-0.01	43500	0.14
	12-02-2016	-3000	-0.01	40500	0.13
31-03-2016	-	-	40500	0.13	
10	N F Dadabhoy	60000	0.19	-	-
	10-07-2015	-1500	0.00	58500	0.19
	17-07-2015	-900	0.00	57600	0.19
	14-08-2015	-5494	-0.02	52106	0.17
	21-08-2015	-6000	-0.02	46106	0.15
	11-09-2015	-1106	0.00	45000	0.15
	05-02-2016	-900	-0.01	44100	0.14
	12-02-2016	-3600	-0.01	40500	0.13
	31-03-2016	-	-	40500	0.13
11	F L Dadabhoy	60000	0.19	-	-
	10-07-2015	-1500	0.00	58500	0.19
	17-07-2015	-900	0.00	57600	0.19
	14-08-2015	-6600	-0.02	51000	0.17
	21-08-2015	-6000	-0.02	45000	0.15
	05-02-2016	-900	-0.01	44100	0.14
	12-02-2016	-2578	-0.01	41522	0.13
	31-03-2016	-	-	41522	0.13
12	Snehal Bhupendra Shah	50000	0.16	-	-
	11-12-2015	10000	0.03	60000	0.19
	31-03-2016	-	-	60000	0.19

E)

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M M Dhanuka	104904	0.34	104904	0.34
2	Nukunj Dhanuka	19000	0.06	0	0.00
3	Rajesh Muni	5500	0.02	5500	0.02
4	P H Ravikumar	1000	0.00	1000	0.00
5	Dr. A K A Rathi	100	0.00	100	0.00
6	J K Saboo	1200	0.00	1200	0.00
7	Dr. Vaijayanti Pandit	0	0.00	0	0.00
8	R Chandrasekaran	3616	0.01	8	0.00
9	Sudhir R Singh	0	0.00	5	0.00

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,752.31	2,536.05	-	15,288.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.64	289.86	-	298.50
Total (i+ii+iii)	12,760.95	2,825.91	-	15,586.86
Change in Indebtedness during the financial year				
Addition	-	229.54	-	229.54
Reduction	4,121.01	-	-	4,121.01
Net Change	-4,121.01	229.54	-	3,891.47
Indebtedness at the end of the financial year				
i) Principal Amount	8,631.26	2,976.05	-	11,607.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.68	79.40	-	88.08
Total (i+ii+iii)	8,639.94	3,055.45	-	11,695.39

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nikunj Dhanuka (MD & CEO)	J K Saboo (ED)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	36.00	30.00	66.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	21.22	19.90	41.12
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total (A)	57.22	49.90	107.12
	Ceiling as per the Act			767.16

B. Remuneration to other directors

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rajesh Muni	Dr. A K A Rathi	P H Ravikumar	Dr. Vaijayanti Pandit	
1	Independent Directors					
	Fee for attending Board/Committee meetings	3.20	3.80	4.10	2.20	13.30
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	3.20	3.80	4.10	2.20	13.30
2	Other Non-Executive Directors				M M Dhanuka	
	Fee for attending Board/Committee meetings					4.20
	Commission					-
	Others, please specify					-
	Total (2)					4.20
	Total (B)=(1+2)					17.50
	Total Managerial Remuneration (A+B)					124.62
	Overall Ceiling as per the Act					843.88

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		R Chandrasekaran Chief Financial Officer	Sudhir R. Singh Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.03	12.98	28.01
	(b) Value of perquisites u/s 17(2) Income Tax of the Act, 1961	7.30	4.20	11.50
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	22.33	17.18	39.51

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.

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

Name of the subsidiary	Reporting period	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Profit/ (Loss) after taxation	Proposed dividend	% of shareholding
IGPL (FZE)	31-03-2016	AED	18.0169	150000	-99138	489448	489448	0	22266	-99138	-99138	—	100

For and on behalf of the Board of Directors

M M Dhanuka
Chairman

Nikunj Dhanuka
Managing Director & CEO

Rajesh Muni
Director

P H Ravikumar
Director

Dr. A K A Rathi
Director

Dr. Vajayanti Pandit
Director

Place : Mumbai

Date : 23-05-2016

J K Saboo
Executive Director

R Chandrasekaran
Chief Financial Officer

Sudhir R Singh
Company Secretary

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Code of Governance reflects its vision and mission which is to be a global leader for delivering superior quality products and which can be achieved by aligning its actions through continuous engagement of the executive management and employees. The Company firmly believes that moral and ethical values should be imbibed in the culture and not be legislated. The good Corporate Governance practices goes beyond the realms of law and it is a continuous process by which the values, principles, management policies and procedures of the Company are inculcated and manifested.

The Compliance Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") herein signifies compliance of all mandatory requirements:

BOARD OF DIRECTORS

Composition and category of the Directors

The composition of the Board is in accordance with Regulation 17 of the SEBI Listing Regulations i.e. out of a total strength of 7, 4 are independent (including woman director) and the others include non-executive Chairman, Managing Director and an Executive Director.

The Board has in place all mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The roles and functions of these committees are defined in accordance with the regulatory framework.

ATTENDANCE OF THE DIRECTORS AT THE MEETINGS

During the year under review, six Board Meetings were held i.e. on 26-05-2015, 10-07-2015, 23-10-2015, 25-11-2015, 11-02-2016 and 21-03-2016.

The attendance of the Directors at the Board Meetings and the Annual General Meeting, number of Directorships in other Companies and memberships in Committees across other Companies of which the Director is a Member/Chairman are given below:

Name of the Directors	Date of Appointment	Category	Number of Board Meeting attended	Attendance at the AGM held on 17-08-2015	Number of Directorship(s) held in other public companies*	Number of Committee positions held#		No. of shares held
						Chairman	Member	
Shri M M Dhanuka	18-10-1988	Non-Executive	6	No	1	-	-	104904
Shri Nikunj Dhanuka	01-07-1998	Executive	5	No	1	-	2	0
Shri Rajesh Muni	30-04-2002	Non-Executive & Independent	4	Yes	-	-	-	5500
Dr. A K A Rathi	28-07-2009	Non-Executive & Independent	6	Yes	-	-	-	100
Shri P H Ravikumar	30-10-2012	Non-Executive & Independent	6	Yes	8	3	4	1000
Dr. Vaijayanti Pandit	30-03-2015	Non-Executive & Independent	5	Yes	7	1	1	0
Shri J K Saboo	01-07-1998	Executive	4	Yes	2	-	-	1200

*Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

#Includes only Audit Committee and Stakeholders Relationship Committee (other than IGPL).

The Directors are not related to each other as defined under Section 2(77) of the Companies Act, 2013.

The familiarization programme of the Directors can be accessed at www.igpetro.com

AUDIT COMMITTEE

The Audit Committee meets regularly as required and exercises its powers in accordance with the framework defined by the Board. The terms of reference of the Audit Committee are as set out by the Board which is in accordance with the provisions of Regulation 18 of the SEBI Listing Obligations and Section 177 of the Companies Act, 2013. The Audit Committee provides its observations and recommendations to the Board to enable it to arrive at informed decisions which relates primarily to overseeing the financial statements and its reporting process, internal audit reports, appointment of Auditors, transactions with related parties, reviewing the adequacy and evaluation of internal financial controls, etc.

During the year, four meetings were held i.e. on 26-05-2015, 10-07-2015, 23-10-2015 and 11-02-2016 and which were attended by all the members of the Committee. There were no changes in the constitution of the Audit Committee. The details of composition are given below:

Name of the Directors	Position	Category
Shri Rajesh Muni	Chairman	Non Executive & Independent
Shri M M Dhanuka	Member	Non Executive
Dr. A K A Rathi	Member	Non Executive & Independent
Shri P H Ravikumar	Member	Non Executive & Independent

The Company Secretary acts as the Secretary of the Committee. The Audit Committee generally invites the Statutory and Internal Auditors and other Senior Executives for its meetings.

The Chairman of the Audit Committee was present at the last AGM of the Company held on 17-08-2015.

CEO/CFO Certification

In terms of Regulation 17(8) of the SEBI Listing Obligations, the CEO and CFO have certified to the Board of Directors of the Company that the financial statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable law and regulations.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee as defined by the Board is based on the stipulations of Regulation 19 of the SEBI Listing Obligations and Section 178 of the Companies Act, 2013.

The Committee oversees the matters relating to appointment of directors, key managerial personnel, senior management level employees, recommending to the Board the remuneration and other related benefits of the executive directors and senior management employees, determining the term of the directors, recommending to the Board and the shareholders the appointment of directors, evaluating the re-appointment and determining whether to extend the tenure of the independent directors, etc.

During the year, two meetings were held on 10-07-2015 and 11-02-2016. There were no changes in the constitution of the Committee. The details of composition and attendance are given below:

Name of the Directors	Position	Category	Attendance
Shri Rajesh Muni	Chairman	Non Executive & Independent	2
Shri M M Dhanuka	Member	Non Executive	2
Shri P H Ravikumar	Member	Non Executive & Independent	2
Dr. A K A Rathi	Member	Non Executive & Independent	2
Dr. Vajjayanti Pandit	Member	Non Executive & Independent	1

The Company Secretary acts as the Secretary of the Committee.

Performance evaluation criteria of independent directors

The evaluation criteria laid down by the Nomination and Remuneration Committee contains different parameters for the evaluation of the performance of the Board, its committees and Directors (including Independent Directors). The criteria for the evaluation were designed from the point of discharge of the key responsibilities, attendance at the meetings, directors' contribution, board functioning, etc.

All the Directors carried out the performance evaluation. The Independent Directors evaluated the performance of non-independent directors, the Board as a whole and Chairman. The performance evaluation of independent directors was done by the entire Board members in which the independent directors who were being evaluated did not participate.

Remuneration of Directors

The Remuneration Policy of the Company strives to ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate the best talent commensurate with the size of the Company and that it involves a balance between fixed and incentive pay reflecting short and long-term performance objectives.

The non-executive directors of the Company are entitled only for the sitting fees for each meeting of the Board/Committees attended by them. During the year, there was no transaction or any other pecuniary relationship with the non-executive directors.

The details of remuneration of the Managing Director (MD) and Executive Director (ED) are disclosed in the Board Report. There are no performance linked incentives payable to the Directors.

The service contracts entered into with the MD and ED are for a period of 3 years each i.e. upto 26-04-2019 and 31-03-2017 respectively. The contract can be terminated by either party at 3 months' notice without any severance fees.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Shareholders' Relationship Committee meets as and when required and reviews all matters relating to the resolution of the investors grievances viz. transfer of shares, non-receipt of annual report, non-receipt of dividends, issue of duplicate share certificates, etc.

The investor grievances are being attended by M/s Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents (RTA) administered under the supervision of the Company Secretary and a periodical report on the same is being presented before the Committee. During the year, 8 complaints were received and resolved and there are no complaints pending as at the end of the year.

During the year, two meetings were held on 26-05-2015 and 23-10-2015, which were attended by all the members of the committee. There were no changes in the constitution of the Committee. The details of composition are given below:

Name of the Directors	Position	Category
Shri Rajesh Muni	Chairman	Non Executive & Independent
Shri M M Dhanuka	Member	Non Executive
Shri Nikunj Dhanuka	Member	Executive
Shri P H Ravikumar	Member	Non Executive & Independent
Dr. A K A Rathi	Member	Non Executive & Independent

The Company Secretary acts as the Secretary of the Committee and is the Compliance Officer of the Company.

GENERAL BODY MEETINGS

i) Annual General Meeting

Financial Year	Date	Time	Venue
2012-13	27-07-2013	3.00 p.m.	Hotel Mandovi, D. B. Bandodkar Road, Panaji, Goa – 403 001
2013-14	26-07-2014	3.00 p.m.	
2014-15	17-08-2015	11.00 a.m.	

ii) Special Resolutions

Financial Year	Date of AGM	Purpose
2014-15	17-08-2015	<ol style="list-style-type: none"> 1. Appointment of Shri Umang Dhanuka 2. Appointment of Shri Mayank Dhanuka 3. Alteration of Articles of Association 4. Maintenance of statutory books at a place other than the registered office

iii) During the year, no Special Resolution was passed through postal ballot.

iv) No special resolution is proposed to be conducted through postal ballot at this AGM.

MEANS OF COMMUNICATION

Quarterly results	The quarterly results are announced within 45 days of the end of the quarter whereas the annual audited results are announced within 60 days of the end of the financial year. The results are available on the website of the Company and Stock Exchanges.
Newspapers where published	The results are generally published in Financial Express and Goa Doot
Website where displayed	www.igpetro.com
Whether website displays the official news release	Yes
Presentation to institutional investors/analysts	The investor presentations are available on the website of the Company and also disclosed to the Stock Exchanges.

GENERAL INFORMATION TO SHAREHOLDERS

Date, Time and Venue of Annual General Meeting	31 st August, 2016 at 3.00 p.m. at Hotel Mandovi, D. B. Bandodkar Road Panaji, Goa - 403 001.
Date of Book Closure	Thursday, 25 th August, 2016 to Tuesday, 30 th August, 2016 (both days inclusive)
Financial year	1 st April to 31 st March
Dividend Payment Date	On or after 05-09-2016
Listing on Stock Exchanges	Bombay Stock Exchange Limited and The National Stock Exchange of India Ltd. The listing fees for the year 2016-17 have been paid to the stock exchanges
Stock Code	BSE - 500199 NSE - IGPL
ISIN Code	INE 204A01010
Share Transfer System	By the Registrars & Share Transfer Agents in compliance of the provisions
Dematerialisation of shares and liquidity	92.70% of the shares are held in dematerialised form as at 31 st March, 2016. The shares of the Company are freely tradable on the stock exchanges
Registrars & Share Transfer Agents	M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai 400 072. Contact person – Ms. Ujata Pokharkar Tel No.: (91) 022-40430200 Fax No.: (91) 022-28475207 E-mail : info@bigshareonline.com

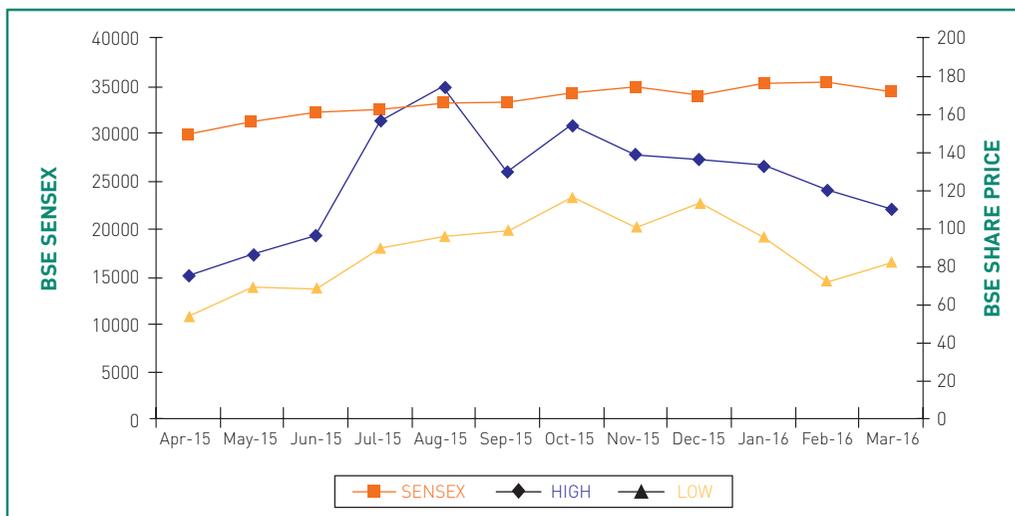
Plant locations T-2, MIDC Industrial Area,
Taloja 410 208, Dist. Raigad,
Maharashtra

Address for correspondence 401-404, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point
Mumbai - 400 021
Phone : (91) 022-30286100/132/133
E-mail- igpetro@vsnl.com

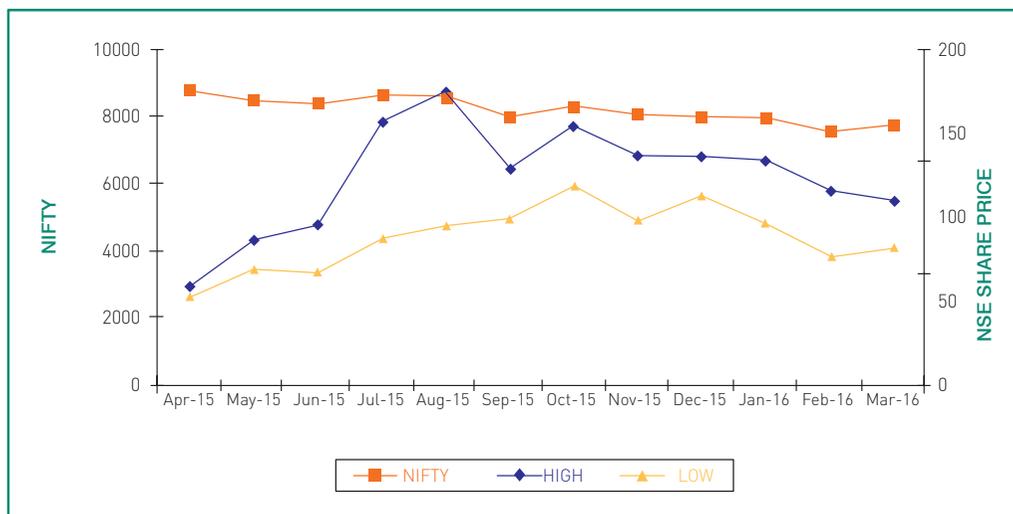
MARKET PRICE DATA DURING THE YEAR ENDED 31ST MARCH, 2016 (MONTH-WISE)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2015	75.15	54.50	76.00	53.60
May-2015	86.70	69.15	86.85	69.00
June-2015	95.85	68.00	95.75	67.05
July-2015	156.70	89.80	156.75	87.30
August-2015	174.40	96.00	174.50	95.60
September-2015	128.90	99.00	128.80	99.05
October-2015	154.80	116.40	154.50	116.70
November-2015	139.00	100.40	136.60	97.05
December-2015	136.00	113.50	135.90	113.30
January-2016	133.00	96.00	133.95	96.35
February-2016	120.40	72.00	120.50	75.20
March-2016	110.35	82.25	109.85	82.00

PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH SENSEX (BSE)



PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH NIFTY NSE



DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2016

Shareholding	No. of Shareholders	% to Total	No. of Shares	% to Total
1 to 500	27573	93.91	3776017	12.26
501 to 1000	971	3.31	820887	2.67
1001 to 2000	415	1.41	634931	2.06
2001 to 3000	129	0.44	325608	1.06
3001 to 4000	73	0.25	263990	0.86
4001 to 5000	60	0.20	280741	0.91
5001 to 6000	76	0.26	511341	1.66
10001 & above	65	0.22	24181335	78.52
Total	29362	100.00	30794850	100.00

SHAREHOLDING PATTERN AS AT 31ST MARCH, 2016

Sl. No.	Category	No. of shares	% of Holding
1.	Promoters & Persons acting in Concert	22239927	72.22
2.	Mutual Funds / Banks / FIs	32673	0.11
3.	Corporate Bodies	617193	2.00
4.	NRIs	456671	1.48
5.	Indian Public	7419170	24.09
6.	Others	29216	0.10
	Total	30794850	100.00

OTHER DISCLOSURES

Related party transactions

There are no material related party transactions as defined under Regulation 23 of the SEBI Listing Obligations which could have potential conflict with the interest of the Company at large.

Strictures and Penalties

The Company has been in compliance with the erstwhile Listing Agreement and the now SEBI Listing Obligations and no penalties or strictures imposed by the stock exchanges or SEBI or any other statutory authority during the last 3 years.

Vigil Mechanism Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and it provides its employees a channel for the reporting of genuine concerns about unethical behaviour, actual or suspected or misconduct without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization and direct access to the Chairman of the Audit Committee in exceptional cases. The Chief Financial Officer of the Company is the Vigilance Officer who can be approached to report the concern.

During the year, no employee has been denied access to the Audit Committee.

Mandatory/Non-mandatory compliances

The Company has been complying with all mandatory legislations including but not restricted to Accounting Standards, Secretarial Standards, Internal Financial Controls, Code of Conduct, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Corporate Social Responsibility, etc.

Adoption of non-mandatory requirements:

The Company has adopted the following non-mandatory requirements:

- a. The financial statements of the Company contain an unmodified audit opinion.
- b. The office of the Chairman and Managing Director are being held by separate persons.
- c. The report of the Internal Auditor is placed before the Audit Committee meeting and they are invitees to the meeting.

The Company do not have any material subsidiary.

The Policy on related party transactions is available at www.igpetro.com

The Company do not have any shares lying in the demat suspense account /unclaimed suspense account.

DECLARATION ON CODE OF CONDUCT

I hereby confirm and declare that all the Directors and Senior Management personnel of the Company as defined in the Code of Conduct of the Company have submitted annual declarations for the year ended 31st March, 2016 confirming their compliance of the same.

Place : Mumbai
Date : 23-05-2016

Nikunj Dhanuka
Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The members of
I G Petrochemicals Limited

We have examined the compliance of conditions of Corporate Governance by I G Petrochemicals Limited for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreements of the Company with the BSE and NSE for the period 01-04-2015 to 30-11-2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations, 2015 for the period 01-12-2015 to 31-03-2016.

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

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

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

Hariharan & Co.
Chartered Accountants
Firm's Registration No.001083S

ASA & Associates LLP
Chartered Accountants
Firm's Registration No.009571N/N500006

Place : Mumbai
Date : 27-06-2016

K. Nagarajan
Partner
Membership No.16398

Mihir Hindocha
Partner
Membership No.112766

Independent Auditor's Report

To the Members of

I G PETROCHEMICALS LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the "Annexure A" statement on the matters specified in the paragraphs 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 22 to the Financial Statement.
 - ii. The Company has made provision as required under the applicable law or according to Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year.

Hariharan & Co.

Chartered Accountants
Firm's Registration No.001083S

ASA & Associates LLP

Chartered Accountants
Firm's Registration No.009571N/N500006

Place : Mumbai
Date : 23-05-2016

K. Nagarajan

Partner
Membership No.16398

Mihir Hindocha

Partner
Membership No.112766

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March 2016.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
(c) 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.
2. The inventory (excluding stocks with third parties) has been physically verified by the management at reasonable intervals. In respect of inventory lying with third parties, these have been confirmed by them. No material discrepancies were noticed on physical verification.
3. The Company has granted loan to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
(a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
(b) In the case of the loans granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.
6. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub section (1) of section 148 of the Companies Act, 2013, relating to the Product of the Company have been made and maintained. We are not required to and accordingly, have not made a detailed examination of such records.
7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2016.
(b) According to the records and information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Income tax and Sales tax that have not

been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of the statute	Nature of the dues	Amount Disputed (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	3664.70	Various years from 1997 to 2009	CESTAT
Central Excise Act, 1944	Excise Duty	1336.95	Various years from 1997 to 2015	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	563.56	Assessment Years 2005-06 to 2013-14	Karnataka High Court / CIT (Appeals)

8. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions, Government or dues to debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. 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.
13. 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 financial statements as required by the applicable accounting standards.
14. 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.
15. 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 any non-cash transactions covered under Section 192 of the Companies Act, 2013 with the directors or persons connected with him, hence paragraph 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Hariharan & Co.
Chartered Accountants
Firm's Registration No.0010835

ASA & Associates LLP
Chartered Accountants
Firm's Registration No.009571N/N500006

Place : Mumbai
Date : 23-05-2016

K. Nagarajan
Partner
Membership No.16398

Mihir Hindocha
Partner
Membership No.112766

ANNEXURE - B TO THE 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")

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Act.

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 Act 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 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 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Hariharan & Co.

Chartered Accountants
Firm's Registration No.001083S

ASA & Associates LLP

Chartered Accountants
Firm's Registration No.009571N/N500006

Place : Mumbai
Date : 23-05-2016

K. Nagarajan

Partner
Membership No.16398

Mihir Hindocha

Partner
Membership No.112766

Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

	Note	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	3,079.81	3,079.81
Reserves and Surplus	2	26,096.47	20,801.29
		29,176.28	23,881.10
Non Current Liabilities			
Long Term Borrowings	3 (a)	9,218.11	10,783.24
Long Term Provisions	3 (b)	182.05	153.38
		9,400.16	10,936.62
Current Liabilities			
Short Term Borrowings	4 (a)	31.06	2,262.01
Trade Payables	4 (b)	15,424.63	19,632.70
Other Current Liabilities	4 (c)	2,975.81	3,187.07
Short Term Provisions	4 (d)	857.86	505.84
		19,289.36	25,587.62
TOTAL		57,865.80	60,405.34
ASSETS			
Non-Current Assets			
Fixed Assets (Net)			
Tangible Assets	5	32,219.47	32,673.28
Intangible Assets	5	3.89	4.24
Capital Work-In-Progress	5	441.40	77.19
		32,664.76	32,754.71
Non-Current Investments	6	33.26	6.91
Long Term Loans and Advances	7	2,139.56	2,038.82
		34,837.58	34,800.44
Current Aseets			
Inventories	8	8,955.66	8,655.66
Trade Receivables	9	10,880.88	14,518.47
Cash and Bank Balances	10	1,688.15	1,822.16
Short Term Loans and Advances	11	1,503.53	608.61
		23,028.22	25,604.90
TOTAL		57,865.80	60,405.34
Significant Accounting Policies	A		
Notes on Financial Statements	1- 32		

As per our report of even date

For Hariharan & Co.

Chartered Accountants

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 0010835

Place : Mumbai

Date : 23-05-2016

For ASA & Associates LLP

Chartered Accountants

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Sudhir R Singh

Company Secretary

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Rajesh Muni

Director

Dr. A K A Rathi

Director

J K Saboo

Executive Director

Nikunj Dhanuka

Managing Director & CEO

P H Ravikumar

Director

Dr. Vajjayanti Pandit

Director

R Chandrasekaran

Chief Financial Officer

Statement of Profit and Loss

for the year ended 31st March, 2016

(₹ in Lacs)

	Note	2015-2016	2014-2015
REVENUE			
Revenue from Operations (Gross)	12	103,696.66	129,586.72
Less : Excise Duty		8,412.83	10,921.75
Revenue from Operations (Net)		95,283.83	118,664.97
Other Income	13	356.74	666.56
Total Revenue		95,640.57	119,331.53
EXPENDITURE			
Cost of Material Consumed	14	75,054.98	95,680.79
Decrease / (Increase) in Inventories	15	(1,646.77)	4,143.94
Purchases of Traded Goods		-	295.34
Employees Benefits Expense	16	2,975.72	2,848.99
Other Expenses	17	7,564.10	7,669.62
Depreciation and Amortisation Expenses	5	1,753.72	1,639.36
Finance Cost	18	2,267.18	3,816.53
Total Expenses		87,968.93	116,094.57
Profit before extraordinary item & tax		7,671.64	3,236.96
Extraordinary item - Arrears of Depreciation		-	2,111.10
Profit before Tax		7,671.64	1,125.86
Tax Expenses			
Current Tax (MAT)	19	1,637.25	236.19
Tax Provision for earlier year		(2.07)	-
Profit for the year		6,036.46	889.67
Earnings per share:			
Face value of shares ₹ 10 each (Previous year ₹ 10 each)	21		
Basic & Diluted			
Before extraordinary item		19.60	9.74
After extraordinary item		19.60	2.89
Significant Accounting Policies	A		
Notes on Financial Statements	1 - 32		

As per our report of even date

For Hariharan & Co.
Chartered Accountants

For ASA & Associates LLP
Chartered Accountants

For and on behalf of the Board of Directors

M M Dhanuka
Chairman

Nikunj Dhanuka
Managing Director & CEO

K. Nagarajan

Partner
Membership No: 16398
Firm's Registration No: 001083S

Mihir Hindocha

Partner
Membership No: 112766
Firm's Registration No: 009571N\N500006

Rajesh Muni
Director

P H Ravikumar
Director

Dr. A K A Rathi
Director

Dr. Vijayanti Pandit
Director

Place : Mumbai
Date : 23-05-2016

Sudhir R Singh
Company Secretary

J K Saboo
Executive Director

R Chandrasekaran
Chief Financial Officer

Cash Flow Statement

for the year ended 31st March, 2016

(₹ in Lacs)

	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary Items	7,671.64	3,236.96
Non cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	1,753.72	1,639.36
Loss / (Profit) on Sale / Write off of Fixed Assets	-	(3.53)
Foreign Exchange Translation Difference Loss (Net)	461.18	(3.92)
Sundry Balances / Excess Provision Written Back	(86.52)	(4.70)
Interest Expense	1431.30	1,980.30
Interest Income	(269.17)	(453.37)
Dividend Income	(0.10)	(1.42)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,962.05	6,389.68
Movements in Working Capital		
Increase / (decrease) in Trade Payables / Other Current liabilities	(4,970.56)	(9,265.62)
Decrease / (increase) in Trade receivables	3,940.09	3,266.79
Decrease / (increase) in Inventories	(300.00)	5,493.19
Decrease / (increase) in loans and advances	(976.67)	1,628.60
	(2,307.14)	1,122.96
CASH GENERATED FROM/(USED IN) OPERATIONS	8,654.91	7,512.64
Direct Taxes Paid (Net of refunds)	(1,705.40)	(81.11)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	6,949.51	7,431.53
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, including intangible assets,CWIP	(937.71)	(2,773.05)
Proceeds from Sale of Fixed Assets	25.64	13.27
Purchase of Investments	(26.35)	-
Interest Received	294.53	383.62
Dividend Received	0.10	1.42
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(643.79)	(2,374.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayments) of Long-term borrowings (Net)	(2,211.59)	(2,048.55)
Proceeds / (Repayments) of Short -term borrowings (Net)	(2,230.95)	(2,081.73)
Interest Paid	(1,641.71)	(1,950.17)
Dividend Paid	(355.49)	(6.50)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(6,439.74)	(6,086.95)
NET INCREASE / (DECREASE) (A+B+C)	(134.02)	(1,030.15)
CASH AND BANK BALANCES (Opening Balance)	1,822.17	2,852.32
CASH AND BANK BALANCES (Closing Balance)	1,688.15	1,822.17

NOTE : Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date

For Hariharan & Co.

Chartered Accountants

For ASA & Associates LLP

Chartered Accountants

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Nikunj Dhanuka

Managing Director & CEO

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 0010835

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Rajesh Muni

Director

Dr. A K A Rathi

Director

P H Ravikumar

Director

Dr. Vajjayanti Pandit

Director

Place : Mumbai

Date : 23-05-2016

Sudhir R Singh

Company Secretary

J K Saboo

Executive Director

R Chandrasekaran

Chief Financial Officer

Significant Accounting Policies

Note A :

a. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d. Depreciation and Amortisation :

- i. Leasehold land is amortized over the period of lease.
- ii. Intangible assets are amortized over the estimated useful life of 4 years.
- iii. Depreciation on Plant & Equipments, Furniture, Office Equipments, Buildings and Vehicles is provided on straight line basis based on the revised remaining useful life of the assets as per Part-C of Schedule II of the Companies Act, 2013.

e. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Significant Accounting Policies

(Contd.)

g. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
--	--

Stock in Process and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
-------------------------------------	--

Catalyst	Amortised on the basis of its estimated useful life
----------	---

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

i. Foreign Currency Transaction

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Significant Accounting Policies

(Contd.)

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

j. Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund, in case of certain employees, are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability and Provident Fund, in case of other employees not covered under defined contribution scheme, are defined benefit obligations. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Provident Fund contribution to the Trust is charged to Profit and Loss Account of the year when the contribution to the fund is due. Any deficit in the fund is provided for and funded.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method
- iv. Actuarial gains/losses are immediately taken to the Statement of profit and loss account and are not deferred.

k. Income taxes

Tax expense comprises of current income tax and is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Significant Accounting Policies

(Contd.)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provisions, Contingent Liabilities & Contingent Assets:

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

n. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in note i (iv) above.

Notes

on Financial Statements

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
NOTE - 1 : SHARE CAPITAL		
Authorised		
4,00,00,000 (Previous Year: 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous Year: 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	5,000.00	5,000.00
Issued		
3,08,01,350 (Previous Year: 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
Subscribed and Paid up		
3,07,94,850 (Previous Year: 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32	0.32
	3,079.81	3,079.81
Shareholders holding more than 5% Shares in the company		
Brahamputra Enterprises Ltd. No. of Shares 1833528 (Previous Year 1833528)		
Gembel Trade Enterprises Ltd. No. of Shares 2717491 (Previous Year 2717491)		
Kamrup Enterprises Ltd. No. of Shares 1894884 (Previous Year 1894884)		
Mysore Petrochemicals Ltd. No. of Shares 4075000 (Previous Year 4075000)		
Savita Investment Co.Ltd.No. of Shares 1933414 (Previous Year 1933414)		
Shekhawati Investment Co. Ltd. No of Shares 4122210 (Previous Year 4122210)		
Vincent (India) Ltd. No.of Shares 2634294 (Previous year 2634294)		
NOTE - 2 : RESERVES & SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	116.25	116.25
Securities Premium Reserve		
Balance as per last Balance Sheet	2,275.00	2,275.00
General Reserve		
Balance as per last Balance Sheet	500.00	
Add : Transferred from Surplus in Profit & Loss	500.00	500.00
Surplus in Statement of Profit and Loss		
Opening Balance at the beginning of the year	17,910.04	18,007.70
Add : Profit for the year	6,036.46	889.67
	23,946.50	18,897.37
Less : Appropriation		
Transferred to General Reserve	500.00	500.00
Proposed equity dividend - Amount per share ₹ 2 (Previous Year ₹ 1)	615.90	307.95
Tax on Proposed Dividend	125.38	62.69
Depreciation in respect of Assets whose useful life is over	-	116.69
	22,705.22	17,910.04
	26,096.47	20,801.29

Notes

on Financial Statements (Contd.)

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
NOTE - 3 : NON-CURRENT LIABILITIES		
a. Long Term Borrowings		
Secured Loans		
Term Loan - Rupee Term Loan from Banks	1,033.11	2,661.04
- Foreign Currency Loan from Bank	628.86	596.55
External Commercial Borrowing	4,524.23	4,971.09
Loan against Cars	55.86	18.51
	6,242.06	8,247.19
Unsecured Loans		
From Bodies Corporate	2,976.05	2,536.05
	9,218.11	10,783.24
b. Long Term Provisions		
Provision for Leave Encashment	182.05	153.38
	182.05	153.38

- i. The Term Loans are secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu charge basis with ECB lenders. It is further secured by second charge on the Current Assets of the Company. The Term Loans are further secured by personal guarantee of two directors of the Company. The Term Loans are payable in 60 equal monthly instalments from commencement of commercial production of new Phthalic Anhydride Plant i.e. 28th September 2013.
- ii. The External Commercial Borrowings (ECB) is secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu basis with Term Loan lenders. The ECB is payable in 17 equal semi annual instalments from 15th September, 2013.
- iii. Car loans are secured by the assets acquired through such finance.

NOTE - 4 : CURRENT LIABILITIES

a. Short Term Borrowings

Secured

Working Capital facilities from Banks
Factoring Facility

31.06	1,763.44
-	498.57
31.06	2,262.01

- i. Working Capital facilities are secured by Hypothecation of current assets of the company i.e. stock of raw materials, stock in process, finished goods, stores & spares and book debts on first pari passu basis amongst Working Capital lenders under consortium banking arrangement excluding receivables pertaining to specific customers assigned for Factoring facilities. It is further secured by hypothecation of movable properties and registered mortgage of immovable properties of the Company on second charge basis.

Working Capital facilities are further secured by Personal Guarantee of two Directors of the Company.

- ii. Factoring facilities are secured by way of exclusive first charge on receivables factored and subservient charge on other Current Assets. Further they are secured by personal guarantee of two directors of the Company.

Notes

on Financial Statements (Contd.)

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
b. Trade Payables		
Total outstanding dues of Micro, Medium and Small Enterprises	141.92	204.44
Total outstanding dues of creditors other than Micro, Medium and Small Enterprises	15,282.71	19,428.26
	15,424.63	19,632.70
c. Other Current Liabilities		
Advance from Customers	34.63	131.41
Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	15.15	-
Security Deposits	3.50	3.50
Current maturities of long term Secured debts		
– Rupee Term Loan from Banks	1,102.85	1,065.27
– Foreign Currency Term Loan from Bank	197.15	234.73
– External Commercial Borrowing	1,005.38	903.83
– Loan Against Cars	52.76	39.28
Interest Accrued But not Due on Loans	88.08	298.50
Other Liabilities	476.31	510.55
	2,975.81	3,187.07
d. Short Term Provisions		
Provision for Income Tax (Net of Advance Tax & Tax Deducted at Source)	102.14	115.05
Provision for Wealth Tax	-	0.96
Provision for Leave Encashment	14.44	12.08
Provision for Gratuity	-	7.11
Proposed equity dividend	615.90	307.95
Tax on Proposed dividend	125.38	62.69
	857.86	505.84

Notes

on Financial Statements (Contd.)

NOTE 5: FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block		
	As at 01-04-15	Additions	Deductions	As at 31-03-16	As at 01-04-15	For the year	Arrears	Deletions/ Adjustments	As at 31-03-16	As at 31-03-16	As at 31-03-15
Tangible Assets											
Freehold Land	844.29	-	610.42	233.87	-	-	-	-	-	233.87	844.29
Leasehold Land	1,098.68	653.51	-	1,752.19	85.38	11.23	-	-	96.61	1,655.58	1,013.30
Buildings	2,598.64	-	-	2,598.64	982.92	120.29	-	-	1,103.21	1,495.43	1,615.72
Plant & Equipments	63,728.85	1,113.58	-	64,842.43	34,930.82	1,525.05	-	-	36,455.87	28,386.56	28,798.03
Office Equipments	293.87	9.11	-	302.98	234.54	18.88	-	-	253.42	49.56	59.33
Furniture & Fixtures	453.03	15.12	-	468.15	313.53	10.89	-	-	324.42	143.73	139.50
Vehicles	479.26	142.58	101.45	520.39	276.15	65.31	-	75.81	265.65	254.74	203.11
	69,496.62	1,933.90	711.87	70,718.65	36,823.34	1,751.65	-	75.81	38,499.18	32,219.47	32,673.28
Intangible Assets											
Software	46.77	1.72	-	48.49	42.53	2.07	-	-	44.60	3.89	4.24
TOTAL	69,543.39	1,935.62	711.87	70,767.14	36,865.87	1,753.72	-	75.81	38,543.78	32,223.36	32,677.52
Previous year	76,260.66	2600.41	9,317.68	69,543.39	38,631.77	1,756.05	2,111.10	5,633.05	36,865.87	32,677.52	

Notes :

- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares in office premises in a co-operative society.
- Capital work in Progress includes preoperative expenses incurred during the year in the form of Employees benefits expense of ₹ 50.84 lacs (Previous Year Nil), Legal & Professional Fees ₹ 90.94 lacs (Previous Year ₹ Nil), Rates & Taxes ₹ 1.50 Lacs (Previous Year Nil), Other expenses ₹ 9.35 lacs (Previous Year Nil) and Plant & Machinery under construction ₹ 288.77 lacs (Previous Year ₹ 77.19 lacs).
- Pursuant to the amendment to the Companies (Accounting Standards) Rules, 2006 by notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company has exercised the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 710.66 lacs for the year and loss of foreign exchange ₹ 742.33 lacs as on 31.03.2016 has been capitalised.

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
NOTE - 6 : NON-CURRENT INVESTMENTS		
Long Term Investments, Other than Trade		
Unquoted		
Units		
40537.392 (Previous Year: 40537.392) units of ₹ 10 each fully paid in Principal Mutual Fund	2.00	2.00
Shares		
1,200 (Previous Year: 1,200) shares of ₹ 100 each fully paid in Blue Circle Fine Chem (P) Ltd	3.60	3.60
1000 (Previous Year: 1000) shares of ₹ 100 each fully paid in Cosmos Cooperative Bank	1.00	1.00
1 (Previous Year - Nil) Share of AED 150000 fully paid in IGPL (FZE) (wholly owned subsidiary)	26.35	-
Government Securities		
Six years National Saving Certificates of the face value of ₹ 31,000 (Previous Year: ₹ 31,000) lodged as security with Government Departments	0.31	0.31
	33.26	6.91

Notes

on Financial Statements (Contd.)

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
NOTE - 7 : LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Balance with Custom, Excise Authorities including Deposits	1,340.30	1,344.82
Deposits – Others	102.18	69.00
Capital Advances	72.08	–
Security Deposit – Related Party	625.00	625.00
	2,139.56	2,038.82
NOTE - 8 : INVENTORIES		
(at lower of cost and net realisable value)		
Raw Material (including stock in transit ₹ 787.18 lacs, Previous Year: ₹ 1242.35 lacs)	1,885.18	3,773.27
Stores and Spares	2,743.20	1,924.09
Work-in-Progress	767.51	702.48
Finished Goods (including stock in transit ₹ 97.78 lacs, Previous Year ₹ 316.53 lacs)	2,953.70	1,131.10
Catalyst (at cost less amortisation)	606.07	1,124.72
	8,955.66	8,655.66
NOTE - 9 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months		
Unsecured, Considered Good	306.36	259.58
Other debts		
Unsecured, Considered Good	10,574.52	14,258.89
	10,880.88	14,518.47
NOTE - 10 : CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	9.63	8.63
Balance with Scheduled Banks		
In Current Accounts	81.81	15.36
In Margin Money Accounts	7.46	6.43
	98.90	30.42
Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	1,572.88	1,790.38
In Fixed Deposits (Held with Government Department as Security)	1.22	1.36
In Unpaid Dividend Account	15.15	–
	1,589.25	1,791.74
	1,688.15	1,822.16

Notes

on Financial Statements (Contd.)

	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs
NOTE - 11 : SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received		
Considered Good	1,264.85	566.55
Balance with Custom, Excise Authorities	40.57	1.39
Loan to Wholly Owned Subsidiary	78.17	-
Income Tax Deducted at Source/Advance Tax (Net of Provision)	119.94	40.67
	1,503.53	608.61
	2015-2016 ₹ in Lacs	2014-2015 ₹ in Lacs
NOTE - 12: REVENUE FROM OPERATIONS (GROSS)		
Sale of products		
Phthalic Anhydride	102,377.25	128,232.62
Traded Goods	-	304.81
Other Sale	795.74	921.92
Other Operating Revenue	523.67	127.37
	103,696.66	129,586.72
NOTE - 13 : OTHER INCOME		
Interest		
Bank Deposits	124.32	210.05
Others	144.85	243.32
Sundry Balances / Excess Provision Written Back	86.52	4.70
Profit on Sale of Fixed Assets	-	3.53
Dividend Received	0.10	1.42
Miscellaneous Income	0.95	203.54
	356.74	666.56
NOTE - 14 : COST OF MATERIAL CONSUMED		
Orthoxylene		
Opening Stock	3,773.27	3,593.26
Add: Purchases (Net)	73,166.89	95,860.80
	76,940.16	99,454.06
Less: Closing Stock	1,885.18	3,773.27
	75,054.98	95,680.79
NOTE - 15 : DECREASE / (INCREASE) IN INVENTORIES		
Opening Inventories		
Work-in-Progress	702.48	721.87
Finished Goods	1,131.10	5,737.30
Closing Inventories		
Work-in-Progress	767.51	702.48
Finished Goods	2,953.70	1,131.10
	(1,887.63)	4,625.59
Differential Excise duty in respect of Closing Stock & Opening Stock (Refer Note below)	240.86	(481.65)
	(1,646.77)	4,143.94

Excise duty on sales has been reduced from sales in the Statement of Profit & Loss and Excise duty on increase/decrease in stock amounting to ₹ 240.86 Lacs, (Previous Year (₹ 481.65) lacs has been considered as expense / (income) as above.

Notes

on Financial Statements (Contd.)

	2015-2016 ₹ in Lacs	2014-2015 ₹ in Lacs
NOTE - 16 : EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,318.92	2,180.22
Contribution to Provident and Other Funds	142.15	135.28
Gratuity Expenses	21.30	30.55
Workmen and Staff Welfare Expenses	493.35	502.94
	2,975.72	2,848.99
NOTE - 17 : OTHER EXPENSES		
Consumption of Stores, Spares and Consumables	240.34	222.17
Consumption of Packing Materials	629.94	684.32
Power, Fuel and Water charges	1,117.16	1,563.93
Amortisation of Catalyst cost	518.66	566.69
Repairs and Maintenance		
Plant and Equipments	595.89	868.14
Buildings	30.38	15.55
Others	36.65	41.78
Insurance Premium	192.08	199.29
Rent	42.33	19.65
Rates and Taxes	157.01	89.51
Selling Expenses		
Brokerage and Commission	81.16	92.56
Freight outward	2,145.54	2,164.59
Port charges	126.27	120.73
Other selling expenses	146.22	134.90
Directors' Sitting Fees	17.50	6.15
Payment to Auditors (Refer Note 17.1)	15.48	15.22
Travelling & Conveyance	420.89	347.06
Legal & Professional fees	254.09	213.08
Foreign Exchange Translation Difference	461.18	(3.92)
Communication Cost	36.15	37.71
Expenses on Social Responsibility Activities (CSR)	26.87	32.91
Donations and Contributions to Charitable Institutions	0.25	0.35
Miscellaneous Expenses	272.06	237.25
	7,564.10	7,669.62
NOTE - 17.1 : PAYMENTS TO AUDITORS		
Audit Fees including Limited Review Fees ₹ 8.00 Lacs (Previous Year ₹ 6.00 Lacs) excluding service tax of ₹ 2.15 Lacs (Previous Year ₹ 1.85 Lacs)	15.00	15.00
Reimbursement of Expenses	0.48	0.22
	15.48	15.22

Notes

on Financial Statements (Contd.)

	2015-2016 ₹ in Lacs	2014-2015 ₹ in Lacs
NOTE - 18 : FINANCE COST		
Interest		
– on Term Loans	1,068.84	1,368.92
– on Others	362.46	611.38
Bills Discounting and Bank Charges	835.88	1,836.23
	2,267.18	3,816.53

NOTE - 19 : TAX EXPENSES

The Company has carried forward losses and unabsorbed depreciation as per the Income Tax Act, 1961. The deferred tax assets have not been recognized considering the principle of virtual certainty as stated in the Accounting Standard AS-22- Accounting for Taxes on Income.

In view of availability of Carried Forward benefits as referred above, the Company has provided for the liability for the Current Year under Section 115 JB (MAT) of the Income Tax Act, 1961.

NOTE - 20 : EARNING PER SHARE OF ₹ 10 EACH (EPS)

Profit after tax as per Statement of Profit & Loss	6,036.46	889.67
Profit before extraordinary item	6,036.46	3,000.79
Weighted average No. of Shares in calculating basic and diluted EPS	30794850	30794850
Basic & Diluted EPS - ₹		
Before extraordinary item	19.60	9.74
After extraordinary item	19.60	2.89
	As at 31st March, 2016 ₹ in Lacs	As at 31st March, 2015 ₹ in Lacs

NOTE - 21 : CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.

NOTE - 22 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for

a. Bills of Exchange Discounted - With Banks	419.80	1,617.54
b. Disputed Excise & Service tax matters *		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department. (Deposits paid under protest ₹ 36.32 Lacs (Previous Year ₹ 36.32 Lacs)	2,332.53	8,715.87
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹ 794.57 Lacs (Previous Year ₹ 813.38 Lacs)	1,222.27	2,387.60
iii) Show Cause Notices received (Deposits paid under protest ₹ 509.41 Lacs (Previous Year ₹ 495.14 Lacs)	1,446.85	1,267.10

* The Management is confident that the matters will be in favour of the company as per legal opinion obtained / legal precedents.

Notes

on Financial Statements (Contd.)

	2015-2016 ₹ in Lacs	2014-2015 ₹ in Lacs
c) Claim against the Company not acknowledged as Debt in respect of Electricity Duty on internal power generation.	29.63	29.63
d) Custom Duty on Raw Material under Advance Licence pending Export Obligation. (Including Cenvat Credit available ₹ 1141.42 Lacs).	1,330.19	-
e) Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	352.46	-
f) The Income tax assessments of the Company have been completed upto the assessment year 2013-2014 and while completing the assessments for certain years the Income tax Department had disallowed certain claims of the company which had resulted in reduction of Carried Forward benefits available to the company as per the Income Tax Act 1961 resulted in a additional demand of ₹ 563.56 Lacs against which a sum of ₹ 85 Lacs has been paid. These matters are in appeal before the Appellate authorities. Based on the interpretation of the relevant provisions of the Income Tax Act, the Company has been legally advised by an eminent Counsel that the matters will be in favour of the Company. Future cash outflows in respect of item b, c, e and f above are determinable only on receipt of judgments / decisions pending at various forums/ authorities.	563.56	490.06
g) Workmen's Union Demand of the Company at Taloja with effect from 1 st June, 2014 is under negotiation, amount presently not ascertainable.		

NOTE - 23 : SEGMENT INFORMATION

Primary Business Segment

The Company is exclusively engaged in a single business segment of manufacture and sale of organic chemicals and accordingly this is the only primary reportable segment.

Geographical Segments

Secondary segmental reporting is based on the geographical location of customers. The geographical segments have been disclosed based on revenues within India (sales to Customers within India) and revenues outside India (sales to customers located outside India). Secondary segment assets and liabilities are based on the location of such asset/liability.

Notes

on Financial Statements (Contd.)

Information about Secondary Geographical Segments

(₹ in Lacs)

Segment Information	Year ended 31 st March, 2016			Year ended 31 st March, 2015		
	India	Outside India	Total	India	Outside India	Total
Revenue (Gross)	84,661.34	19,035.33	103,696.66	105,551.82	24,034.89	129,586.72
Carrying amount of segment assets	54,975.75	2,890.05	57,865.80	59,005.13	1,400.21	60,405.34
Carrying amount of segment liabilities	16,010.27	12,679.24	28,689.52	23,499.69	13,024.55	36,524.24
Additions to fixed assets	1,935.62	-	1,935.62	2,600.41	-	2,600.41

NOTE - 24 : RELATED PARTY DISCLOSURE

i. Names of related parties where control exists irrespective of whether transactions have occurred or not	
Individuals owning, directly or indirectly, an interest in the voting power that gives them control or significant influence	-
ii. Names of other related parties with whom transactions have taken place during the year	
a. Key Management Personnel	Shri Nikunj Dhanuka – Managing Director & CEO Shri R Chandarsekaran – Chief Financial Officer Shri Sudhir R Singh – Company Secretary
b. Relatives of key management personnel	Shri Umang Dhanuka – Brother of Managing Director. Smt. Raj Kumari Dhanuka – Mother of Managing Director. Smt. Binadevi Dhanuka – Uncle's wife of Managing Director. Shri Mayank Dhanuka – Uncle's son of Managing Director.
c. Associates	-
d. Enterprises owned or significantly influenced by key management personnel or their relatives	Mysore Petro Chemicals Limited IGPL (FZE) - (Wholly owned Subsidiary)

Notes

on Financial Statements (Contd.)

Transactions carried out and year end balances with related parties referred in above, in ordinary course of business are as under:

(₹ in Lacs)

Sr. No.	Nature of Transaction	Related parties referred to in		
		ii(a) above	ii(b) above	ii(d) above
1	Income Sale of Goods (Including Taxes)			239.26 (200.96)
	Interest Charged to Wholly Owned Subsidiary			0.85 (-)
2	Expenses Remuneration	96.73 (74.72)	86.64 (11.99)	
	Rent		6.00 (6.00)	
	Guarantee Commission			41.02 (53.83)
3	Investment in IGPL (FZE)			26.35 (-)
4	Amount Receivable at year end Security Deposit - Mysore Petro Chemicals Limited			625.00 (625.00)
	Loan outstanding from IGPL (FZE)			78.17 (-)
	Interest Receivable from IGPL (FZE)			0.85 (-)

Note: Amount in bracket represents figures for previous year.

NOTE - 25 : EMPLOYEE BENEFITS

i. General Description of defined benefit plan

The Gratuity scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet.

a. Profit and Loss account

Net employee benefit expense (recognized in Personnel Expenses in Note 16)

(₹ in Lacs)

	Leave (unfunded) 31 st March, 2016	Leave (unfunded) 31 st March, 2015	Gratuity (funded) 31 st March, 2016	Gratuity (funded) 31 st March, 2015
Current service cost	20.19	18.17	31.98	43.90
Interest cost on benefit obligation	13.40	11.86	41.02	38.56
Expected return on plan assets	-	-	8%	8%
Net actuarial (gain) / loss recognized in the year	11.91	(4.25)	(8.82)	(14.23)
Actual return on plan assets	-	-	42.88	37.68
Net Benefit / Cost	45.50	25.78	21.30	30.55

Notes

on Financial Statements (Contd.)

b. Balance Sheet

Details of Provision for gratuity

(₹ in Lacs)

	Leave (unfunded) 31 st March, 2016	Leave (unfunded) 31 st March, 2015	Gratuity (funded) 31 st March, 2016	Gratuity (funded) 31 st March, 2015
Defined benefit obligation	196.49	165.46	571.87	517.92
Fair value of plan assets	-	-	613.99	510.81
Amount Recognised in the Balance Sheet	196.49	165.46	42.12	(7.11)

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

(₹ in Lacs)

	Leave (unfunded) 31 st March, 2016	Leave (unfunded) 31 st March, 2015	Gratuity (funded) 31 st March, 2016	Gratuity (funded) 31 st March, 2015
Opening defined benefit obligation	165.46	156.11	517.92	484.25
Interest cost	13.40	11.86	41.02	38.56
Current service cost	20.19	18.17	31.98	43.90
Benefits paid	(14.47)	(16.43)	(16.16)	(37.62)
Actuarial (gains) / losses on obligation	11.91	(4.25)	(2.89)	(11.17)
Closing defined benefit obligation	196.49	165.46	571.87	517.92

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

(₹ in Lacs)

	Leave (unfunded) 31 st March, 2016	Leave (unfunded) 31 st March, 2015	Gratuity (funded) 31 st March, 2016	Gratuity (funded) 31 st March, 2015
Opening fair value of plan assets	-	-	510.81	426.97
Expected return	-	-	8%	8%
Contributions by employer	-	-	54.37	49.78
Benefits paid	-	-	-	6.67
Actuarial gains / (losses)	-	-	2.89	11.17
Closing fair value of plan assets	-	-	613.99	510.81
Actual Return on plan Assets	-	-	48.81	40.73
Estimated contribution to be made in next annual year	-	-	36.00	36.00

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity (funded) %	Gratuity (funded) %
Investments with insurer	100	100

Notes

on Financial Statements (Contd.)

e History of Asset values, Present Benefit Obligation, Surplus/Deficit & Experience Gains/Losses - Leave

(₹ in Lacs)

Date of Valuation	31 st March, 2016	31 st March, 2015	31 st March, 2014	31 st March, 2013	31 st March, 2012
Defined Benefit Obligation (DBO)	196.49	165.46	156.11	153.56	-
Fair Value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	166.49	165.46	156.11	153.56	-
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gains) / Losses due to change in Assumptions	0.16	3.03	-	-	-
Experience (Gains)/Losses on DBO	11.75	(7.28)	(23.88)	-	-
Total Actuarial (Gain)/Loss on DBO	11.91	(4.25)	(23.88)	-	-

History of Asset values, Present Benefit Obligation, Surplus/Deficit & Experience Gains/Losses - Gratuity

(₹ in Lacs)

Date of Valuation	31 st March, 2016	31 st March, 2015	31 st March, 2014	31 st March, 2013	31 st March, 2012
Defined Benefit Obligation (DBO)	571.87	517.92	484.25	399.24	-
Fair Value of Plan Assets	613.99	510.81	426.97	382.50	-
(Surplus)/Deficit	(42.13)	7.11	57.28	16.74	-
Experience Adjustments on Plan Assets	5.93	3.06	-	-	-
(Gains) / Losses due to change in Assumptions	0.10	5.21	-	-	-
Experience (Gains)/Losses on DBO	(2.98)	(16.38)	33.10	38.92	-
Total Actuarial (Gain)/Loss on DBO	(2.88)	(11.17)	33.10	38.92	-

f The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	Leave (unfunded) 31 st March, 2016 %	Leave (unfunded) 31 st March, 2015 %	Gratuity (funded) 31 st March, 2016 %	Gratuity (funded) 31 st March, 2015 %
Discount rate	7.95	7.94	7.95	7.94
Expected rate of return on assets	-	-	8.70	7.94
Employee turnover	5	5	5	5
Salary Escalation	4	4	4	4
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Provident Fund

Pending the issuance of Guidance Note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the Provident Fund Liability. There is no deficit in the fund as at 31st March, 2016 and no provision has been made.

Notes

on Financial Statements (Contd.)

	2015-2016 ₹ in Lacs	2014-2015 ₹ in Lacs
ii. Defined Contribution Plan		
Employees Benefits Expenses in Note 16 includes the following contributions to defined contribution plan		
Contribution to Provident and Other Funds		
Contribution to Provident Fund	99.03	101.61
Employees Pension Fund	40.49	31.67
EDLI	2.63	2.00
Total	142.15	135.28
Workmen and Staff Welfare fund		
ESIC	0.44	0.41
Labour Welfare Fund	0.10	0.10
	0.54	0.51

NOTE - 26: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The Information on derivative instruments is as follows:

i. Forward Contracts of sale outstanding as at the balance sheet date

	31 st March, 2016		31 st March, 2015	
	Amount in Foreign currency US\$	₹ in Lacs	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	38,83,060	2,575.75	28,58,680	1,937.67

ii. Forward Contracts of purchases outstanding as at the balance sheet date

	31 st March, 2016		31 st March, 2015	
	Amount in Foreign currency US\$	₹ in Lacs	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	12,40,324	822.74	NIL	NIL

Notes

on Financial Statements (Contd.)

iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:

	31 st March, 2016		31 st March, 2015	
	Amount in Foreign currency	₹ in Lacs	Amount in Foreign currency	₹ in Lacs
Amount Receivable				
US \$	153,005	101.49	-	-
Amount Payable				
Import of Goods - US \$	2,609,429	1,730.91	5,968,277	3,735.59
Import of Goods - Euro	5,488,618	4,121.70	5,057,058	3,414.04
Loans Payable - US \$	1,245,426	826.01	1,328,115	831.28
Loans Payable - Euro	7,363,440	5,529.61	8,702,248	5,874.92

NOTE - 27 : SUPPLEMENTARY STATUTORY INFORMATION

	2015-2016 ₹ In Lacs	2014-2015 ₹ In Lacs
i. Earnings in foreign currency (Accrual basis)		
FOB value of goods exported	19,035.33	24,034.89
Interest on Loan to Subsidiary	0.85	-
ii. Expenditure in foreign currency (Accrual basis)		
Travelling	202.41	159.07
Brokerage and Commission	23.24	27.36
Interest & Finance Charges	224.62	249.41
Others	87.03	15.87
Total	537.30	451.71
iii. Value of imports calculated on CIF basis		
Raw Materials & Traded Goods	8,211.69	14,499.39
Stores & Spares	51.02	126.23
Catalyst	528.77	353.01
Capital goods	93.01	79.39
Total	8,884.49	15,058.02

iv. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Dues to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

NOTE - 28: IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED.**i. Imported and indigenous raw materials consumed**

Product	2015-2016		2014-2015	
	% of total	₹ in Lacs	% of total	₹ in Lacs
Imported	11.00	8,171.83	16.00	15,056.91
Indigenous	89.00	66,883.15	84.00	80,623.88
Total	100.00	75,054.98	100.00	95,680.79

ii. Imported and indigenous spare parts consumed

Product	2015-2016		2014-2015	
	% of total	₹ in Lacs	% of total	₹ in Lacs
Imported	12	51.51	26	148.96
Indigenous	88	379.10	74	431.98
Total	100	430.61	100	580.94
Part cost of Imported Catalyst amortised		518.66		566.69

NOTE - 29 : DISPUTED FOREIGN CURRENCY LIABILITY

Foreign currency liability of ₹ 3,797.62 Lacs (Previous Year ₹ 3,414.04 Lacs) shown under Creditors (current liabilities) has been disputed, a counter claim has been made and is not likely to be settled in near future, however this liability has been converted by applying exchange rate at the close of the year as per Accounting Standard.

NOTE - 30 : RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 39.49 Lacs (Previous Year ₹ 39.82 Lacs) have been accounted for in the respective heads of the Statement of Profit and Loss.

NOTE - 31: REMITTANCE OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

	March 31, 2016	March 31, 2015
Number of Shareholders	2679	2715
Number of Equity Shares held	455852	468833
Amount Remitted ₹ In Lacs)	4.56	-
Year to which the dividend relates	March 31, 2015	-

NOTE - 32 : PREVIOUS YEAR COMPARATIVES

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

Accounts of the Previous year has been audited by M/s Hariharan & Co.

As per our report of even date

For Hariharan & Co.

Chartered Accountants

For ASA & Associates LLP

Chartered Accountants

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Nikunj Dhanuka

Managing Director & CEO

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 0010835

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Rajesh Muni

Director

P H Ravikumar

Director

Dr. A K A Rathi

Director

Dr. Vaijayanti Pandit

Director

Place : Mumbai

Date : 23-05-2016

Sudhir R Singh

Company Secretary

J K Saboo

Executive Director

R Chandrasekaran

Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of

I G Petrochemicals Limited

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated 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 and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Opinion

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

Other Matters

(a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 8.69 lakhs as at 31st March, 2016, total revenues of ₹ 3.97 lakhs and net cash flows amounting to ₹ 14.22 lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor and the financial statement.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, since the subsidiary is not incorporated in India, in so far which relates to incorporated in India i.e the Holding Company, refer our standalone audit report for the same.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 22 to the consolidated financial statements.

- ii. The Group has made provision as required under the applicable law or according to Accounting Standards for material foreseeable losses, if any on Long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

HARIHARAN & CO.

Chartered Accountants
Firm's Registration No.001083S

ASA & ASSOCIATES LLP

Chartered Accountants
Firm's Registration No.009571N/N500006

Place : Mumbai
Date : 23-05-2016

K. NAGARAJAN

Partner
Membership No.16398

MIHIR HINDOCHA

Partner
Membership No.112766

CONSOLIDATED Balance Sheet

as at 31st March, 2016

(₹ in Lacs)

	Note	As at 31st March, 2016
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1	3,079.81
Reserves and Surplus	2	26,079.28
		29,159.09
Non Current Liabilities		
Long Term Borrowings	3 (a)	9,218.11
Long Term Provisions	3 (b)	182.05
		9,400.16
Current Liabilities		
Short Term Borrowings	4 (a)	31.06
Trade Payables	4 (b)	15,424.63
Other Current Liabilities	4 (c)	2,975.81
Short Term Provisions	4 (d)	857.86
		19,289.36
		57,848.61
TOTAL		
ASSETS		
Non-Current Assets		
Fixed Assets (Net)		
Tangible Assets	5	32,219.47
Intangible Assets	5	3.89
Capital Work-In-Progress	5	441.40
		32,664.76
Non-Current Investments	6	6.91
Long Term Loans and Advances	7	2,139.56
		34,811.23
Current Assets		
Inventories	8	8,955.66
Trade Receivables	9	10,880.88
Cash and Bank Balances	10	1,702.37
Short Term Loans and Advances	11	1,498.47
		23,037.38
		57,848.61
TOTAL		
Significant Accounting Policies	A	
Notes on Financial Statements	1- 32	

As per our report of even date

For Hariharan & Co.

Chartered Accountants

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 001083S

Place : Mumbai

Date : 23-05-2016

For ASA & Associates LLP

Chartered Accountants

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Sudhir R Singh

Company Secretary

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Rajesh Muni

Director

Dr. A K A Rathi

Director

J K Saboo

Executive Director

Nikunj Dhanuka

Managing Director & CEO

P H Ravikumar

Director

Dr. Vaijayanti Pandit

Director

R Chandrasekaran

Chief Financial Officer

CONSOLIDATED
Statement of Profit and Loss

for the year ended 31st March, 2016

(₹ in Lacs)

	Note	2015-2016
REVENUE		
Revenue from Operations (Gross)	12	103,696.66
Less : Excise Duty		8,412.83
Revenue from Operations (Net)		95,283.83
Other Income	13	359.86
Total Revenue		95,643.69
EXPENDITURE		
Cost of Material Consumed	14	75,054.98
Decrease / (Increase) in Inventories	15	(1,646.77)
Purchases of Traded Goods		-
Employees Benefits Expense	16	2,975.72
Other Expenses	17	7,584.77
Depreciation and Amortisation Expenses	5	1,753.72
Finance Cost	18	2,267.28
Total Expenses		87,989.70
Profit before extraordinary item & tax		7,653.99
Extraordinary item - Arrears of Depreciation		-
Profit before Tax		7,653.99
Tax Expenses		
Current Tax (MAT)	19	1,637.25
Tax Provision for Earlier Year		(2.07)
Profit for the year		6,018.81
Earning per share:	21	
Face value of shares ₹ 10 each		
Basic & Diluted		
Before extraordinary item		19.54
After extraordinary item		19.54
Significant Accounting Policies	A	
Notes on Financial Statements	1- 32	

As per our report of even date

For Hariharan & Co.
Chartered Accountants

For ASA & Associates LLP
Chartered Accountants

K. Nagarajan
Partner
Membership No: 16398
Firm's Registration No: 001083S

Mihir Hindocha
Partner
Membership No: 112766
Firm's Registration No: 009571N\N500006

Place : Mumbai
Date : 23-05-2016

Sudhir R Singh
Company Secretary

For and on behalf of the Board of Directors

M M Dhanuka
Chairman

Nikunj Dhanuka
Managing Director & CEO

Rajesh Muni
Director

P H Ravikumar
Director

Dr. A K A Rathi
Director

Dr. Vijayanti Pandit
Director

J K Saboo
Executive Director

R Chandrasekaran
Chief Financial Officer

CONSOLIDATED Cash Flow Statement

for the year ended 31st March, 2016

(₹ in Lacs)

	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and Extraordinary Items	7,653.99
Non-cash Adjustment to reconcile profit before tax to net cash flow:	
Depreciation / Amortisation Expenses	1,753.72
Foreign Exchange Translation Difference Loss (Net)	461.64
Sundry Balances / Excess Provision Written Back	(86.52)
Interest Expense	1,431.30
Interest Income	(268.32)
Dividend Income	(0.10)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,945.71
Movements in Working Capital	
Increase / (decrease) in Trade Payables / Other Current liabilities	(4,970.56)
Decrease / (increase) in Trade receivables	3,940.09
Decrease / (increase) in Inventories	(300.00)
Decrease / (increase) in loans and advances	(971.61)
	(2,302.08)
CASH GENERATED FROM/(USED IN) OPERATIONS	8,643.63
Direct Taxes Paid (Net of refunds)	(1,705.40)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	6,938.23
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of Fixed Assets, including intangible assets,CWIP	(937.71)
Proceeds from Sale of Fixed Assets	25.64
Interest Received	293.68
Dividend Received	0.10
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	(618.29)
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds / (Repayments) of Long-term borrowings (Net)	(2,211.59)
Proceeds / (Repayments) of Short -term borrowings (Net)	(2,230.95)
Interest Paid	(1,641.71)
Dividend Paid	(355.49)
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES	(6,439.74)
NET INCREASE / (DECREASE) (A+B+C)	(119.80)
CASH AND BANK BALANCES (Opening Balance)	1,822.17
CASH AND BANK BALANCES (Closing Balance)	1,702.37

NOTE : 1. Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date

For Hariharan & Co.

Chartered Accountants

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 0010835

Place : Mumbai

Date : 23-05-2016

For ASA & Associates LLP

Chartered Accountants

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Sudhir R Singh

Company Secretary

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Rajesh Muni

Director

Dr. A K A Rathi

Director

J K Saboo

Executive Director

Nikunj Dhanuka

Managing Director & CEO

P H Ravikumar

Director

Dr. Vajjayanti Pandit

Director

R Chandrasekaran

Chief Financial Officer

Significant Accounting Policies to the Consolidated Financial Statements

Note A :

a. Basis of preparation

The financial statements of I G Petrochemicals Ltd. (the company), its subsidiary (together the group), have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b. Principles of Consolidation

- i. The Consolidated Financial Statements comprises of the financial statements of I G Petrochemicals Ltd. and its wholly owned subsidiary IGPL (FZE).
- ii. The Consolidated Financial Statements of the Company and its Subsidiary Company have been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statements", by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balance, intra-group transactions and unrealized profit or losses are fully eliminated.
- iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- iv. The foreign operations of the Subsidiary are classified between integral and non-integral based on the way in which they are financed and operated in relation to the Company.

Consequently, translation of the financial statement of such non integral foreign operation is effected as under :-

- (1) Income and expenses are translated at the average exchange rate prevailing during the year.
- (2) All assets and liabilities, both monetary and non-monetary, are translated at the exchange rate prevalent at the date of Balance Sheet.
- (3) The resulting net exchange differences are recognized as foreign currency translation reserve as part of Reserve and Surplus.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Significant Accounting Policies

(Contd.)

e. Depreciation and Amortisation :

- i. Leasehold land is amortized over the period of lease.
- ii. Intangible assets are amortized over the estimated useful life of 4 years.
- iii. Depreciation on Plant & Equipments, Furniture, Office Equipments, Buildings and Vehicles is provided on straight line basis based on the revised remaining useful life of the assets as per Part-C of Schedule II of the Companies Act, 2013.

f. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h. Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Stock in Process and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Catalyst	Amortised on the basis of its estimated useful life

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

j. Foreign Currency Transaction**i. Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

k. Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund, in case of certain employees, are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability and Provident Fund, in case of other employees not covered under defined contribution scheme, are defined benefit obligations. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Provident Fund contribution to the Trust is charged to Profit and Loss Account of the year when the contribution to the fund is due. Any deficit in the fund is provided for and funded.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method
- iv. Actuarial gains/losses are immediately taken to the Statement of profit and loss account and are not deferred.

l. Income taxes

Tax expense comprises of current income tax and is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Provisions, Contingent Liabilities & Contingent Assets:

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

o. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in note i (iv) above.

Notes

on Consolidated Financial Statements

	As at 31 st March, 2016 ₹ in Lacs
NOTE - 1 : SHARE CAPITAL	
Authorised	
4,00,00,000 Equity Shares of ₹ 10/- each	4,000.00
10,00,000 Preference Share of ₹ 100/- each	1,000.00
	5,000.00
Issued	
3,08,01,350 Equity Shares of ₹ 10/- each	3,080.14
Subscribed and Paid up	
3,07,94,850 Equity Shares of ₹ 10/- each	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32
	3,079.81
Shareholders holding more than 5% Shares in the company	
Brahmaputra Enterprises Ltd. No. of Shares 1833528	
Gembel Trade Enterprises Ltd. No. of Shares 2717491	
Kamrup Enterprises Ltd. No. of Shares 1894884	
Mysore Petrochemicals Ltd. No. of Shares 4075000	
Savita Investment Co. Ltd. No. of Shares 1933414	
Shekhawati Investment Co. Ltd. No of Shares 4122210	
Vincent (India) Ltd. No. of Shares 2634294	
NOTE - 2 : RESERVES & SURPLUS	
Capital Reserve	
Balance as per last Balance Sheet	116.25
Securities Premium Reserve	
Balance as per last Balance Sheet	2,275.00
General Reserve	
Balance as per last Balance Sheet	500.00
Add : Transferred from Surplus in Profit & Loss	500.00
Foreign Currency Translation Reserve on Consolidation	0.46
Surplus in Statement of Profit and Loss	
Opening Balance at the beginning of the year	17,910.04
Add : Profit for the year	6,018.81
	23,928.85
Less : Appropriation	
Transferred to General Reserve	500.00
Proposed equity dividend (Amount per share ₹ 2)	615.90
Tax on Proposed Dividend	125.38
Depreciation in respect of Assets whose useful life is over	-
	22,687.57
	26,079.28

Notes

on Consolidated Financial Statements

	As at 31 st March, 2016 ₹ in Lacs
NOTE - 3 : NON-CURRENT LIABILITIES	
a. Long Term Borrowings	
Secured Loans	
Term Loan - Rupee Term Loan from Banks	1,033.11
- Foreign Currency Loan from Bank	628.86
External Commercial Borrowing	4,524.23
Loan against Cars	55.86
	6,242.06
Unsecured Loans	
From Bodies Corporate	2,976.05
	9,218.11
b. Long Term Provisions	
Provision for Leave Encashment	182.05
	182.05

- i. The Term Loans are secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu charge basis with ECB lenders. It is further secured by second charge on the Current Assets of the Company. The Term Loans are further secured by personal guarantee of two directors of the Company. The Term Loans are payable in 60 equal monthly instalments from commencement of commercial production of new Phthalic Anhydride Plant i.e. 28-09-2013.
- ii. The External Commercial Borrowings (ECB) is secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu basis with Term Loan lenders. The ECB is payable in 17 equal semi annual instalments from 15-09-2013.
- iii. Car loans are secured by the assets acquired through such finance.

NOTE - 4 : CURRENT LIABILITIES

a. Short Term Borrowings

Secured

Working Capital facilities from Banks

31.06

31.06

- i. Working Capital facilities are secured by hypothecation of current assets of the company i.e. stock of raw materials, stock in process, finished goods, stores & spares and book debts on first pari passu basis amongst Working Capital lenders under consortium banking arrangement excluding receivables pertaining to specific customers assigned for Factoring facilities. It is further secured by hypothecation of movable properties and registered mortgage of immovable properties of the Company on second charge basis.

Working Capital facilities are further secured by Personal Guarantee of two Directors of the Company.

- ii. Factoring facilities are secured by way of exclusive first charge on receivables factored and subservient charge on other Current Assets. Further they are secured by personal guarantee of two directors of the Company.

Notes

on Consolidated Financial Statements

	As at 31 st March, 2016 ₹ in Lacs
b. Trade Payables	
Total outstanding dues of Micro, Medium and Small Enterprises	141.92
Total outstanding dues of creditors other than Micro, Medium and Small Enterprises	15,282.71
	15,424.63
c. Other Current Liabilities	
Advance from Customers	34.63
Unpaid Dividend (shall be credited to Investor Education and Protection Fund as and when due)	15.15
Security Deposits	3.50
Current maturities of long term Secured debts	
– Rupee Term Loan from Banks	1,102.85
– Foreign Currency Term Loan from Bank	197.15
– External Commercial Borrowing	1,005.38
– Loan Against Cars	52.76
Interest Accrued But not Due on Loans	88.08
Other Liabilities	476.31
	2,975.81
d. Short Term Provisions	
Provision for Income Tax (Net of Advance Tax & Tax Deducted at Source)	102.14
Provision for Wealth Tax	-
Provision for Leave Encashment	14.44
Provision for Gratuity	
Proposed equity dividend	615.90
Tax on Proposed dividend	125.38
	857.86

Notes

on Consolidated Financial Statements

NOTE 5: FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block		
	As at 01.04.15	Additions	Deductions	As at 31.03.16	As at 01.04.15	For the year	Arrears	Deletions/ Adjustments	As at 31.03.16	As at 31.03.16	As at 31.03.15
Tangible Assets											
Freehold Land	844.29	-	610.42	233.87	-	-	-	-	-	233.87	844.29
Leasehold Land	1,098.68	653.51	-	1,752.19	85.38	11.23	-	-	96.61	1,655.58	1,013.30
Buildings	2,598.64	-	-	2,598.64	982.92	120.29	-	-	1,103.21	1,495.43	1,615.72
Plant & Equipments	63,728.85	1,113.58	-	64,842.43	34,930.82	1,525.05	-	-	36,455.87	28,386.56	28,798.03
Office Equipments	293.87	9.11	-	302.98	234.54	18.88	-	-	253.42	49.56	59.33
Furniture & Fixtures	453.03	15.12	-	468.15	313.53	10.89	-	-	324.42	143.73	139.50
Vehicles	479.26	142.58	101.45	520.39	276.15	65.31	-	75.81	265.65	254.74	203.11
	69,496.62	1,933.90	711.87	70,718.65	36,823.34	1,751.65	-	75.81	38,499.18	32,219.47	32,673.28
Intangible Assets											
Software	46.77	1.72	-	48.49	42.53	2.07	-	-	44.60	3.89	4.24
TOTAL	69,543.39	1,935.62	711.87	70,767.14	36,865.87	1,753.72	-	75.81	38,543.78	32,223.36	32,677.52
Previous year	76,260.66	2600.41	9,317.68	69,543.39	38,631.77	1,756.05	2,111.10	5,633.05	36,865.87	32,677.52	

Notes :

- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares in office premises in a co-operative society.
- Capital work in Progress includes preoperative expenses incurred during the year in the form of Employees benefits expense of ₹ 50.84 lacs (Previous Year Nil), Legal & Professional Fees ₹ 90.94 lacs (Previous Year ₹ Nil), Rates & Taxes ₹ 1.50 Lacs (Previous Year Nil), Other expenses ₹ 9.35 lacs (Previous Year Nil) and Plant & Machinery under construction ₹ 288.77 lacs (Previous Year ₹ 77.19 lacs).
- Pursuant to the amendment to the Companies (Accounting Standards) Rules, 2006 by notification dated 29-12-2011 issued by the Ministry of Corporate Affairs, the Company has exercised the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the loss of foreign exchange of ₹ 710.66 lacs for the year and loss of foreign exchange ₹ 742.33 lacs as on 31st March, 2016 has been capitalised.

	As at 31 st March, 2016 ₹ in Lacs
NOTE - 6 : NON-CURRENT INVESTMENTS	
Long Term Investments, Other than Trade	
Unquoted	
Units	
40,537.392 units of ₹ 10 each fully paid in Principal Mutual Fund	2.00
Shares	
1,200 shares of ₹ 100 each fully paid in Blue Circle Fine Chem (P) Ltd	3.60
1,000 shares of ₹ 100 each fully paid in Cosmos Cooperative Bank	1.00
Government Securities	
Six years National Saving Certificates of the face value of ₹ 31,000 lodged as security with Government Departments	0.31
	6.91

Notes

on Consolidated Financial Statements

	As at 31 st March, 2016 ₹ in Lacs
NOTE - 7 : LONG TERM LOANS & ADVANCES	
(Unsecured, Considered Good unless otherwise stated)	
Balance with Custom, Excise Authorities including Deposits	1,340.30
Deposits – Others	102.18
Capital Advances	72.08
Security Deposit – Related Party	625.00
	2,139.56
NOTE - 8 : INVENTORIES	
(at lower of cost and net realisable value)	
Raw Material (including stock in transit ₹ 787.18 lacs)	1,885.18
Stores and Spares	2,743.20
Work - in- Progress	767.51
Finished Goods (including stock in transit ₹ 97.78 lacs)	2,953.70
Catalyst (at cost less amortisation)	606.07
	8,955.66
NOTE - 9 : TRADE RECEIVABLES	
Debts outstanding for a period exceeding six months	
Unsecured, Considered Good	306.36
Other debts	
Unsecured, Considered Good	10,574.52
	10,880.88
NOTE - 10 : CASH AND BANK BALANCES	
Cash and cash equivalents	
Cash in hand	9.63
Balance with Scheduled Banks	
In Current Accounts	96.03
In Margin Money Accounts	7.46
	113.12
Other Bank Balances	
In Fixed Deposits (Held with Scheduled Banks as Margin)	1,572.88
In Fixed Deposits (Held with Government Department as Security)	1.22
In Unpaid Dividend Account	15.15
	1,589.25
	1,702.37

Notes

on Consolidated Financial Statements

	As at 31 st March, 2016 ₹ in Lacs
NOTE - 11 : SHORT TERM LOANS AND ADVANCES	
Advances recoverable in cash or kind or for value to be received	
Considered Good	1,337.96
Balance with Custom, Excise Authorities	40.57
Income Tax Deducted at Source/Advance Tax (Net of Provision)	119.94
	1,498.47
	2015-2016 ₹ in Lacs
NOTE - 12: REVENUE FROM OPERATIONS (GROSS)	
Sale of products	
Phthalic Anhydride	102,377.25
Traded Goods	-
Other Sale	795.74
Other Operating Revenue	523.67
	103,696.66
NOTE - 13 : OTHER INCOME	
Interest	
Bank Deposits	124.32
Others	144.00
Sundry Balances / Excess Provision Written Back	86.52
Dividend Received	0.10
Miscellaneous Income	4.92
	359.86
NOTE - 14: COST OF MATERIAL CONSUMED	
Orthoxylene	
Opening Stock	3,773.27
Add: Purchases (Net)	73,166.89
	76,940.16
Less: Closing Stock	1,885.18
	75,054.98
NOTE - 15 : DECREASE / (INCREASE) IN INVENTORIES	
Opening Inventories	
Work-in-Progress	702.48
Finished Goods	1,131.10
Closing Inventories	
Work-in-Progress	767.51
Finished Goods	2,953.70
	(1,887.63)
Differential Excise duty in respect of Closing Stock & Opening Stock (Refer Note below)	240.86
	(1,646.77)

Excise duty on sales has been reduced from sales in the Statement of Profit & Loss and Excise duty on increase/decrease in stock amounting to ₹ 240.86 Lacs has been considered as expense as above.

Notes

on Consolidated Financial Statements

	2015-2016 ₹ in Lacs
NOTE - 16 : EMPLOYEES BENEFITS EXPENSE	
Salaries, Wages and Bonus	2,318.92
Contribution to Provident and Other Funds	142.15
Gratuity Expenses	21.30
Workmen and Staff Welfare Expenses	493.35
	2,975.72
NOTE - 17 : OTHER EXPENSES	
Consumption of Stores, Spares and Consumables	240.34
Consumption of Packing Materials	629.94
Power, Fuel and Water charges	1,117.16
Amortisation of Catalyst cost	518.66
Repairs and Maintenance	
Plant and Equipments	595.89
Buildings	30.38
Others	36.65
Insurance Premium	192.08
Rent	45.00
Rates and Taxes	157.01
Selling Expenses	
Brokerage and Commission	81.16
Freight outward	2,145.54
Port charges	126.27
Other selling expenses	154.11
Directors' Sitting Fees	17.50
Payment to Auditors (Refer Note 17.1)	16.28
Travelling & Conveyance	420.89
Legal & Professional fees	263.22
Foreign Exchange Translation Difference	461.18
Communication Cost	36.33
Expenses on Social Responsibility Activities (CSR)	26.87
Donations and Contributions to Charitable Institutions	0.25
Miscellaneous Expenses	272.06
	7,584.77
NOTE - 17.1 : PAYMENTS TO AUDITORS	
Audit Fees including Limited Review Fees ₹ 8.00 Lacs excluding service tax of ₹ 2.15 Lacs	15.80
Reimbursement of Expenses	0.48
	16.28

Notes

on Consolidated Financial Statements

	2015-2016 ₹ in Lacs
NOTE - 18 : FINANCE COST	
Interest	
– on Term Loans	1,068.84
– on Others	362.46
Bills Discounting and Bank Charges	835.98
	2,267.28

NOTE - 19 : TAX EXPENSES

The Company has carried forward losses and unabsorbed depreciation as per the Income Tax Act 1961. The deferred tax assets have not been recognized considering the principle of virtual certainty as stated in the Accounting Standard AS-22–Accounting for Taxes on Income.

In view of availability of Carried Forward benefits as referred above, the Company has provided for the liability for the Current Year under Section 115 JB (MAT) of the Income Tax Act, 1961.

NOTE - 20 : EARNING PER SHARE OF ₹ 10 EACH (EPS)

Profit after tax as per Statement of Profit & Loss

6,018.81

Profit before extraordinary item

6,018.81

Weighted average No. of Shares in calculating basic and diluted EPS

30794850

Basic & Diluted EPS - ₹

Before extraordinary item

19.54

After extraordinary item

19.54

As at
31st March, 2016
₹ in Lacs

NOTE - 21 : CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.

134.88

NOTE - 22 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for

a. Bills of Exchange Discounted - With Banks

419.80

b. Disputed Excise & Service tax matters *

i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department.
(Deposits paid under protest ₹ 36.32 Lacs)

2,332.53

ii) Other Matters for which the Company is in appeal.
(Deposits paid under protest ₹ 794.57 Lacs)

1,222.27

iii) Show Cause Notices received
(Deposits paid under protest ₹ 509.41 Lacs)

1,446.85

* The Management is confident that the matters will be in favour of the company as per legal opinion obtained / legal precedents.

Notes

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	2015-2016 ₹ in Lacs
c) Claim against the Company not acknowledged as Debt in respect of Electricity Duty on internal power generation.	29.63
d) Custom Duty on Raw Material under Advance Licence pending Export Obligation. (Including Cenvat Credit available ₹ 1,141.42 Lacs).	1,330.19
e) Electricity Duty Disputed, writ petition has been filed before the Mumbai High Court through Captive Power Producers Association and stay has been granted.	352.46
f) The Income tax assessments of the Company have been completed upto the assessment year 2013-2014 and while completing the assessments for certain years the Income tax Department had disallowed certain claims of the company which had resulted in reduction of Carried Forward benefits available to the company as per the Income Tax Act, 1961 resulted in an additional demand of ₹ 563.56 Lacs against which a sum of ₹ 85 Lacs has been paid. These matters are in appeal before the Appellate authorities. Based on the interpretation of the relevant provisions of the Income Tax Act, the Company has been legally advised by an eminent Counsel that the matters will be in favour of the Company. Future cash outflows in respect of item b, c, e and f above are determinable only on receipt of judgments / decisions pending at various forums/authorities.	563.56
g) Workmen's Union Demand of the Company at Taloja with effect from 1 st June, 2014 is under negotiation, amount presently not ascertainable.	

NOTE - 23 : SEGMENT INFORMATION

Primary Business Segment

The Company is exclusively engaged in a single business segment of manufacture and sale of organic chemicals and accordingly this is the only primary reportable segment.

Geographical Segments

Secondary segmental reporting is based on the geographical location of customers. The geographical segments have been disclosed based on revenues within India (sales to Customers within India) and revenues outside India (sales to customers located outside India). Secondary segment assets and liabilities are based on the location of such asset/liability.

Information about Secondary Geographical Segments

(₹ in Lacs)

Segment Information	Year ended 31 st March, 2016		
	India	Outside India	Total
Revenue (Gross)	84,661.34	19,035.33	103,696.66
Carrying amount of segment assets	54,958.56	2,890.05	57,848.61
Carrying amount of segment liabilities	16,010.27	12,679.24	28,689.52
Additions to fixed assets	1,935.62	-	1,935.62

Notes

on Consolidated Financial Statements

NOTE - 24: RELATED PARTY DISCLOSURE

i. Names of related parties where control exists irrespective of whether transactions have occurred or not	
Individuals owning, directly or indirectly, an interest in the voting power that gives them control or significant influence	-
ii. Names of other related parties with whom transactions have taken place during the year	
a. Key Management Personnel	Shri Nikunj Dhanuka - Managing Director & CEO Shri R Chandarsekaran - Chief Financial Officer Shri Sudhir R Singh - Company Secretary
b. Relatives of key management personnel	Shri Umang Dhanuka - Brother of Managing Director. Smt. Raj Kumari Dhanuka - Mother of Managing Director. Smt. Binadevi Dhanuka - Uncle's wife of Managing Director. Shri Mayank Dhanuka - Uncle's son of Managing Director.
c. Associates	-
d. Enterprises owned or significantly influenced by key management personnel or their relatives	Mysore Petro Chemicals Limited

Transactions carried out and year end balances with related parties referred in above, in ordinary course of business are as under:

(₹ in Lacs)

Sr. No.	Nature of Transaction	Related parties referred to in		
		ii(a) above	ii(b) above	ii(d) above
1	Income Sale of Goods (Including Taxes)			239.26
2	Expenses Remuneration	96.73	86.64	
	Rent		6.00	
	Guarantee Commission			41.02
3	Amount Receivable at year end Security Deposit - Mysore Petro Chemicals Limited			625.00

NOTE - 25 : EMPLOYEE BENEFITS

i. General Description of defined benefit plan

The Gratuity scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet.

Notes

on Consolidated Financial Statements

a. Profit and Loss account

Net employee benefit expense (recognized in Personnel Expenses in Note 16)

(₹ in Lacs)

	Leave (unfunded) 31st March, 2016	Gratuity (funded) 31st March, 2016
Current service cost	20.19	31.98
Interest cost on benefit obligation	13.40	41.02
Expected return on plan assets	-	8%
Net actuarial (gain) / loss recognized in the year	11.91	(8.82)
Actual return on plan assets	-	42.88
Net Benefit / Cost	45.50	21.30

b. Balance Sheet

Details of Provision for gratuity

(₹ in Lacs)

	Leave (unfunded) 31st March, 2016	Gratuity (funded) 31st March, 2016
Defined benefit obligation	196.49	571.87
Fair value of plan assets	-	613.99
Amount Recognised in the Balance Sheet	196.49	42.12

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

(₹ in Lacs)

	Leave (unfunded) 31st March, 2016	Gratuity (funded) 31st March, 2016
Opening defined benefit obligation	165.46	517.92
Interest cost	13.40	41.02
Current service cost	20.19	31.98
Benefits paid	(14.47)	(16.16)
Actuarial (gains) / losses on obligation	11.91	(2.89)
Closing defined benefit obligation	196.49	571.87

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

(₹ in Lacs)

	Leave (unfunded) 31st March, 2016	Gratuity (funded) 31st March, 2016
Opening fair value of plan assets	-	510.81
Expected return	-	8%
Contributions by employer	-	54.37
Benefits paid	-	-
Actuarial gains / (losses)	-	2.89
Closing fair value of plan assets	-	613.99
Actual Return on plan Assets	-	48.81
Estimated contribution to be made in next annual year	-	36.00

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity (funded) %
Investments with insurer	100.00

Notes

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e. History of Asset values, Present Benefit Obligation, Surplus/Deficit & Experience Gains/Losses - Leave

(₹ in Lacs)

Date of Valuation	March 31, 2016	31st March, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit Obligation (DBO)	196.49	165.46	156.11	153.56	-
Fair Value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	166.49	165.46	156.11	153.56	-
Experience Adjustments on Plan Assets	-	-	-	-	-
(Gains)/Losses due to change in Assumptions	0.16	3.03	-	-	-
Experience (Gains)/Losses on DBO	11.75	(7.28)	(23.88)	-	-
Total Actuarial (Gain)/Loss on DBO	11.91	(4.25)	(23.88)	-	-

History of Asset values, Present Benefit Obligation, Surplus/Deficit & Experience Gains/Losses - Gratuity

(₹ in Lacs)

Date of Valuation	31 st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013
Defined Benefit Obligation (DBO)	571.87	517.92	484.25	399.24
Fair Value of Plan Assets	613.99	510.81	426.97	382.50
(Surplus)/Deficit	(42.13)	7.11	57.28	16.74
Experience Adjustments on Plan Assets	5.93	3.06	-	-
(Gains) / Losses due to change in Assumptions	0.10	5.21	-	-
Experience (Gains)/Losses on DBO	(2.98)	(16.38)	33.10	38.92
Total Actuarial (Gain)/Loss on DBO	(2.88)	(11.17)	33.10	38.92

f. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	Leave (unfunded) 31st March, 2016 %	Gratuity (funded) 31st March, 2016 %
Discount rate	7.95	7.95
Expected rate of return on assets	-	8.70
Employee turnover	5	5
Salary Escalation	4	4
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Provident Fund

Pending the issuance of Guidance Note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the Provident Fund Liability. There is no deficit in the fund as at 31st March, 2016 and no provision has been made.

Notes

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	2015-2016 ₹ in Lacs
ii. Defined Contribution Plan	
Employees Benefits Expenses in Note 16 includes the following contributions to defined contribution plan	
Contribution to Provident and Other Funds	
Contribution to Provident Fund	99.03
Employees Pension Fund	40.49
EDLI	2.63
Total	142.15
Workmen and Staff Welfare fund	
ESIC	0.44
Labour Welfare Fund	0.10
	0.54

NOTE - 26: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The Information on derivative instruments is as follows:

i. Forward Contracts of sale outstanding as at the balance sheet date

	31 st March, 2016	
	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	38,83,060	2,575.75

ii. Forward Contracts of purchases outstanding as at the balance sheet date

	31 st March, 2016	
	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	12,40,324	822.74

iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:

	31 st March, 2016	
	Amount in Foreign currency	₹ in Lacs
Amount Receivable		
US \$	153,005.00	101.49
Amount Payable		
Import of Goods - US \$	2,609,429.00	1,730.91
Import of Goods - Euro	5,488,618.00	4,121.70
Loans Payable - US \$	1,245,426.00	826.01
Loans Payable - Euro	7,363,440.00	5,529.61

Notes

on Consolidated Financial Statements

NOTE - 27 : SUPPLEMENTARY STATUTORY INFORMATION

	2015-2016 ₹ In Lacs
i. Earnings in foreign currency (Accrual basis)	
FOB value of goods exported	19,035.33
ii. Expenditure in foreign currency (Accrual basis)	
Travelling	202.41
Brokerage and Commission	23.24
Interest & Finance Charges	224.62
Others	87.03
Total	537.30
iii. Value of imports calculated on CIF basis	
Raw Materials	8,211.69
Stores & Spares	51.02
Catalyst	528.77
Capital goods	93.01
Total	8,884.49

iv. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Dues to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

NOTE - 28 : IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED

i. Imported and indigenous raw materials consumed

Product	2015-2016	
	% of total	₹ in Lacs
Imported	11	8,171.83
Indigenous	89	66,883.15
Total	100	75,054.98

ii. Imported and indigenous spare parts consumed

Product	2015-2016	
	% of total	₹ in Lacs
Imported	12	51.51
Indigenous	88	379.10
Total	100	430.61
Part cost of Imported Catalyst		518.66

Notes

on Consolidated Financial Statements

NOTE - 29 : DISPUTED FOREIGN CURRENCY LIABILITY

Foreign currency liability of ₹ 3,797.62 Lacs (Previous Year ₹ 3,414.04 Lacs) shown under Creditors (current liabilities) has been disputed, a counter claim has been made and is not likely to be settled in near future, however this liability has been converted by applying exchange rate at the close of the year as per Accounting Standard.

NOTE - 30 : RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 39.49 Lacs have been accounted for in the respective heads of the Statement of Profit and Loss.

NOTE - 31: REMITTANCE OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

	31 st March, 2016
Number of Shareholders	2,679
Number of Equity Shares held	455,852
Amount Remitted ₹ In Lacs)	4.56
Year to which the dividend relates	31 st March, 2015

NOTE - 32 : PREVIOUS YEAR COMPARATIVES

This being first year of Consolidation hence figures for previous year is not applicable.

As per our report of even date

For Hariharan & Co.

Chartered Accountants

K. Nagarajan

Partner

Membership No: 16398

Firm's Registration No: 001083S

Place : Mumbai

Date : 23-05-2016

For ASA & Associates LLP

Chartered Accountants

Mihir Hindocha

Partner

Membership No: 112766

Firm's Registration No: 009571N\N500006

Sudhir R Singh

Company Secretary

For and on behalf of the Board of Directors

M M Dhanuka

Chairman

Rajesh Muni

Director

Dr. A K A Rathi

Director

J K Saboo

Executive Director

Nikunj Dhanuka

Managing Director & CEO

P H Ravikumar

Director

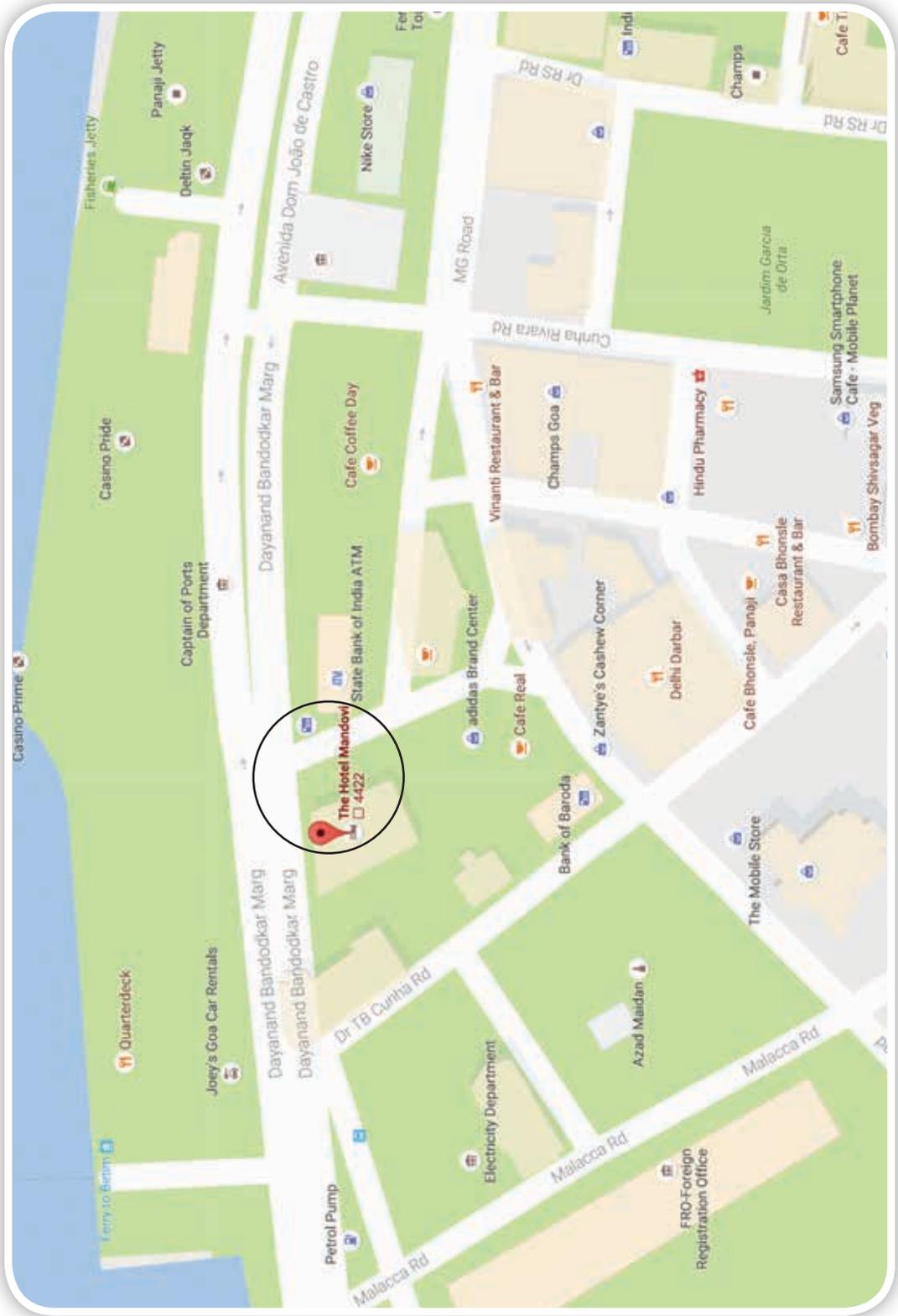
Dr. Vijayanti Pandit

Director

R Chandrasekaran

Chief Financial Officer

Route map to the venue of the AGM




IG PETROCHEMICALS LIMITED
 CIN: L51496GA1988PLC00915

Registered Office: T-10, 3rd Floor, Jairam Complex, Neugi Nagar, Panaji, Goa – 403 001
Corporate Office: 401-404, Raheja Centre, 214, Nariman Point, Mumbai-400 021
 Tel. No.: 022 30286100 • Fax: 022 22040747 • Email: igpetro@vsnl.com

ATTENDANCE SLIP

(Please complete this attendance slip and handover at the entrance)

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at Hotel Mandovi, Dr. D B Bandodkar Road, Panaji, Goa-403 001 on Wednesday, 31st August, 2016 at 3.00 p.m.

Folio No. _____ DPID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only Member / Proxy holder can attend the Meeting.
2. Member / Proxy holder should bring his / her copy of the Annual Report for reference at the Meeting.




IG PETROCHEMICALS LIMITED
 CIN: L51496GA1988PLC00915

Registered Office: T-10, 3rd Floor, Jairam Complex, Neugi Nagar, Panaji, Goa – 403 001
Corporate Office: 401-404, Raheja Centre, 214, Nariman Point, Mumbai-400 021
 Tel. No.: 022 30286100 • Fax: 022 22040747 • Email: igpetro@vsnl.com

PROXY FORM

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

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

I/We the member(s) of **IG Petrochemicals Limited** holding _____ shares hereby appoint:

- (1) Name: _____ E-Mail Id: _____
 Address: _____
 _____ Signature _____ or failing him;
- (2) Name: _____ E-Mail Id: _____
 Address: _____
 _____ Signature _____ or failing him;
- (3) Name: _____ E-Mail Id: _____
 Address: _____
 _____ Signature _____

TEAR HERE

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Wednesday, 31st August, 2016 at 3.00 p.m. at Hotel Mandovi, Dr. D B Bandodkar Road, Panaji, Goa-403 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Type of Resolution	For	Against
	Ordinary Business			
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2016 and the Report of the Board of Directors and Auditors' thereon.	Ordinary		
2.	To declare Dividend.	Ordinary		
3.	To appoint a Director in place of Shri M M Dhanuka [DIN 00193456] who retires by rotation and being eligible offers himself for re-appointment.	Ordinary		
4.	Ratification of appointment of Auditors.	Ordinary		
	Special Business			
5.	Re-appointment of Shri Nikunj Dhanuka as Managing Director & CEO.	Special		
6.	Ratification of remuneration of Cost Auditor.	Ordinary		

Signed this _____ day of _____ 2016

Signature of the Member _____

Affix
Revenue
Stamp

Signature of the proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

TEAR HERE

REGISTRATION OF E-MAIL ADDRESS

Date: _____

The Company Secretary
I G Petrochemicals Limited
401-404, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point,
Mumbai – 400 021.

Dear Sir,

Sub: Go-green initiatives in Corporate Governance - E-mail update

I / We hereby authorize you to send all communications to me / us in electronic mode. Please register my / our e-mail id in your records for sending all communications through e-mail. The relevant details in respect of my /our folio are given below:

Folio No. : _____

DP ID : _____

Client ID : _____

PAN : _____

No. of shares held : _____

E-mail ID : _____

Kindly communicate the registration of the e-mail ID in your record by email.

Thanking you,

Yours faithfully,

Signature of the shareholder

1st joint holder

2nd joint holder

Important Notes:

- 1) On registration, all the communication will be sent to the registered e-mail ID.
- 2) Shareholders are requested to keep Company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned email ID.

TEAR HERE



I G PETROCHEMICALS LIMITED

CORPORATE OFFICE

401-404, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021, India.

Tel.: (91) 22 - 3028 6100 | **Fax:** (91) 22 - 2204 0747

Email: igpetro@vsnl.com | **Website:** <http://www.igpetro.com>

CIN: L51496GA1988PLC000915

REGISTERED OFFICE

T-10, 3rd Floor, Jairam Complex, Mala, Neugi Nagar,
Panaji, Goa - 403 001, India.

Tel.: 0832 - 2434973