MANALI PETROCHEMICALS

Manali Petrochemicals Limited

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

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2021
September 1, 2021

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

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

Dear Sir,

Sub: Submission of Annual Report for the year 2020-21 – reg.

Pursuant to Regulation 34 (1) of the SEBI (LODR) Regulations, 2015, as amended, we submit the Annual Report for the year 2020-21 in pdf version (including therein the Notice of the Annual General Meeting to be held on 28-09-2021), which will be sent by e-mail from today to the shareholders and other persons entitled to receive the same. It may be noted that the Annual Report includes the Business Responsibility Report for the said year.

We request you to kindly take above on record.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited

R Kothandaraman
Company Secretary

Attachment: As above

MANALI
PETROCHEMICALS

ANNUAL REPORT

2020 - 21

Manali Petrochemicals Limited

Financial Highlights

All amounts ₹ in Crore unless stated otherwise

Details	Ind AS					Previous GAAP				
	2020-21	2019-20	2018-19	2017-18	2016-17$	2015-16	2014-15	2013-14	2012-13	2011-12
Net Revenue from operations	***922.23***	676.64	702.12	645.33	582.79	579.04	733.13	554.44	522.15	573.96
Other income	***12.53***	8.74	6.80	1.67	12.35	10.74	7.37	6.30	7.08	6.83
Total Revenue	***934.75***	685.38	708.92	647.00	595.14	589.78	740.50	560.74	529.23	580.79
EBIDTA	***302.72***	71.60	97.98	94.91	73.52	77.66	77.55	53.21	43.84	66.70
PBT	***257.08***	44.98	102.69	83.85	62.47	69.26	69.53	44.76	35.34	58.89
PAT	***192.60***	38.64	65.17	54.87	42.27	48.21	43.99	29.05	27.32	43.68
Total Comprehensive Income	***192.21***	39.11	65.86	54.53	42.33					
Equity Capital	***86.03***	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03
Reserves & Surplus	***550.31***	371.01	355.52	300.03	255.85	196.67	158.80	125.42	106.43	88.34
Net Worth	***636.35***	457.04	441.55	386.06	341.88	282.70	244.83	211.45	192.46	174.37
Net Fixed Assets	***187.01***	200.37	189.18	183.46	170.21	120.89	110.99	106.22	106.29	103.71
Face Value of share ₹	***5.00***	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Earnings per share ₹	***11.20***	2.25	3.83	3.17	2.46	2.80	2.56	1.69	1.59	2.54
Dividend	***30%#***	15%	15%	10%	10%	10%	10%	10%	10%	12%
Book value per share ₹	***37.00***	26.57	25.67	22.45	19.88	16.44	14.23	12.29	11.19	10.14
EBIDTA/Net Revenue	***32.82%***	10.58%	13.95%	14.71%	12.62%	13.41%	10.58%	9.60%	8.40%	11.62%
PBT/Net Revenue	***27.88%***	6.65%	14.63%	12.99%	10.72%	11.96%	9.48%	8.07%	6.77%	10.26%
PAT/Net Revenue	***20.88%***	5.71%	9.28%	8.50%	7.25%	8.33%	6.00%	5.24%	5.23%	7.61%
Return on Networth	***30.27%***	8.45%	14.76%	14.21%	12.36%	17.05%	17.97%	13.74%	14.19%	25.05%
Return on Capital Employed	***28.39%***	7.59%	22.29%	21.33%	18.33%	24.96%	28.71%	20.31%	17.82%	31.93%

$ Restated as per Ind AS

Subject to declaration at the AGM

Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
Gangadharan Chellakrishna	DIN: 01036398	Director
Sashikala Srikanth	DIN: 01678374	Director
Govindarajan Dattatreyan Sharma	DIN: 08060285	Director
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	DIN: 08397818	Director
Dr. N. Sundaradevan, IAS (Retd.)	DIN: 00223399	Director
Thanjavur Kanakaraj Arun	DIN: 02163427	Director
Vandana Garg, IAS	DIN: 09205529	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
M Karthikeyan	DIN: 08747186	WTD (Operations)

Company Secretary
R Kothandaraman

Chief Financial Officer
Anis Tyebali Hyderi

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

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

Registrar and Share Transfer Agent (RTA)
Cameo Corporate Services Limited
Subramanian Building
1, Club House Road, Chennai 600 002
Phone: 044-28460390/28460394 & 28460718
Fax 044-28460129, E-mail:investor@cameoindia.com

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

Cost Auditor
M Krishnaswamy & Associates
Cost Accountants
Flat 1K Ramaniyam Ganga
Door No. 27 to 30 First Avenue
Ashok Nagar, Chennai 600 083

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

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

Bankers
IDBI Bank Limited
HDFC Bank Limited

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

CONTENTS

Notice to Shareholders

NOTICE is hereby given that the 35th Annual General Meeting of the Company will be held at 1:30 PM (IST) on Tuesday, the 28th September 2021 through Video Conferencing/Other Audio Visual Means (OAVM) to transact the following items of business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2021 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any, of the Companies Act, 2013, the Stand Alone and Consolidated Financial Statements of the Company for the year ended 31st March 2021 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor are received, considered and adopted.

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

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of one rupee and fifty paise per equity share on 17,19,99,229 Equity Shares of ₹ 5/- each, absorbing ₹ 25.80 crore (Rupees twenty five crore eighty lakh only), subject to rounding off, is declared out of the profits for the year ended March 31, 2021 and the same be paid:

   i. In respect of shares held in physical form, to those Members whose names appear on the Register of Members on 28th September 2021 and

   ii. In respect of shares held in electronic form, to those Members whose names appear in the list of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 4th September 2021

3. **To re-appoint Mr. Ashwin C Muthiah (DIN: 00255679) who retires by rotation and being eligible offers himself for re-appointment as a Director, by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Ashwin C Muthiah (DIN: 00255679), a Director retiring by rotation being eligible and offering for re-election, is re-appointed as a Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

4. **To ratify the remuneration to the Cost Auditor for the year 2020-21 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of ₹ 2,50,000 (Rupees two lakh fifty thousand only) to M Krishnaswamy & Associates, Cost Accountants, Chennai, the Cost Auditors of the Company for the year 2020-21 is ratified.

5. **To appoint Ms. Vandana Garg, IAS (DIN: 09205529) as a Director by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Ms. Vandana Garg IAS [DIN: 09205529] is appointed as a Director of the Company, liable to retire by rotation.

6. **To approve the transactions with Tamilnadu Petroproducts Limited by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval is accorded for transactions with Tamilnadu Petroproducts Limited during the year 2021-22 for purchase and sale of goods and services and other transactions for aggregate value upto ₹ 325 crore (Rupees three hundred twenty five crore) plus applicable taxes.

RESOLVED FURTHER THAT pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in partial modification of the resolution passed at the 34th Annual General Meeting held on 16th September 2020, transactions with Tamilnadu Petroproducts Limited during the year 2020-21 for purchase and sale of goods and services and other transactions for aggregate value of ₹ 189.06 crore (Rupees one hundred eighty nine crore and six lakh only) including applicable taxes are approved.

Date: August 16, 2021	By Order of the Board
Registered Office:	for **Manali Petrochemicals Limited**
SPIC HOUSE,	R Kothandaraman
88, Mount Road, Guindy, Chennai – 600 032	**Company Secretary**

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

Item No. 4

As recommended by the Audit Committee M Krishnaswamy & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditors of the Company for the year 2020-21 by the Board on 22.09.2020 through a circular resolution, on a remuneration of ₹ 2.50 lakh. As per Section 148 of the Companies Act, 2013, (the Act) read with the relevant Rules, the remuneration to the Cost Auditors is to be approved by the Members. Accordingly, Board recommends the same for consideration and approval of the Members.

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

Item No. 5

Ms. Vandana Garg, IAS, (DIN: 09205529) was appointed as an Additional Director of the Company through Circular Resolution on 2nd July 2021 and she holds office till the Annual General Meeting. Proposal has been received for her appointment as a Director of the Company under S. 160 of the Act, since the appointment has been recommended by the Nomination and Remuneration Committee, there is no requirement of any deposit for considering the same. A brief profile of the appointee is appended to this explanatory statement.

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

Item No. 6

The Company has been having transactions with Tamilnadu Petroproducts Limited (TPL) for more than 3 decades for purchase/sale of various goods/services. MPL is purchasing Propylene Oxide from TPL since 2017-18 for its derivative plants which is in addition to the other products/ services.

The transactions with TPL have always been in the ordinary course of business at arms' length and so they are not covered under S. 188 of the Act. TPL has been identified as a Related Party of the Company under the IndAS- 24 and so the requirements relating to transactions with Related Parties under the SEBI (LODR) Regulations 2015, (the Regulations) are being complied with.

Pursuant to Regulation 23 (4) of the Regulations all material related party transactions shall require approval of the shareholders through resolution. In terms of the Policy of the Company read with the said Regulations the transactions would be deemed material if they are more than 10% of the consolidated turnover of the Company in the preceding year. In this connection, it has been estimated that the transactions with TPL during the financial year 2021-22 would exceed the aforesaid limits and accordingly the same is placed before the Members for approval.

Members at the last AGM accorded approval for transactions with TPL during FY 2020-21 upto ₹ 150 crore plus applicable taxes. However due to change in market conditions, post pandemic induced lockdowns, which had not been anticipated, the total value of transactions exceeded the above amount, on account of higher volumes and rates and also supply of feedstock for PO to TPL by the Company to ensure optimum input cost in the changed circumstances.

As required under Regulation 23 of the Regulations, prior approval of the Audit Committee was obtained for additional transactions during FY 2020-21 and also for the transactions during FY 2021-22 at the meeting held on 9.2.2021.

It is essential for the Company to continue the transactions with TPL as it has been one of the major suppliers of the essential raw materials to the Company for more than 3 decades. Further, securing PO from TPL has brought down the high cost imports and benefitted the Company to earn better value addition.

The Board recommends the resolution for consideration and approval of the Members as an Ordinary Resolution. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in the aforementioned proposal.

Date: August 16, 2021	By Order of the Board
Registered Office:	for **Manali Petrochemicals Limited**
SPIC HOUSE,	R Kothandaraman
88, Mount Road, Guindy, Chennai – 600 032	**Company Secretary**

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 35TH AGM

Items 3 and 5 of the Notice

Brief profiles of the proposed appointees:

Mr. Ashwin C Muthiah is the Founder Chairman of AM Group of Companies, Singapore which has interests across the globe in fertilizers, petrochemicals, distribution, infrastructure, healthcare and green energy. He is a commerce graduate from Loyola College, Chennai. After completing his post-graduation in management studies in the US, he joined the Group in India.

Mr. Ashwin, a third-generation business leader, has led the group since 2001; he initiated the strategic re-orientation of various business units to transform them into future-ready and sustainable entities in the new global economic environment. Today, the US$ 2 billion Group's ventures span diverse, traditional and new-age businesses across India, South East Asia and the UK.

Besides steering the Group as Chairman of the parent Company, Mr. Ashwin also heads the Boards of the various group companies such as Southern Petrochemical Industries Corporation Limited (SPIC), Manali Petrochemicals Limited (MPL) and Sicagen India Limited. He is the Vice Chairman of Tamilnadu Petroproducts Limited (TPL) and Director of AM Foundation, AMI Holdings Private Limited, Mitsuba SICAL India Private Limited, and SPIC Group Companies Employees Welfare Foundation. He is also Director of all the three subsidiaries of the Company.

He is Chairman of Stakeholders' Relationship Committee of MPL and TPL, Corporate Social Responsibility Committee of SPIC, MPL, TPL and SICAGEN and a Member of Nomination & Remuneration Committee of SPIC, MPL and TPL.

Mr. Ashwin has been a Director of the Company since 27th April, 2007. He holds 13,648 equity shares in the Company, and not related to any of its directors.

Ms. Vandana Garg IAS, is a graduate in Microbiology and Post Graduate in Biomedical Science. A 2017 batch IAS Officer of Tamilnadu Cadre, she is at present the Executive Director of TIDCO. She served as Assistant Secretary in the Department of Social Justice and Empowerment, Government of India and later as Assistant Collector (Trg.), Salem and Sub-Collector, Thiruppaththur, Tamilnadu.

Ms. Vandana joined MPL Board on 2nd July 2021 as a nominee of TIDCO. She is a Chairperson of TICEL Bio Park Limited, Tanflora Infrastructure Park Limited, Tanfac Industires Limited, Managing Director of TIDEL Park Limited, TIDEL Park Coimbatore Limtied and Director of Southern Petrochemical Industires Corporation

Limited, Mahindra World City Developers Limited and Tamilnadu Trade Promotion Organization. She is a Member of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Directors of the Company. She does not hold any shares in MPL nor is related to any of its Directors.

IMPORTANT NOTES:

Statutory information:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 6th September to 28th September 2021 (both days inclusive) in connection with the Annual General Meeting (AGM) and payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to Special Business of the meeting annexed to the Notice which may also be deemed as the disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations).
3. Particulars of the Directors seeking reappointment at the Annual General Meeting are furnished above to form an integral part of the Notice. The Directors have furnished the requisite declarations for their re-appointment.

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

4. Pursuant to the General Circular No. 20/2020 dated 5th May 2020 read with General Circulars No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, and 02/2021 dated 13th January 2021, the Meeting will be held through Video Conferencing/ Other Audio Visual Means.
5. In terms of the above Circulars, there is no provision for appointment of proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Act, representatives of bodies corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. **For participating in the meeting through the VC/OAVM please see the guidance in page 12**
7. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent M/s Cameo Corporate Services Limited using the web-link: https://Investors.cameoindia.com.
8. The above facility for participant registration will be open from 9:00 AM on 20th September 2021 to 5:00 PM on 24th September 2021. It may please be noted that there will be no option for spot registration or through any other mode. ***Only those shareholders who have registered through the above process will be able to speak at the meeting.***
9. Members who do not wish to speak during the AGM but have queries may send their queries on or before 24th September 2021 by email to companysecretary@manalipetro.com mentioning their name, demat account number/folio number and mobile number. These queries will be responded to by the Company suitably.

Despatch of Annual Report and Notice of the meeting:

10. Electronic copy of the Annual Report for the year 2020-21 and the Notice of the 35th AGM are being sent to the Members whose E-mail IDs are registered with the Company and for persons holding shares in demat form as per the information provided by the Depositories. **Members may note that pursuant to the aforesaid Circulars there is no facility for providing printed copies of the Annual Reports.**
11. Annual Report and the Notice of the AGM are available in the Company's website viz., www.manalipetro.com. The AGM Notice is also disseminated on the website of CDSL (the agency for providing the Remote e-Voting facility and e-voting system during the AGM) www.evotingindia.com.

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

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

Payment of dividend and withholding tax thereon:

14. The dividend for the year 2020-21 upon declaration at the AGM, would be paid on 25th October 2021, as below:
    a. In respect of shares held in physical form to those Members whose names appear on the Register of Members on 28th September 2021 and
    b. In respect of shares held in electronic form, to those Members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 4th September 2021.
15. Dividend is taxable in the hands of the recipient from 1st April 2020. The Company is required to deduct tax at source from dividend. Accordingly dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 10% in other cases.
16. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, dividend amount would be aggregated for determining the rate of TDS.
17. If the Member
    (a) Is a resident individual and the amount of dividend does not exceed ₹ 5,000 or furnishes a declaration in Form 15G/15H, no tax will be deducted.
    (b) Is a Non Resident or Foreign Institutional Investor or a Foreign Portfolio Investor, tax deduction would be @ 20%
    (c) Is other than (a) or (b) above, tax would be deducted irrespective of the amount @ 10% or as the case may be 20%, in the absence of a valid PAN.
    (d) In addition to the above, surcharge and cess as applicable will be deducted.
    (e) Resident shareholders may also submit certificate under Section 197 of the Income Tax Act, 1961, issued by the concerned authority for no or lower deduction of tax.
    (f) Non Resident Shareholders, including foreign companies and institutional investors like FIIs, FPIs, etc. if eligible can avail lower withholding taxes under the Double Taxation Avoidance Agreements by submitting the necessary documents such as Tax Residency Certificate, Form 10F and other declarations specified in the relevant Rules.
18. The aforesaid forms and declarations may be provided through the Web-portal of the RTA https://Investors.cameoindia.com. It may please be noted that physical copies of the Forms will not be acceptable and so Members may provide the declaration only electronically. The facility for providing the declaration for Dividend 2020-21 will not be available after 5th October 2021 5:00 PM.
19. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account of the shareholder as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any request for deletion or change of such bank details.

20. Members may provide their bank account details through the web-link of the RTA https://Investors.cameoindia.com. Information provided after 5th October 2021 may not be considered by the RTA and warrants will be sent. There may be delays in receipt of the warrants by the shareholders, depending on the situation prevailing at the time of processing and payment of dividend.

Unpaid/Unclaimed Dividend:

21. As per Section 125 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹ 59,04,069/- being the unpaid and unclaimed dividend amount pertaining to the year 2012-13 to the IEPF on 5th October 2020. The details of such transfer are available in the website of the Company.

22. Pursuant to Section 124 (6) of the Act, during the year 8,00,105 equity shares relating the unpaid/unclaimed dividends for the year 2012-13 were also transferred to the IEPF. The total number of shares transferred to the IEPF till date is 72,54,001, covering the period upto 2012-13.

23. The details of unpaid dividend relating to the years 2013-14 to 2018-19 as on 16th September 2020 being the date of the last AGM is available in the website of the Company www.manalipetro.com. The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2013-14 to 2019-20 will be uploaded in the Website of the Company in due course.

24. Dividend for the year 2013-14 remaining unclaimed and unpaid will be transferred to IEPF during October 2021. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.

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

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

General:

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

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

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

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

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

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

GUIDANCE TO SHAREHOLDERS FOR REMOTE E-VOTING

(1) The voting period begins at 9:00 AM on 25.09.2021 and ends on 27.09.2021 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., 21.09.2021 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 PM on 27.09.2021.

(2) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

(3) Pursuant to abovesaid SEBI Circular, login process for e-Voting and joining virtual meetings for **individual shareholders holding securities in Demat mode** are given below:

A. Shareholders holding securities with CDSL

i. If you have opted for CDSL Easi / Easiest facility, you can login using your existing user id and password. The URL to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login. Alternatively you can visit www.cdslindia.com and click on Login icon and select New System Myeasi.

ii. After successful login, you will be able to see the e-Voting option for companies in respect of which the e-Voting is in progress, as per the information provided by the respective company. On clicking the e-Voting option, you will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & do voting during the meeting.

iii. Links are also provided to access the system of all the e-Voting Service Providers viz., CDSL/ NSDL/KARVY/LINKINTIME, so that you can visit the e-Voting service providers' website directly.

iv. If you are not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

v. Alternatively, you may directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on www.cdslindia.com home page or click on the link: https://evoting.cdslindia.com/Evoting/EvotingLogin

vi. The system will authenticate your credentials by sending OTP to the registered Mobile & Email as recorded in the Demat Account.

vii. After successful authentication, you will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

B. Shareholders holding securities with NSDL

i. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com by selecting "Register Online for IDeAS" Portal or clicking the link: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

C. Login through Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

D. If you are unable to retrieve User ID/ Password please use Forget User ID and Forget Password options available at above mentioned websites and follow the instructions for resetting the information.

E. Help Desk in case of log-in issues of individual demat holders:

- Members holding demat account with CDSL and facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact 022- 23058738/23058542-43.
- Members holding demat account with NSDL and facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(4) Login method for e-Voting and joining virtual meetings for **Members holding shares in Physical mode and members other than individuals holding shares in Demat mode** is as below:

i. Log on to the CDSL's e-voting website www.evotingindia.com.

ii. Click on "Shareholders" module.

iii. Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

c. Shareholders holding shares in physical mode should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and click on Login.

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

vi. If you are a first time user follow the steps given below:

FOR INDIVIDUALS HOLDING SHARES IN PHYSICAL MODE & OTHERS HOLDING IN DEMAT MODE	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat as well as physical) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is available in the e-mail forwarding the Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number as mentioned in instruction (III) above.

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

viii. Shareholders holding shares in physical form will then directly reach the Company selection screen and shareholders holding shares in demat form will 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.

ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for Manali Petrochemicals Limited

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

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

xiii. 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.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If you are a demat account holder and 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.

xvii. You may also cast your vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from the respective Store. Please follow the instructions as prompted by the mobile app to do Remote Voting on your mobile.

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

GUIDANCE TO SHAREHOLDERS TO ATTEND THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. As mentioned earlier, the AGM will be held through Video Conferencing/Other Audio Visual Means (OAVM), facilitated by CDSL.
2. The procedure for attending the meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
3. The link for VC/OAVM to attend the meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
4. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned above. In other words, the window for joining the meeting would be available from 1:15 PM to 1:45 PM on the AGM day.
5. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This shall not apply to Shareholders holding 2% or more shares and other categories of persons mentioned in the relevant Circulars of the MCA.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
7. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection with good speed to avoid any such glitches during the meeting.
9. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. There is no provision for spot registration or register through any other means to speak at the meeting. Please refer to Sl. No. 7 & 8 of the Important Notes in page No. 6 to register for speaking at the meeting.
10. Shareholders are requested not to permit any other person to use their log-in credentials, as it would be a violation of the provisions of the Act, and the Rules made there under.

FOR THE ATTENTION OF NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

(Applicable only for remote e-voting and not for attending the AGM or voting thereat)

- Non-Individual shareholders (i.e. other than individuals and HUF.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created, using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer bchandraassociates@gmail.com or to the Company at the email address viz; companysecretary@manalipetro.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

GUIDANCE TO SHAREHOLDERS FOR E-VOTING DURING THE AGM

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

CONTACT FOR FURTHER INFORMATION/GRIEVANCE REDRESSAL

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

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

The Directors present their 35th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2021.

Financial Results

The highlights of the financial results for the year are given below:

(₹ In crore)

DESCRIPTION	2020-21	2019-20
Profit Before interest, depreciation and tax*	**281.97**	64.49
Interest	**4.42**	5.67
Depreciation	**20.47**	13.85
Profit Before Tax	**257.07**	44.97
Provision for Taxation	**64.47**	6.33
Profit After Tax	**192.60**	38.64
Total Comprehensive income	**192.21**	39.11

* including exceptional items

Operational Highlights

Total revenue during the year was ₹ 935 crore, about 37% higher than ₹ 685 crore in 2019-20. Production, sales and profits during the year have been highest ever in the history of the Company, which is attributable more to the international and domestic market conditions and lower import of the products into India.

It may be recalled that the normal business operations were impacted in the first quarter of the year due to the pandemic situation and your Company, in June 2020, posted a quarterly loss first time in more than 15 years. However, demand for the products increased significantly in the subsequent quarters and sustained during the rest of the year. Since imports into India were lower on account of the global conditions, your Company could sell its products without much of pricing pressure, which is a major impediment in normal circumstances. So, though there was no significant increase in the volumes, higher sales could be recorded in value terms with improved margins.

During the year total additions to fixed assets was ₹ 22.76 crore, mainly comprising plant and equipment.

As announced during the year, the Company has taken up a project for capacity augmentation of Propylene Glycol by 48,000 TPA in two phases. The first phase is in progress and based on technical advice, the new capacity in this phase would be 32,000 TPA instead of the earlier proposed 24,000 TPA to be achieved, without any additional cost. The first phase would be completed within 18-21 months of receipt of the regulatory clearances for which applications have been filed.

The Company continues to source power from third parties besides the power supplied by TANGEDCO. During the year R-LNG supplies to Plant 1 were stabilized and expected to commence for Plant 2 during FY 2021-22.

The bio mass Captive Power Plant, held in Plant 2 had been defunct since December 2014 and was fully impaired during the year under review. MPL benefitted through this project immensely, when the power cuts were at a peak a few years ago. However, subsequently the operations became unviable, on account of shortage / high cost of firewood and also environmental issues. So it was closed down permanently in the previous year and assets of ₹ 7.11 crore were impaired, a majority of the assets had been identified for possible use when the LNG supplies commenced for Plant 2. However, on a technical evaluation of the specifications of the major items, viz., the turbine and the boiler, it has been concluded that these would not be usable for R-LNG conversion. Accordingly, assets for ₹ 10.37 crore have been written off during the year under review and included under exceptional items in the Statement of Profit & Loss.

Financial Review

The finance cost of ₹ 4.42 crore for the year was lower by ₹ 1.25 crore compared to the previous year and includes ₹ 3.60 crore relating to leases. The actual interest and related payout for the year was only ₹ 0.82 crore against ₹ 1.83 crore in the previous year.

As in the earlier years, capital expenditure was met from internal sources and the Company has been operating without any long term debt. The funding for the PG project is also being met from internal accruals.

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

Dividend

You would be happy to note that the Company has an unbroken dividend track of 15 years till the last year, thanks to the consistent dividend policy, ensuring that the dividend payments are sustained even when the conditions are not very good. It may not be out of place to mention that in spite of the net profits going down by 40% in FY 2019-20 vis a vis FY 2018-19, the dividend was sustained at the same level, based on the above strategy.

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (the Regulations), Board has approved a Dividend Distribution Policy, which is available on the website of the Company in the link: https://manalipetro.com/corporate-governance/

Taking into account the parameters specified in the aforesaid Policy, your Directors are happy to recommend a dividend of 30% i.e., one rupee and fifty paise per equity share of ₹ 5/- each fully paid-up, for the year 2020-21, aggregating to ₹25.80 crore. You may be pleased to note that the dividend has been doubled from the last year level, on account of the better financial performance during the year.

Industry structure and development

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

PU, a combination of both soft and hard parts such as urethane and urea, is a versatile plastic polymer available in various forms right from rigid foam, flexible foam to strong and hard elastomers. PU, can be customized in various combinations and structures for applications in a wide range of products for improving energy efficiency and improved physical and chemical properties. This helps PU to be used in wide variety of consumer and industrial applications such as thermal insulation in buildings, refrigerators, household furniture, shoes, packaging plastics etc.

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

PU is becoming popular in construction and infrastructure activity, owing to the characteristics such as durability, low thermal conductivity, ability to withstand external impacts, etc. Increasing expectations of high performance, lightweight interior components and cushion foams in automotive parts to achieve energy saving also contribute for further polyurethane market growth.

Products of MPL

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

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

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

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

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

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

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

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

Indian Market Scenario

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

Indian PG market is also generally dominated by imports, but your Company continues to get better realization from sale of PG.

During the year under review, the Indian PU industry went through a mix of lean and peak periods, resulting in uncertain conditions, unpredictable demand and also prices. The Polyol off-take was almost nil during the first lockdown, which commenced in the last week of March of the previous fiscal, extending to more than 3 months. When the restrictions were eased, post pent-up demand was more than expected. In the 2nd quarter of the year market revival was seen and in the 3rd quarter the demand from mattress segment peaked. Demand from automotive and construction segments was subdued initially but rallied towards the end of the third quarter. The trend continued in the last quarter till the resurgence of the pandemic and the resultant lockdowns.

Though the organized sectors of the PU market were more resilient and recovered early, the offtake from unorganized sectors and the MSME industries was less than 50% of the Pre-COVID volumes. Piled up inventory, credit flow issues, high PU prices and shutdown of secondary and replacement markets were the major deterrents for the small players to come out of the situation.

The Indian PG market also witnessed fluctuating demand from pharma and food manufacturers but higher consumption of the product for sanitizers especially in the first quarter, compensated the reduced off-take from these sectors.

Post pandemic, exporters to India shifted their focus to the more lucrative developed markets and the global movement and logistics issues further restricted import of polyols and PG into India. In sum, the Indian market witnessed supplies falling short of demand and the prices peaked to unprecedented levels. Though the input costs also increased, the domestic players could reap better benefits, which was being denied to them in the past due to unrestricted imports through FTAs.

Opportunities and threats

Polyurethane materials, due to their versatility, perform extremely well as part of any application that is subject to dynamic stress. They provide many advantages including resilience, high tear resistance, low viscosity and low heat build-up. Polyurethane can be used for varied applications like building insulations, refrigeration, furniture, footwear, automotive, coatings and adhesives, sealants etc. The development of polyurethane materials is still evolving and new applications are regularly being created. It is a polymer that helps in smart designing and achieving more with less. So, its popularity has been on the raise for the past several years with infinite opportunities.

Increasing demand for lightweight and durable products in the automotive, construction, and electronics industries and PU applications for insulation purposes in various end-use industries are the major factors aiding the growth of PU market.

It has been reported that the global PU market size valued at US$ 70.67 billion in 2020 would grow at a CAGR of about 3.8% from 2021 to 2028 and reach US$ 95 billion level. It may be pertinent that the earlier estimates were CAGR of 6.5% in the six years ending 2022. The reduction could be due to the pandemic induced lockdowns across the world and related restrictions, which have affected millions of people.

It has been observed that Asia-Pacific region with 44% had the highest market share in 2020, followed by Europe and North America. Asian market is dominated by China with high manufacturing and consumption of PU followed by Japan.

In India, PU Market and applications have for long been in the emergent stage but the increasing requirement for lightweight but durable materials from end-use industries has been driving the demand for the PU products in the recent years. The per capita consumption of PU was reported as 440 gm and poised for growth. The cumulative growth was expected to be about 60% in the three years ending 2023. However, these forecasts were made before the pandemic situation and given the repeated pandemic induced lockdowns, it would be very difficult to predict if these would hold good in future.

It is also seen that the global growth projections have been made, relying on higher demand from construction sector. However, in India use of PUs in this sector has not matured and the green building Codes remain as guidelines only. So, Indian PU market will have to depend more on the traditional segments like automotive, furniture & bedding, etc. In view of this, it is not certain if the projected growth would be achievable in the short term.

As mentioned earlier, the major threat to your Company has been lower margins due to imports. Sustainability of the unprecedented higher prices and margins due to lower imports witnessed during the year under review may be difficult, once normalcy returns.

Though the Company has been successful in its efforts for imposition of Anti- Dumping Duty on imports from certain countries, there had been no real relief. The Company continues with the actions for cost reduction and product development, but these have inherent limitations and hence it may take a longer time to reap the benefits.

Unless and until the pandemic situation changes for good, all the businesses would be in tenterhooks for very survival, given the frequent lockdowns, predictions of further waves and variants of the virus. However, if vaccination programmes achieve the desired targets and are effective, the threat may subside in the future.

Risk Management Policy

The Company has established a structured frame work for addressing business risk management issues. A risk management plan has been framed, implemented and monitored by the Board through the Risk Management Committee of Directors (RMC), as at the year-end comprising Ms. Sashikala Srikanth as the Chairperson and Mr. T K Arun, Dr. K P Karthikeyan IAS and Mr. Muthukrishnan Ravi, as the other Members. Consequent to the resignation of Dr. Karthikeyan, IAS, Ms. Vandana Garg, IAS has been made a Member of the Committee with effect from 2nd July 2021.

The Company has two employee-level Committees viz., a sub-committee and an Apex Committee, headed by the Wholetime Director (Operations) to review and assess the risks that could affect the Company's business. The sub-committee brings out the matters that could affect the operations and the Apex Committee, determines the issues that could become business risks. The mitigation actions are also suggested by the Committees and the report of the Head of the Apex Committee is submitted to the RMC. The RMC meets periodically, reviews the reports, recommends and monitors actions to be taken in this regard. During the year under review the Committee met on 15th June 2020, 5th August 2020, 11th November 2020 and 9th February 2021. Ms. Sashikala Srikant & Mr. T.K. Arun, attended all the meetings, Mr. Muthukrishnan Ravi attended three and Dr. K.P. Karthikeyan, IAS attended one meeting.

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

Pursuant to the amendment to provisions of the Regulations, on 5.5.2021 it is mandatory for the Company to have a Risk Management Committee, which as mentioned above has already been constituted in 2014.

Risks and Concerns

Though the recent period has been an exception, the Indian Polyol and PG markets under normal circumstances are dominated by imports. Major players such as DOW, Sadara, etc. have set up high capacity plants across the world enjoying subsidies from the local governments and offer higher quantity of Polyols to Indian market at very low prices. As explained earlier, even imposition of Anti-Dumping Duties has not alleviated woes of the domestic producers as the MNCs either supply the materials from places not covered under ADD or bear the additional cost.

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

In addition to the above, the domestic refiners contemplating to tie-up with MNCs and enter into the Polyol field are also reported, though no concrete information on such proposals are available, as of now. If these turn out to be a reality, the product availability may go up further and create more pressure on the margins, if there is no big increase in demand, and imports go back to earlier levels.

Frivolous actions with ulterior motives by the self-styled environment protectors have become a new threat to industries, especially the chemical processing sector. At times unworkable suggestions, like ZLD processes are mooted, which could actually endanger the industries due to huge and unviable capital outlays and operating cost.

The Company has developed a new and improved process for effluent treatment to meet the stipulated norms for marine discharge. Being biological based, sustainability in the long run could be an issue, though the Company is closely monitoring the developments in this area. Further, the norms are upgraded periodically by the Regulators, imposing tougher conditions. The Company would have to be very watchful on these developments and may be required to allocate additional resources to meet exigencies arising therefrom.

The case filed with the National Green Tribunal against the marine disposal of the treated effluent is still pending. The case, earlier transferred to NGT, New Delhi has been reverted to the Southern Bench, which has taken up the matter. Since the Company is meeting the prescribed norms, it is confident of defending the case and getting the petition dismissed.

Based on some unverified news report about stack emission violations by industries in Ennore – Manali area, the South Zone Bench of the NGT has filed a Suo Moto application on certain industries, including on the Company. The Company has filed its statement to prove that the allegations are wrong and sought discharge from the case based on facts.

During the year 2017, the period of lease relating to Plant 2 expired. Though the Company filed its request for extension well in advance with the Government of Tamilnadu, the same is yet to be renewed. Further an unsubstantiated claim for huge arrears had been received by the Company and shown as claims not acknowledged as debts in the Financial Statements. The Auditors have drawn their attention to these, but since the land has been put to use by the Company for the purpose for which it has been allotted and also as the matter is being closely followed up, your Company is confident that the request would be considered favourably by the authorities.

As regards the demand for arrears, the Company had disputed the claim and requested the Revenue department to re-determine the same as per the terms of the agreement and applicable government guidelines. As a further development, the lease rent has been redetermined by the authorities as per the above and the revised demand has been paid by the Company during July 2021.

Outlook

According to the World Economic Situation and Prospects (WESP) mid-2021 report, following a sharp contraction of 3.6 per cent in 2020, the global economy is now projected to expand by 5.4 per cent in 2021, reflecting an upward revision from the UN forecasts released in January 2021. According to the Report, global merchandise trade having already surpassed pre-pandemic levels, the rebound post pandemic has been strong, but uneven across economies.

The Report has highlighted that manufacturing-dependent economies have fared better, both during the crisis and the recovery period, but a quick rebound looks unlikely for trade in services, (such as tourism) and commodity-dependent economies.

As regards India, the WEO in January 2021 had estimated GDP contraction of 8% in Fiscal 2020 against 4.2% growth in Fiscal 2019. The growth for 2021 is set at 11.5% and 6.8% for 2022. The Report has pointed out that the revision in projections for India for 2021 by 2.7% over the figures of October 2020 is significant, reflecting a stronger-than-expected recovery in 2020 after lockdowns were eased.

However, the RBI in its July 2021 Bulletin has projected the GDP growth for 2021-22 at 9.5%, 2% lower than the previous estimates. It has been pointed out that the economy is struggling to regain the momentum of recovery that had started in the second half of 2020-21 but was interrupted by the second wave. According to the Bulletin, a solid increase in aggregate demand is yet to take shape and there would be substantial slack in the economy and demand pressures may take some more time to become evident. Experts have warned of a third wave in the next couple of months and overcoming this without major lockdowns, would depend on the extent and efficacy of vaccination.

Subsidiaries

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

AMCHEM, Singapore

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

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

During the year under review, the total income of AMCHEM, Singapore was US$ 2.61 million (₹ 19.18 crore) and the profit for the year was US$ 104,040 (₹ 0.76 crore). AMCHEM, Singapore continues to explore further opportunities for acquisition of overseas facilities for enhancing MPL's global presence, and also has interests in trading, transaction facilitations, business and project consultancy.

AMCHEM, UK

AMCHEM Speciality Chemicals UK Limited, UK was established in September 2016 by AMCHEM Singapore as its WOS which completed the acquisition of Notedome Limited effective 1st October 2016 through the equity contributions from its holding company and bank loans. AMCHEM, UK at present continues to be the holding company of Notedome Limited, UK. The total income of AMCHEM UK was £120,000 (₹ 1.21 crore) and profit £ 13,674 (₹ 13.80 lakh).

Notedome Limited, UK

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

The total revenue of Notedome for the year was £ 9.08 million (₹ 91.63 crore) and profit £ 0.78 million (₹ 7.95 crore).

Environment and Safety

Your Company has laid down clear policies for quality, environment and safety and has set-up various teams and committees to monitor and improve observance of the said policies. Besides periodical in-house reviews and audits, surveillance audits of ISO 9001 and ISO 14001 have been done regularly, ensuring proper adherence to the quality, environment and safety requirements. World Environment Day is celebrated and to mark the occasion tree planting and similar activities are undertaken. As part of its CSR activity the Company has also taken up a project for planting about 10,000 trees in Manali area, under the social afforestation programme of the Government.

Your Company pays special attention to safety of men and material and various competitions are held during the Safety Week to create awareness among the employees about the need to adhere to safe manufacturing practices. Training is provided to the employees in safety related matters and first aid and mock drills are conducted to ensure that the systems and processes are in place to meet any eventualities. In addition to strictly adhering to all the prescribed safety standards, your Company has, *Suo Moto*, taken additional safety measures for handling hazardous chemicals like chlorine, ethylene oxides at a cost of about ₹ 1.50 crore.

Audit Committee

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

Vigil Mechanism

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

Human Resources

Your Company believes that achievement of its goals is reliant on the ability of its workforce to convert the plans into actions. Therefore, every effort is taken to retain talent and also introduce newer ideas from the younger generation, for the success story to continue.

Various HR initiatives are taken to enhance the competency of the employees through inclusive decision making process by delegation, recognition, leadership development, etc. Your Company imparts need based training to its employees with special focus on youngsters, stimulating them to play an important role in shaping the Company's future.

The industrial relations have generally been cordial, except in relation to a wage dispute with the workmen from 2001, being contested earlier in the Supreme Court and now in the Madras High Court. The Management's efforts to settle the issue through dialogue have succeeded largely with most of the workmen barring a very few accepting the offer. The minority workmen are persisting with the case which is pending before the Madras High Court.

During the Pandemic situation, the Plants were operated strictly adhering to all the standard operating procedures. COVID infection has been included in the Group Insurance Cover to employees and their families and additional cover was granted in deserving cases, requiring longer hospitalization. Vaccination camps were organized and most of the employees, including contract workmen, have been inoculated.

As on 31st March 2021, your company had 328 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Act. The policy on related party transaction is available on the website of the Company viz., http://manalipetro.com/wp-content/uploads/2016/08/Policy-on-Transactions-with-Related-Parties.pdf.

As required under Regulation 23(2) of the Listing Regulations, approval of the Members was obtained for transactions with Tamilnadu Petroproducts Limited during the year 2020-21 at the 34th Annual General Meeting. Proposals to approve the additional transactions during the year under review and in 2021-22 have been placed before the Members.

Board of Directors and related disclosures

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

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

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

There have been no changes in the Key Managerial Persons after the last Annual General Meeting

(AGM). The following changes took place in the composition of the Board since the last AGM held on 16th September 2020:

a. Dr. K P Karthikeyan, IAS (DIN: 08218878) nominee of TIDCO resigned with effect from 18th June 2021. The Board places on record its appreciation for the invaluable services rendered by him during his association with the Company.

b. Ms. Vandana Garg, IAS, (DIN: 09205529) the new nominee of TIDCO has been appointed as an Additional Director with effect from 2nd July 2021, in the category of Non-Independent, Non-Executive Director. She holds office till the ensuing Annual General Meeting (AGM) and is seeking to be appointed as a Director by the Members under section 160 of the Act. Pursuant to proviso to S. 160 (1) there is no requirement of any deposit for the proposal which has been recommented by the Nomination and Remuneration Committee.

Mr. Ashwin C Muthiah, Chairman and Director, retires by rotation and being eligible offers himself for re-election.

Annual Evaluation of the Board, Committees and Directors

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

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

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

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

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

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

(d) the Directors had prepared the accounts for the financial year ended 31st March 2021 on a "going concern" basis.

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

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

Details of unclaimed Share Certificates

In accordance with the requirements of Clause 5A of the erstwhile Listing Agreement, during the year 2012-13 shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 1,89,539 shares, which remained unclaimed by 475 shareholders at the beginning of the year, 900 shares were released to 3 shareholders during the year. Further, 92,865 shares relating to 60 shareholders were transferred to the Investor Education and Protection Fund in compliance with the requirements of S. 124 (6) of the Act. As at the end of the year 95,774 shares remained unclaimed by 412 shareholders. As specified under the

Regulations, the voting right on the above shares remain frozen.

Auditors

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

Maintenance of Cost Records & Cost Audit

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

M Krishnaswamy & Associates, Cost Accountants, Chennai was appointed as the Cost Auditor of the Company for the financial year 2020-21 on a remuneration of ₹ 2.50 lakh plus applicable taxes and reimbursement of out of pocket expenses which is to be ratified by the Members at the 35th Annual General Meeting. The Cost Auditor holds office till 30th September 2021 or submission of his report for the year 2020-21, whichever is earlier.

Adequacy of Internal Financial Controls

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

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under the Regulations. A Report on Corporate Governance is given in **Annexure A.** Declaration of the CEO on compliance with the Code of Conduct of the Board and Senior Management and compliance certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance are given in **Annexure B.**

Secretarial Audit Report

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

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

a. The ratio of remuneration of Wholetime Directors to the median remuneration of the employees of the Company was 11.3.

b. The increase in remuneration of the Company Secretary and Chief Financial Officer during the year was 9.82% and 8.44% respectively.

c. The percentage increase in the median remuneration of the employees (other than workmen who are covered under wage settlement for which a litigation is pending before the Madras High Court) was 14.42%

d. As at the year-end there were 293 permanent employees, including MD and WTD, and excluding trainees.

e. During the year the average percentile increase in the salaries other than managerial remuneration was 13% and the increase in managerial remuneration was Nil.

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

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

Other disclosures

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

b. Pursuant to Section 92 (3) of the Act, the Annual Return filed during the year under review has been uploaded on the website of the Company under the link https://manalipetro.com/annual-return/

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

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

e. The annual report on CSR is given in **Annexure F**.

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

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

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

During the year under review, the operating margin and net margin improved by more than 3 times and 2.6 times, respectively. The current ratio and inventory turnover ratio improved by about 33%. The Return on Networth improved from 8.45% in 2019-20 to 30.27% in 2020-21. All these were as a result of better price realization during the year.

Acknowledgement

Your Directors express their sincere gratitude to the Government of India, the Government of Tamilnadu, the Promoters and the Banks for the assistance, co-operation and support extended to the Company. The Directors thank the Shareholders for their continued support. The Directors also place on record their appreciation of the consistent good work put in by all cadres of employees and especially for raising up to the occasion and ensuring sustained operations during the year, in spite of the challenges during the pandemic periods.

Disclaimer

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

For and on behalf of the Board

Ashwin C. Muthiah
DIN: 00255679
Chairman

London
August 16, 2021

Annexure A

REPORT ON CORPORATE GOVERNANCE

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

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

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2021.

2. Board of Directors:

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

As on 31st March 2021, the Board comprised of ten directors, as detailed below:

Name	Other Listed Companies of which he/she is a director and category	Membership	
		Other Boards	Other Board Committees
Non-Executive, Non Independent (NENI)			
Mr. Ashwin C Muthiah, Chairman	Southern Petrochemical Industries Corporation Limited, SICAGEN India Limited and Tamilnadu Petroproducts Limited (All NENI)	3(2)	1(1)
Mr. Thanjavur Kanakaraj Arun	Southern Petrochemical Industries Corporation Limited (NENI)	1	2
Dr. K.P. Karthikeyan, IAS (Nominee of TIDCO)	Southern Petrochemical Industries Corporation Limited and Tamilnadu Petroproducts Limited (All NENI)	9(1)	1
Non-Executive, Independent (NEID)			
Mr. G. Chellakrishna	Elnet Technologies Limited (NEID)	1	2(1)
Ms. Sashikala Srikanth	Southern Petrochemical Industries Corporation Limited, SICAGEN India Limited, Tamilnadu Petroproducts Limited and Mercantile Ventures Limited (All NEID)	6	7(4)
Mr. Govindarajan Dattatreyan Sharma	Tamilnadu Petroproducts Limited and Mercantile Ventures Limited (ALL NEID)	2	2
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	Tamilnadu Petroproducts Limited (NEID)	1	-
Dr. N. Sundaradevan, IAS (Retd.)	Tamilnadu Petroproducts Limited (NEID)	5	2(1)
Executive, Non Independent (ENI)			
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	-	-
Mr. M. Karthikeyan, Whole-time Director (Operations)	Executive, Non Independent	-	-

Notes:

a. Other Directorships / Committee Memberships are excluding foreign companies, private limited companies, Section 8 companies and alternate directorships as on 31st March 2021.

b. Only Membership in Audit Committees and Stakeholder's Relationship Committee (other than in MPL) are reckoned for Other Board Committee Memberships.

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

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

e. The details of familiarization programmes conducted for the Independent Directors are disclosed on the website of the Company at https://www.manalipetro.com/wp-content/uploads/2016/08/FAM_PROG_2020-21.pdf.

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

The Board of Directors met five times during the year 2020-21 viz., on 27th May 2020, 16th June 2020, 5th August 2020, 11th November 2020 and 9th February 2021. The details of the attendance of the directors at the Board Meetings and the AGM are as follows:

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended	Attendance at the Last AGM on 16.09.2020
Mr. Ashwin C Muthiah	Full year	Five	Five	Yes
Mr. G Chellakrishna	Full year	Five	Five	Yes
Ms. Sashikala Srikanth	Full year	Five	Five	Yes
Mr. Govindarajan Dattatreyan Sharma	Full year	Five	Five	Yes
Lt. Col. (Retd.) Chatapuram Swaminathan Shankar	Full year	Five	Five	Yes
Dr. N. Sundaradevan, IAS (Retd.)	Full year	Five	Five	Yes
Mr. Thanjavur Kanakaraj Arun	Full year	Five	Five	Yes
Dr. K P Karthikeyan, IAS	Full year	Five	Two	No
Mr. Muthukrishnan Ravi	Full year	Five	Five	Yes
Mr. C. Subash Chandra Bose	Till 27.05.2020	One	One	NA
Mr. M. Karthikeyan	From 28.05.2020	Four	Three	Yes

iii. Skills / Expertise / Competence of the Board:

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

Major Classification	Sub Classification	Remarks	Directors having the skills
Industry	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.	Mr. Ashwin C Muthiah, Mr. C S Shankar Mr. Muthukrishnan Ravi
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	Mr. Muthukrishnan Ravi, Mr. M Karthikeyan
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Mr. Ashwin C Muthiah, Mr. Muthukrishnan Ravi, Dr. K P Karthikeyan, IAS
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Mr. G Chellakrishna Ms. Sashikala Srikanth Mr. C S Shankar Dr. N Sundaradevan IAS Mr. T K Arun
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr. Ashwin C Muthiah, Mr. Muthukrishnan Ravi
Risk & Compliance	Operational	Identification of risks related to each area of operation	Mr. M Karthikeyan
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements	Mr. Muthukrishnan Ravi Dr. N Sundaradevan IAS Mr. G D Sharma Mr. T K Arun Dr. K P Karthikeyan, IAS
	Financial	Experience in accounting and finance, ability to analyse the financial statements presented, assess the viability of various financial proposals, oversee funding arrangements and budgets	Ms. Sashikala Srikanth Mr. G Chellakrishna Mr. T K Arun
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.	Mr. Ashwin C Muthiah Mr. G D Sharma Mr. Muthukrishnan Ravi
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyse issues and contribute at board level to solutions	
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	All the Directors of the Company

Major Classification	Sub Classification	Remarks	Directors having the skills
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.	All the Directors of the Company
	Experience	Previous experience in Board or senior management positions in reputed companies/ organizations/ government.	
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.	
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.	
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company	
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.	
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritize the Company	

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

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

iv. Confirmation on Independent Directors

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

3. Audit Committee:

i. Terms of reference

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

ii. Composition

As on 31st March 2021, the Committee comprised of Mr. G. Chellakrishna as Chairperson, Ms. Sashikala Srikanth, Mr. Govindarajan Dattatreyan Sharma and Dr. K P Karthikeyan, IAS as the other Members. The Company Secretary is the Secretary to the Committee.

iii. Meetings and attendance

The Committee met four times during the year 2020-21 viz., on 16th June 2020, 5th August 2020, 11th November 2020 and 9th February 2021. All the Members of the Committee attended all these meetings except Dr. K P Karthikeyan, IAS who attended 2 meetings.

4. Nomination and Remuneration Committee:

i. Composition, terms of reference and meeting

As at the year end, the Committee comprised of Mr. Govindarajan Dattatreyan Sharma as the Chairperson, Mr. G. Chellakrishna, Mr. Ashwin C Muthiah and Dr. K.P. Karthikeyan, IAS as the other Members.

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

The Committee met three times during the year 2020-21 viz., on 26th May 2020, 16th June 2020 and 05th August 2020. Mr. G D Sharma and Mr. G Chellakrishna attended all the three meetings, Mr. Ashwin C Muthiah attended one meeting and Dr. K P Karthikeyan did not attend any of the meetings.

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

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

5. Remuneration of Directors

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

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

a. For Executive Directors

The remuneration of the Whole Time/Executive Directors shall comprise of a fixed component and a performance linked pay, as may be recommended by the Nomination and Remuneration

Committee (NRC) and subsequently approved by the Board of Directors and Members, as may be required. Performance Linked Pay (PLP) shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

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

b. For Non-Executive Directors

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

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

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

iii. Details of remuneration paid to the Directors

a. Executive Directors

✓ Remuneration to Wholetime Directors during the year:

- Remuneration to Mr. M Karthikeyan, Whole-Time Director (Operations) from 28th May 2020 was ₹ 49.90 lakh, comprising ₹ 25.10 lakh as Salary & Allowances, PLP of ₹ 22.99 lakh and Perquisites of ₹ 1.82 lakh.
- The remuneration to Mr. C Subhash Chandra Bose, who was the Whole-Time Director (Works) till 27th May 2020 was ₹ 9.45 lakh comprising Salary & Allowances of ₹ 5.58 lakh, PLP of ₹ 3.51 lakh and Perquisites of ₹ 0.36 lakh.
- In addition to the above, contribution to Provident and Superannuation Funds were made as per applicable law/rules/terms of employment.

✓ No remuneration was paid to Mr. Muthukrishnan Ravi, Managing Director by the Company who draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore as approved by the Members vide Postal Ballot resolution dated 26th March 2016. A sum of ₹ 4.25 lakh was paid as reimbursement of expenses towards provision of drivers, security personnel, domestic help and similar conveniences, as approved by the Members at the 34th AGM held on 16th September 2020.

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

b. Non-Executive Directors

During the year an aggregate amount of ₹ 37 lakh was paid to the Non-Executive Directors as Sitting Fees for attending the Board Meetings as stated below:

- Mr. Ashwin C Muthiah, Mr. G. Chellakrishna, Mrs. Sashikala Srikanth, Mr. Govindarajan Dattatreyan Sharma, Dr. N. Sundaradevan, IAS (Retd.), Lt. Col (Retd.) Chatapuram Swaminathan Shankar and Mr. Thanjavur Kanakaraj Arun ₹ 5 lakh each.
- Dr. K. P. Karthikeyan, IAS ₹ 2 lakh (paid to TIDCO).

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

6. Stakeholders' Relationship Committee

i. Chairman and Compliance Officer

As on 31st March 2021, the Committee comprised of Mr. Ashwin C Muthiah as Chairperson, Mr. Govindarajan Dattatreyan Sharma, Dr. K.P. Karthikeyan, IAS and Mr. Muthukrishnan Ravi as Members. Mr. R Kothandaraman, Company Secretary is the Compliance Officer. During the year the Committee met on 9th February 2021, at which except Mr. Ashwin C Muthiah, all the other Members were present.

ii. Details of complaints received and pending

As per the information provided by the RTA there were no pending complaints as at the beginning of the year. During the year 15 complaints were received. All the complaints were redressed by the Company/RTA to the satisfaction of the shareholders. There were no pending complaints as at the year end.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
32nd	2018	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	06.08.2018	10.00 a.m.
33rd	2019	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	05.08.2019	10.00 a.m.
34th	2020	Through Video conferencing / Other Audio Visual Means	16.09.2020	02.00 p.m.

ii. Special Resolutions:

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

Date of AGM	Subject
06.08.2018	Approving the increase in remuneration to Mr. C Subash Chandra Bose, Whole-time Director (Works) with effect from 1st April 2018.
05.08.2019	(a) Approving the appointment of Mr. G. Chellakrishna and Ms. Sashikala Srikanth, as Independent Directors of the Company for a second term of 5 years from 13th August 2019.
16.09.2020	(a) Approving the appointment and payment of remuneration to Mr. M Karthikeyan as Whole-time Director (Operations) for a period of three years with effect from 28th May 2020. (b) Approving the reappointment of Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years with effect from 29th July 2020.

iii. Passing of Special Resolution by Postal Ballot:

During the year no resolutions were passed through postal ballot.

8. Means of communication

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

9. General Shareholder Information

i. Annual General Meeting

The thirty fifth AGM of the Company is scheduled to be held on 28th September, 2021 at 1:30 PM [IST] through Video Conferencing (VC)/Other Audio Visual Means (OAVM). For further information please refer to the Notice of the AGM.

ii. Financial year

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

iii. Dividend payment date

Subject to declaration at the ensuing AGM, the dividend for the year 2020-21 will be paid / warrants dispatched on 25th October, 2021 net of the applicable withholding taxes.

iv. Listing Details and Stock Code

NAME AND ADDRESS OF EXCHANGE	STOCK CODE
BSE Limited (BSE) Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai- 400001	500268
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G. Bandra Kurla Complex Bandra, East, Mumbai-400 051.	MANALIPETC

Listing fees upto 2021-22 have been paid to the aforesaid exchanges.

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

Month & Year	NSE				BSE			
	Share Price (₹)		Nifty 50		Share Price (₹)		Sensex	
	High	Low	High	Low	High	Low	High	Low
2020 April	17.85	10.00	9,889.05	8,055.80	17.95	9.92	33,887.25	27,500.79
May	15.55	13.50	9,598.85	8,806.75	15.80	13.50	32,845.48	29,968.45
June	20.85	15.00	10,553.15	9,544.35	20.95	14.25	35,706.55	32,348.10
July	23.55	18.00	11,341.40	10,299.60	23.95	18.10	38,617.03	34,927.20
August	27.80	19.20	11,794.25	10,882.25	27.70	19.50	40,010.17	36,911.23
September	35.80	23.30	11,618.10	10,790.20	35.75	20.85	39,359.51	36,495.98
October	36.65	29.55	12,025.45	11,347.05	36.55	29.50	41,048.05	38,410.20
November	35.85	29.90	13,145.85	11,557.40	35.80	29.30	44,825.37	39,334.92
December	37.90	29.55	14,024.85	12,962.80	37.80	29.50	47,896.97	44,118.10
2021 January	38.70	32.30	14,753.55	13,596.75	38.50	32.25	50,184.01	46,160.46
February	67.00	30.45	15,431.75	13,661.75	66.95	31.15	52,516.76	46,433.65
March	69.90	57.70	15,336.30	14,264.40	70.00	57.65	51,821.84	48,236.35

vi. Registrars and Share Transfer Agent:

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

vii. Share Transfer System:

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

Pursuant to proviso to Regulation 40 (1) of the Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names is not processed by the Company in physical form, except those permitted under the relevant circulars of SEBI.

viii. Distribution of shareholding as on March 31, 2021:

Range of Shares		Holders		Shares	
From	**To**	**No**	**%**	**No**	**%**
1	100	29,435	26.75	13,43,514	0.78
101	500	60,460	54.95	1,44,25,979	8.39
501	1000	10,220	9.29	81,80,559	4.76
1001	2000	4,725	4.29	72,52,073	4.22
2001	3000	1,702	1.55	44,43,624	2.58
3001	4000	737	0.67	26,67,279	1.55
4001	5000	700	0.64	33,30,923	1.94
5001	10000	1,107	1.01	83,58,938	4.86
10001	& above	934	0.85	12,19,96,340	70.93
Total		**1,10,020**	**100.00**	**17,19,99,229**	**100.00**

ix. Dematerialization of shares and liquidity

The shares, listed in BSE and NSE are to be traded only in dematerialized form. The ISIN of the shares is. INE201A01024. As at March 31, 2021, 16,48,23,655 shares were held in dematerialized form, representing about 95.83% of the total shares. The shares are traded regularly on BSE and NSE.

x. The Company has not issued any convertible instruments.

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

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

xii. Address for correspondence

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

Phone: 044-28460390/28460394 & 28460718, Fax 044-28460129,

E-mail:investor@cameoindia.com

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

10. Other Disclosures

i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions with the related parties under Ind AS-24 are disclosed in the Notes to Financial Statements.

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

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

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

v. The policy for determining material subsidiaries is disclosed on the website of the Company under the link https://www.manalipetro.com/wp-content/uploads/2016/08/MATERIAL-SUBSIDIARY-2019-WEB.pdf

vi. The policy on dealing with related party transactions is disclosed on the website of the Company under the link https://www.manalipetro.com/wp-content/uploads/2016/08/RPT-Policy-2019-final.pdf

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

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

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

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

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

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

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

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

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

Annexure B

DECLARATION BY CEO
(Pursuant to clause D of Schedule V to the Regulations)

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

Muthukrishnan Ravi
DIN: 03605222
Managing Director

London
August 10, 2021

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE
(Pursuant to clause E of Schedule V to SEBI (LODR) Regulations 2015)

1. I have examined the compliance of conditions of Corporate Governance by M/s. Manali Petrochemicals Limited, for the year ended on 31st March, 2021, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st April 2020 to 31st March 2021, with the relevant records and documents maintained by the Company and furnished to me.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. I further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

B. CHANDRA
Practising Company Secretary
Membership No.: 20879
Certificate of Practice No.: 7859
UDIN: A020879C000762917

Place : Chennai
Date : August 10, 2021

Annexure C

SECRETARIAL AUDIT REPORT FOR THE YEAR 2020-21

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, also taking into account the peculiar circumstances due to Covid Pandemic and the lockdowns and curtailment both at the beginning of the audit commencement and the subsequent unforeseen work from home circumstances due to spike in Covid cases during second wave at the time of closure of accounts for the current financial year, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis as well as on the Certificate provided by the Key Managerial Personnel to the Board of Directors regarding compliance with the applicable laws to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Place : Chennai
Date : August 10, 2021

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021, according to the provisions of:

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

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

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

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

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

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

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

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

d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that

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

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

B. CHANDRA
Practising Company Secretary
Membership No.: 20879
Certificate of Practice No.: 7859
UDIN: A020879C000762895
Peer Review No.: I2008TN611500

Place : Chennai
Date : August 10, 2021

Annexure D

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

Details of top 10 employees in terms of remuneration received during the year are as below:

Name	Designation	Rem. ₹ Lakh	Qualification	Exp. Yrs.	DOJ	Age	Last Employment
Anis Tyebali Haideri	Chief Financial Officer	71.42	B.Com, ACA, AICWA	25	07.04.2014	48	CFO, Switz International, Middle East
C. Subash Chandra Bose	Vice President (O)	66.14	B. Tech	25	01.01.1995	49	-
R Kothandaraman	Company Secretary	60.57	M.Com. ACS	38	03.11.2010	59	Company Secretary, TIDEL Park Limited
M Karthikeyan $	WTD (Operations)	56.20	B.Tech. (Chem)	33	17.04.2020	54	VP (O), Tamilnadu Petroproducts Ltd.
B Sekar	DGM (Purchase)	37..62	B.E.	30	01.06.2014	52	Head (SC & Plng.), Boshik India Pvt. Ltd.
T Thangasagaran	DGM (Operations)	37.23	MTech	27	04.11.1996	53	Asst. Engineer, Tirumalai Chemicals Ltd.
R Palaniappan	DGM (Mktg)	33.24	B.A. MBA	31	15.04.1991	55	Hi-tech Plastic Pvt. Ltd
T Muthukumarsamy	DGM (Maintenance)	27.06	B. Tech	29	06.03.1997	56	TANFAC Industries Limited
S Baskaran	DGM (Operations)	26.88	B.E. (Chem)	25	14.09.1995	47	-
R Sivasankaran	DGM (Projects)	25.01	B.E. (Chem)	28	21.11.1996	50	Tamilnadu Chemical Products Limited, Karaikudi

$ Employed for part of the year

1. The above employments are contractual.
2. As per the disclosures available with the Company, none of the above employees are related to any director and do not hold any shares in the Company except Mr. R Palaniappan, who holds 500 shares.
3. The remuneration shown above includes contributions to Provident and other Funds.

For and on behalf of the Board

Ashwin C. Muthiah
DIN: 00255679
Chairman

London
August 16, 2021

Annexure E

PARTICULARS AS REQUIRED UNDER RULE 3 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31st MARCH 2021

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as prescribed under Section 134 (3) (m) of the Companies Act, 2013, are furnished below for the year ended 31st March 2021, to the extent applicable:

A) Conservation of Energy

i. Steps taken or impact on conservation of energy

In Plant 1, steam energy cost of PGMME has been reduced by increasing the production rate per day. Annual savings would be about ₹ 20 lakh.

ii. Steps taken for utilizing alternate sources of energy

Actions have been taken to switch over to R-LNG from furnace oil in Plant 2 for the boilers. The supplies were expected to commence during the last quarter of the year under review. However, it has been informed that due to delay in laying the pipeline, the supplies would commence during Financial Year 2021-22.

iii. Capital investment in conservation of energy

Project for installing a Vapor Absorption Machine (VAM) to reduce the power consumption by about 75,000 units annually, expected to be completed during FY 2020-21 has been delayed due to the pandemic situation and now scheduled to be completed during the year 2021-22.

B) Technology Absorption

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

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

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

During the year 2018-19, the Company received and put to use technology for manufacture of Cast Elastomers from Notedome India Limited, the Step Down Subsidiary. Initially about 7 products were introduced and now expanded to 25 products. MPL from FY 2019-20 pays royalty to Notedome for the technology provided.

ii. Expenditure on Research and Development

During the year a sum of ₹ 226.23 lakh was incurred as recurring expenditure for Research & Development and ₹ 15.76 lakh as capital expenditure.

C) Foreign Exchange Earnings and Outgo

During the year actual inflow of foreign exchange was ₹ 1443.20 lakh and actual outflow ₹ 5408.52 lakh.

For and on behalf of the Board

Ashwin C. Muthiah
DIN: 00255679
Chairman

London
August 16, 2021

Annexure F

ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2020-21

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

   The policy

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

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

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

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

2. **Composition of the CSR Committee**

   As at the end of the year the CSR Committee comprised of Mr. Ashwin C Muthiah, as the Chairperson and Ms. Sashikala Srikanth, Dr. K P Karthikeyan, IAS as the other Members. During the year recommendation of the Annual CSR Plan for the year 2021-22 and related matters was done through a Circular Resolution in March 2021 and no meeting was held.

3. The Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company in the following links viz., https://manalipetro.com/board-of-directors/#1472798862251-d8078d21-274e & https://manalipetro.com/csr/

4. The provisions of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, are not applicable to the Company.

5. There is no amount available or required for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 during the year under review.

6. Average net profit of the Company relevant to financial year 2020-21as per section 135(5) was ₹ 8143.29 lakh

7. Two percent of average net profit of the Company as per section 135(5) was ₹ 162.87 lakh and there was no Surplus arising out of the CSR projects or programmes or activities of the previous financial years or amount required to be set off for the financial year. So, the total CSR obligation for the financial year under review was ₹ 162.87 lakh.

8. Details of CSR amount spent or unspent for the financial year:

   a. **CSR amount spent or unspent for the financial year:**

(₹ in lakh)

Total Amount Spent for the Financial Year.	**Amount Unspent**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
2020-21	**Amount**	**Date of transfer**	Name of the Fund	Amount.	Date of transfer
102.74	60.13	21.04.2021	Not Applicable		

b. Details of CSR amount spent against ongoing projects for the financial year:

₹ In lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Project duration**	**Amount allocated for the project**	**Amount spent in the current financial Year**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6)**
1.	Drinking Water & Sanitation in Schools	(i)	Yes	24 to 36 months	148.61	89.48	60.13
2.	Primary Health Care Centre	(i)	Yes	Continuous	62.76	9.00	
	Total				**211.37**	**98.48**	**60.13**

The above include proposals approved in the earlier years, and identified as on going projects by the Board during the year, pursuant to the amended provisions of the Act & the Rules.

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Project duration**	**Amount allocated for the project**	**Amount spent in the current financial Year**
1.	Drinking Water & Sanitation in Schools	(i)	Yes	24 to 36 months	78.56	3.31
2.	Individual House Latrines	(i)	Yes	12 months	76.75	0.95
	Total				**155.31**	**4.26**

The above projects, approved during the earlier years by the Board, were completed prior to December 2020.

9. Other information

a. Location of the above projects under 8 (b) & 8 (c) are in Chennai District in the State of Tamilnadu and were implemented through AM Foundation (CIN: U74900TN2015NPL101811), a Section 8 Company promoted by the Company jointly with other likeminded entities for implementing the CSR Projects including for its member entities. The CSR Registration number of the Agency is CSR00001066.

b. Amount spent in Administrative Overheads included in the above is ₹ 4.89 lakh.

c. Impact assessment is not applicable to the Company.

d. The total amount spent during the year was ₹ 102.74 lakh.

e. There was no amount available for set off during the year.

f. Details of unspent amount of the preceding three years and amount spent on on-going projects of previous financial years are not relevant, as this is the first year after introduction of the new provisions.

g. The Company has not created or acquired any capital asset through CSR spent in the financial year or in the earlier years.

h. Against the total CSR obligation of ₹ 162.87 lakh, a sum of ₹ 102.74 lakh was spent during the year and the balance of ₹ 60.13 lakh relating to ongoing projects identified by the Board as prescribed under the relevant provisions of the Act and the Rules made thereunder has been deposited in a special account with a scheduled bank and being spent during the FY 2021-22 towards the said projects.

	Muthukrishnan Ravi	Ashwin C. Muthiah
London	DIN: 03605222	DIN: 00255679
August 16, 2021	**Managing Director**	**Chairperson of CSR Committee**

Business Responsibility Report for the year 2020-21

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24294TN1986PLC013087
2. Name of the Company	Manali Petrochemicals Limited
3. Registered address	SPIC House, 88 Mount Road, Guindy, Chennai 600 032.
4. Website	www.manalipetro.com
5. E-mail id	companysecretary@manalipetro.com
6. Financial Year reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Petrochemicals
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Propylene Oxide Propylene Glycol Polyols
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	NIL
(b) Number of National Locations	Two
10. Markets served by the Company – Local/State/National/International	Mainly national Very few exports

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹)	86.03 crore
2. Total Turnover (₹)	922.23 crore
3. Total profit after taxes (₹)	192.60 crore
4. Total Spending on Corporate Social Responsibility (CSR) ₹ & as percentage of profit after tax (%)	1.03 crore – 0.53%
5. List of activities in which expenditure in 4 above has been incurred:-	(a) Provision of sanitation and drinking water facilities in schools (b) Primary Health Care Centre for Out Patients to provide medical care and advice on minor ailments, first aid, etc.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	There are no Indian subsidiaries and the following are the foreign subsidiaries: a. AMCHEM Speciality Chemicals Private Limited, Singapore b. AMCHEM Speciality Chemicals UK Limited, UK c. Notedome Limited, UK Of the above (a) is the direct subsidiary of the Company and the other two are Step Down Subsidiaries

2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries follow the BR activities to the extent applicable in their respective countries
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Suppliers and customers may be following their own BR policies. At present no other entities with whom the Company has business relations participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1.	Details of Director/Directors responsible for BR		
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies		
	1.	DIN Number	03605222
	2.	Name	Muthukrishnan Ravi
	3.	Designation	Managing Director
(b)	Details of the BR head		
	1.	DIN Number	08747186
	2.	Name	M Karthikeyan From 28-05-2020. (Till 27-05-2020, C Subash Chandra Bose, WTD (Works)
	3.	Designation	Wholetime Director (Operations)
	4.	Telephone number	044-25941025
	5.	e-mail id	brr@manalipetro.com

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

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

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

P3: Businesses should promote the wellbeing of all employees.

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

P5: Businesses should respect and promote human rights.

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

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

P8: Businesses should support inclusive growth and equitable development.

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
3	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
		All the policies of the Company are based on laws, rules, regulations and guidelines applicable to the business of the Company. These take into account the other directives of the Central and State Governments, as may be applicable. Further, the Company an ISO 14001 and ISO 9001 certified, by Det Norske Veritas for Environmental Management System and Quality Management System, respectively. The policies, wherever relevant, also adhere to the above.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
6	Indicate the link for the policy to be viewed online?	No	No	No	No	No	No	N/A	No	No
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes
	The policies are reviewed through internal mechanisms									

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

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

3. Governance related to BR

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

Board has authorized the Managing Director (who is the CEO of the Company) to oversee the BR process, including framing of the policies, appointment of BR Head, periodical assessment of the performance, etc. During the year review of the BR performance was carried out, through assessment of the related policies and processes in the normal course.

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

The Business Responsibility Reports are available on the website of the Company www.manalipetro.com under the Menu Investors in the link https://manalipetro.com/financial-results/ in the Annual Reports from FY 2019-20 onwards.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

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

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

Principle 2

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

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

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

   The Company takes actions for conservation of water, energy, raw materials etc. which are ongoing processes. The Company has a separate R&D department and technical services team which focus on these initiatives. The specific details of energy conservation actions are given in Annexure E to the Directors Report. Recycling of water is also done to the optimum extent.

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

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

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

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

   Yes.

   - Workmen in and around Manali are engaged in the Plants
   - Printing, binding and other related requirements are sourced from the small units in and around Manali.
   - For construction related activities local service providers are engaged.
   - Most of the other vendors and service providers are in the MSME segment

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

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

Principle 3

1. Please indicate the Total number of employees –

   As on 31st March 2021, there were 293 employees on the rolls of the Company at different locations excluding Trainees.

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

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

3. Please indicate the Number of permanent women employees - Ten

4. Please indicate the Number of permanent employees with disabilities - Two

5. Do you have an employee association that is recognized by Management: Yes

6. What percentage of your permanent employees is members of this recognized employee association? - 16%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

(a)	Permanent Employees	32%
(b)	Permanent Women Employees	-
(c)	Casual/Temporary/Contractual Employees	-
(d)	Employees with Disabilities	-

   Due to restrictions on account of the pandemic, the manpower deployment was only about 50% during the year and hence the training to employees was lower than the normal times.

Principle 4

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

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

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

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

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

   The Company, through its CSR initiatives has taken up various projects for provision of drinking water and sanitation facilities at the individual households and also in the public schools run by the Government/ Local Bodies, in which mostly the wards of the disadvantaged study. Scholarship were also given to meritorious students at such schools, during FY 2019-20.

   Further a Primary Health Care Centre (PHCC) has been inaugurated in July 2021 at which preliminary medical treatment and first aid are provided. The PHCC is run by AM Foundation under CSR initiatives of MPL and caters to the primary healthcare needs of around 3500 people from the marginalized communities residing in and around Manali area. Being an Out Patient facility, free medical treatments and dispensations are provided for minor and common illness such as fever, cough, cold, itching, allergy, eye/ear infections, basic gynaecology issues, diabetes & hypertension, general weakness, anaemic, first aid for wounds, injuries, etc.

In addition to the above the Company also during calamities provides food packs, dry rations, etc. to the needy. In line with this the Company provided dry ration packs to the Revenue Department for distribution to the people who had lost their livelihood during the lockdown period.

Principle 5

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

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

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

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

Principle 6

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

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

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

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

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

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

   Yes

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

MPL also endeavours to ensure environmental sustainability by adopting best environmental practices and encourages conservation/judicious use of natural resources. It has taken up a Project for Planting 10,000 saplings near its manufacturing Units as part of the CSR activities.

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

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

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

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

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

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

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

   There are no pending show cause or legal notices received from CPCB/TNPCB as at the end of the Financial Year, except for a private petition before the NGT, Southern Bench and a Suo moto application by the Bench based on some media reports on emissions by industries in the Manali area.

   In the Report of an expert committee appointed by the NGT in February 2020, no adverse remarks have been made about the effluent discharged by MPL and the Company is seeking dismissal of the private petition. As regards the Suo moto case, MPL has submitted data to the Bench to prove that there has been no violation by MPL of the norms even on a single occasion and that the allegations in the news report were flawed and made without ascertaining the facts. Request has been made to the Bench to discharge the Company from the case.

   Citing the direction of the NGT Principal Bench issued in July 2019 applicable to all over the country, TNPCB sought payment of interim environmental compensation of ₹ 1 crore for each of the Plants, for which no substantial basis has been attributed. The Company represented to the TNPCB to withdraw the demand, explaining that the data relied upon by them for the demand are incorrect. In the meantime, the Hon'ble Supreme Court has stayed the directions of the NGT and further proceedings in the matter.

Principle 7

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

   (a) Confederation of Indian Industries (CII)

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

   (c) Manali Industries Association (MIA)

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

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

Principle 8

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

   MPL appreciates that in any society inclusive growth of all the segments is of paramount importance. The Business Community owes its existence and growth to the other components of the Society at large. MPL is committed to contribute its mite for the sustained growth of the Society through various plans and programmes. MPL also believes that as a responsible corporate citizens of the country, it can, together with similar such entities, transform the neglected sections of the Society through concerted efforts. MPL looks beyond mere financial resources and aims to undertake such of the activities, which will provide long term benefits to the weaker sections and make them competent to face off the challenges in life.

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

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

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

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

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

   The Company has between FY 2016-17 and FY 2020-21 spent about ₹ 5.00 crore on various projects, encompassing the following:

   a. Provision of drinking water in 3 villages near Manali – kept in abeyance as the land required for digging borewells and housing the treatment plants has not been allotted.

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

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

   d. Scholarship to poor students

   e. Primary Health Care Centre to meet the basic medical needs of people living in underdeveloped areas around the Plants.

   f. In May 2021 a sum of ₹ 50 lakh was donated to the TNCMPRF to support the COVID-19 relief measures of the Government.

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

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

Principle 9

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

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

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

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

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

   No

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Manali Petrochemicals Limited ("the Company"), which comprise the Balance sheet as on 31st March 2021, and the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2021, and its profit and its total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying the audit opinion, attention is invited to

1) a) Note No.49(a) to the Standalone Financial Statements, which explains the period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Unit-II) is operating has since expired on June 30, 2017, for which requests for renewal have been filed by the Company with Govt. of Tamil Nadu, (the Lessor) and extension of lease is awaited. In the meanwhile, the company has been remitting the lease rent based on the lease agreement which has expired, and the Government has been accepting the same. Pending renewal of lease, no adjustments have been made in the Standalone Financial Statements for the year for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the management is confident of obtaining the renewal of lease of land in the due course.

b) Note no 49(b) to the Standalone Financial Statements, which explains the expiry of Company's lease period of the Land which presents a position that the company is unable to determine either its lease rent obligations or the period of lease. Accordingly, no adjustments have been made in the Standalone Financial Statements for the year towards the possible impact arising on account of implementation of Ind AS 116 – "Leases" as the same is not ascertainable at this point of time

c) Note no 38(i)(a) to the Standalone Financial Statements, which explains the demand notice received from the authorities demanding payment of ₹ 19,836 Lakhs towards arrears of lease rent relating to Unit-II. The management based on a legal/expert advice explained to us that the arrears of lease rent is unsubstantiated, erroneous and is arbitrary and accordingly, in the opinion of the management no provision is considered necessary. We have also been explained by the management about the efforts they are taking in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained by the authorities in the demand notice issued to the company). The company's request for revision and withdrawal of the demand is currently pending before Government of Tamilnadu. Though the demand has not been formally disputed before any appellate forum, relying on the management assertions that the present demand by the government is unlikely to result in any outgo of resources to the company and pending the outcome of representations by the company to Government no adjustments have been considered necessary in the Standalone Financial Statements.

Key Audit Matters

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

1) Revenue recognition and discounts:

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

2) Evaluation of Contingent Liabilities

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

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

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in Note 38(i) to the Standalone financial statements.

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

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

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

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

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

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 21026575AAAAMC2185

Place: Chennai
Date: June 29, 2021

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Independent Auditors’ Report to the Members of Manali Petrochemicals Limited on the Standalone Financial Statements for the year ended March 31, 2021

i. In respect of company’s fixed assets:

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

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

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

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

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

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

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

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

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

   a) on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited as on 31st March 2021 on account of disputes are given below:

₹ in Lakhs

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Customs Tariff Act 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	Various Years	383.08	354.35
Finance Act,1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
TNVAT & CST Acts	Sales Tax	TN Sales Tax Appellate Tribunal	2000-01	10.74	10.74
		TN Sales Tax Appellate Tribunal, Chennai	2008-09	6.06	6.06
		TN Sales Tax Appellate Tribunal, Chennai	2008-09	10.76	10.76
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year		
			2008-09	518.45	488.45
			2009-10	3.12	-
		Deputy Commissioner of Income Tax (LTU)	2010-11	176.88	106.88
		Commissioner of Income Tax (Appeals)	2010-11	29.13	29.13
		Commissioner of Income Tax (Appeals)	2011-12	344.84	-
		Commissioner of Income Tax (Appeals)	2012-13	476.90	381.10
		ITAT	2013-14	30.46	30.46
		Commissioner of Income Tax (Appeals)	2014-15	78.08	66.37
		Commissioner of Income Tax (Appeals)	2015-16	108.22	86.58
		Commissioner of Income Tax (Appeals)	2016-17	232.14	232.14
		Commissioner of Income Tax (Appeals)	2017-18	42.35	42.35
Total				**2,892.29**	**2,233.06**

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

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

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

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

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

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

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

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

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

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

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 21026575AAAAMC2185

Place: Chennai
Date: June 29, 2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the Standalone Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, (both) issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 21026575AAAAMC2185

Place: Chennai
Date: June 29, 2021

MANALI PETROCHEMICALS

Standalone Balance Sheet as at March 31, 2021

[₹ in lakh]

		Particulars	Note No	As at March 31, 2021	As at March 31, 2020
A.		**ASSETS**			
I		**Non Current Assets**			
	a)	Property, Plant and Equipment	3A	**15,859.24**	17,393.86
	b)	Capital work-in-progress	3B	**2,841.59**	2,642.87
	c)	Right of Use Assets	3C	**2,278.20**	2,589.98
	d)	Investment Property	3D	**4.98**	4.98
	e)	Financial Assets:			
		i) Investments	4	**11,049.67**	11,044.83
		ii) Other Financial Assets	5	**15.63**	15.63
	f)	Other Non-Current Assets	6	**1,637.43**	2,067.76
		TOTAL NON-CURRENT ASSETS		**33,686.74**	35,759.91
II		**Current Assets**			
	a)	Inventories	7	**6,023.41**	7,462.11
	b)	Financial Assets:			
		i) Current Investments	8	**-**	4,059.16
		ii) Trade Receivables	9	**14,918.00**	7,789.68
		iii) Cash and Cash Equivalents	10	**25,301.16**	4,059.33
		iv) Bank balances other than iii) above	11	**540.53**	560.91
		v) Loans	12	**40.90**	38.15
		vi) Other Financial Assets	13	**91.07**	33.79
	c)	Other Current Assets	14	**1,548.64**	904.75
		TOTAL CURRENT ASSETS		**48,463.71**	24,907.88
		TOTAL ASSETS		**82,150.45**	60,667.79
B.		**EQUITY AND LIABILITIES**			
I		**Equity**			
		a) Equity Share Capital	15	**8,603.47**	8,603.47
		b) Other Equity		**55,031.11**	37,100.71
		TOTAL-EQUITY		**63,634.58**	45,704.18
II		**Liabilities**			
II. A		**Non-Current Liabilities**			
		a) Financial Liabilities			
		i) Other Long-Term Liabilities	16	**3,186.95**	3,471.33
		b) Provisions	17	**254.13**	276.91
		c) Deferred Tax Liabilities (net)	18	**390.49**	1,039.85
		d) Other Non-Current Liabilities	19	**385.13**	417.26
		TOTAL NON-CURRENT LIABILITIES		**4,216.70**	5,205.35
II. B		**Current Liabilities**			
	a)	Financial Liabilities			
		i) Borrowings	20	**1,309.98**	895.93
		ii) Trade Payables	21		
		1 Total outstanding dues to Micro Enterprises and Small Enterprises		**481.98**	154.53
		2 Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		**7,111.23**	4,380.37
		iii) Other Financial Liabilities	22	**387.53**	397.71
	b)	Provisions	23	**1,713.81**	1,705.80
	c)	Other Current Liabilities	24	**3,294.64**	2,223.92
		TOTAL CURRENT LIABILITIES		**14,299.17**	9,758.26
		TOTAL LIABILITIES		**18,515.87**	14,963.61
		TOTAL EQUITY AND LIABILITIES		**82,150.45**	60,667.79

See accompanying notes to Financial Statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : June 29, 2021

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2021

[₹ in lakh]

	Particulars		Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Revenue**				
	a)	Revenue from Operations	25	**92,222.61**	67,663.95
	b)	Other Income	26	**1,252.79**	874.27
	Total Revenue (Gross) [a+b]			**93,475.40**	68,538.22
2	**Expenses**				
	a)	Cost of materials consumed	27	**48,523.53**	45,267.08
	b)	Changes in inventories of finished goods and work-in-progress	28	**446.79**	1,532.68
	c)	Employee benefits expense	29	**2,627.04**	2,466.94
	d)	Finance costs	30	**441.68**	566.61
	e)	Depreciation & Amortisation expense	31	**2,047.38**	1,384.81
	f)	Utility Expenses	32	**6,594.46**	7,613.01
	g)	Other expenses	33	**5,011.69**	4,419.06
	Total Expenses			**65,692.57**	63,250.19
3	**Profit Before Exceptional items and Tax [1-2]**			**27,782.83**	5,288.03
4	**Exceptional Items**			**(2,075.30)**	(790.60)
5	**Profit Before Tax [3+4]**			**25,707.53**	4,497.43
6	**Tax Expenses**		34		
	a)	Current Tax		**7,123.52**	1,343.35
	b)	Short/(Excess) Provision for tax relating to prior years		**(26.42)**	(85.04)
	c)	Deferred Tax		**(649.36)**	(624.91)
	Total Tax Expenses [a+b+c]			**6,447.74**	633.40
7	**Profit for the period [5-6]**			**19,259.79**	3,864.03
8	**Other Comprehensive Income**				
	Items that will not be classified to profit or (loss)				
	Changes in Fair Value of Equity Investments			**0.21**	(1.06)
	Remeasurement Cost of net defined employee benefits		29	**(52.77)**	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss			**13.52**	(16.65)
9	**Total Comprehensive Income [7+8]**			**19,220.75**	3,911.31
10	**Earnings per equity share [Face value of ₹ 5 each]**		35		
	a)	Basic (in ₹)		**11.20**	2.25
	b)	Diluted (in ₹)		**11.20**	2.25

See accompanying notes to Financial Statements

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Changes in Equity

A. Equity Share Capital

For the year ended 31st March 2021		[₹ in lakh]
Balance as at April 01, 2020	**Changes in Equity Share Capital during the year**	**Balance as at March 31, 2021**
8,603.47	-	8,603.47

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

B. Other Equity

Statement of changes in Other Equity (2020-21)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings			
Balance at the beginning of reporting Period (01.04.2020)	91.45	109.20	84.00	36,751.32	(0.14)	64.88	**37,100.71**
Profit for the year	-	-	-	19,259.79	0.21	(39.25)	**19,220.75**
Dividend paid during the year	-	-	-	(1,290.35)	-	-	**(1,290.35)**
Balance at the end of reporting Period (31.03.2021)	**91.45**	**109.20**	**84.00**	**54,720.76**	**0.07**	**25.63**	**55,031.11**

Statement of changes in Other Equity (2019-20)

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

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Standalone Statement of Cash Flows for the year ended March 31, 2021

[₹ in lakh]

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		**25,707.53**		4,497.43
	Adjustments for				
	Depreciation	**1,735.60**		1,072.78	
	Provisions no longer required written back	**-**		(148.45)	
	Dividend income	**(1.38)**		(69.37)	
	Finance costs	**441.68**		566.61	
	Remeasurement Cost of net defined employee benefits	**(52.77)**		64.99	
	Interest income	**(1,007.18)**		(623.91)	
	Provision for doubtful debts	**2.99**		-	
	Net unrealised exchange (gain) / loss	**29.99**		69.71	
	Loss on sale / write-off of assets	**2,075.31**		790.60	
	Net Adjustments		**3,224.24**		1,722.95
	Operating Profit		**28,931.77**		6,220.39
	Changes in Working Capital				
	Adjustments for (increase) / decrease in operating assets				
	Inventories	**1,438.70**		2,526.50	
	Trade Receivables	**(7,131.31)**		395.77	
	Other Financial Assets	**(2.76)**		3,500.26	
	Other Current Assets	**(701.17)**		136.93	
	Other Non-Current Assets	**143.33**		(48.30)	
	Adjustments for increase / (decrease) in operating liabilities				
	Trade payables	**3,028.32**		(3,399.05)	
	Other financial liabilities	**(10.18)**		(20.28)	
	Other Current liabilities	**1,062.96**		198.60	
	Short-term provisions	**8.01**		105.61	
	Other Non Financial Liabilities	**(32.13)**		(32.12)	
	Long-term provisions	**(22.78)**		49.74	
	Net Adjustments		**(2,219.01)**		3,413.67
	Net income tax paid		**(6,786.17)**		(1,251.45)
	Net cash from / (used in) Operating activities [A]		**19,926.59**		8,382.60
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets, including capital advances		**(2,485.38)**		(3,077.38)
	Sale / (Investments) in Equity shares		**(4.63)**		(2.64)
	Interest income		**1,007.18**		623.91
	Dividend income		**1.38**		69.37
	Bank balances not considered as cash and cash equivalents		**20.38**		184.58
	Net cash from / (used in) Investing activities [B]		**(1,461.07)**		(2,202.16)

[₹ in lakh]

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from Short-term borrowings	**414.05**	(541.60)
Interest paid	**(406.55)**	(452.47)
Dividend paid	**(1,290.35)**	(1,290.00)
Tax on dividend	**-**	(265.53)
Net cash from / (used in) Financing Activities [C]	**(1,282.85)**	(2,549.60)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**17,182.67**	3,630.84
Cash and cash equivalents at the beginning of the period	**8,118.49**	4,487.65
Cash and cash equivalents at the end of the period	**25,301.16**	8,118.49

Components of Cash & Cash Equivalents:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (Note:10)		
Cash on hand	**2.60**	1.00
Cheques on hand	**-**	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	**398.56**	242.14
Balances in Fixed deposit original maturity period less than 3 months	**24,900.00**	3,799.98
Current Investments (Note:8)	**-**	4,059.16
Total Cash and Cash Equivalents	**25,301.16**	8,118.49

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

Particulars	As at March 31, 2020	Cash Flows	Fair Value Changes	As at March 31, 2021
Short term Borrowings	895.93	414.05	-	**1,309.98**
Total Liabilities from Financing Activities	895.93	414.05	-	**1,309.98**

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to the Standalone Financial Statements for the year ended March 31, 2021

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of Compliance

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

2.2. Basis of Preparation and Presentation

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

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

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

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

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

The principal accounting policies are set out below:

2.3. Revenue Recognition

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

2.3.1 Sale of goods

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers.

2.3.2 Income from services

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

2.3.3 Export Incentives

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

2.4 Other Income

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

2.4.1 Government Grants

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

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

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

2.4.2 Leases

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

Company as a lessee

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

i) Right-of-use assets

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

- Plant and machinery
- Buildings
- Land

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

ii) Lease liabilities

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

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

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

Company as a lessor

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

2.5 Functional and presentation currency

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

2.6 Foreign currency transactions

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.7 Borrowing costs

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

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.8 Employee benefits

Employee benefits include Provident Fund, Superannuation Scheme, Employees State Insurance Scheme, Gratuity Fund and compensated absences.

2.8.1 Defined Contribution Plans

The Company's contribution to Provident Fund and Employees State Insurance Scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined Contribution Plans for Superannuation Scheme of Officers of both the Plants and the Staff of Plant II are administered by Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

2.8.2 Defined benefit plans

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

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

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

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

2.8.3 Short-term Employee benefits

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

2.8.4 Other long-term employee benefits

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

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

2.9 Earnings per share

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

2.10 Taxation

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

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

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

2.11 Property, Plant and Equipment

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

Componentization:

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

Expenditure during the Construction period:

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

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

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

i) Certain Plant and Machinery – 20 years
ii) Software – 5 years
iii) Certain Plant and Machinery – 1 to 5 years
iv) Certain Buildings – 5 to 15 years

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

2.12 Impairment of tangible assets:

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

2.13 Inventories:

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

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

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

2.14 Provisions, Contingent Liabilities and Contingent Assets:

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

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

2.15 Financial instruments:

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

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

2.16 Financial assets:

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

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

2.17 Classification of financial assets:

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

2.18 Effective interest method:

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

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

2.19 Investments in subsidiaries:

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

2.20 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

2.22 Impairment of financial assets:

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

2.23 De-recognition of financial assets:

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

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

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

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

2.24 Foreign exchange gains and losses:

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

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

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

2.25 Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in Other Comprehensive Income, unless the recognition of the effects of changes in the liability's credit risk in Other Comprehensive Income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss.

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

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

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

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

Foreign Exchange Gains and Losses

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

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

Derecognition of Financial Liabilities

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

2.26 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

a. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets except those specified in the exceptional items.

b. Provision for doubtful receivables

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

c. Estimation of net realisable value of inventories

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

d. Provision for employee benefits

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

e. Provision for taxes

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

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

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

2.27 Changes in accounting policies and disclosures

Amended Standards in Previous Year

Ind AS 116 Leases

Ind AS 116 superseded Ind AS 17 Leases effective from 1 April 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

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

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

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

(**₹ in lakh**)

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

Nature and effect of adoption of Ind AS 116

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

Leases previously classified as finance leases

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

Leases previously accounted for as operating leases

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

3. Property, Plant and Equipment

A. Tangible Assets

[₹ In Lakh]

Particulars	Land	Develepment on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At March 31, 2019	**3,099.33**	**1.26**	**1,384.06**	**16,079.55**	**199.68**	**129.00**	**59.81**	**45.20**	**20,997.89**
Additions	-	-	128.95	1,017.86	-	0.03	-	-	1,146.84
Disposals and Impairments	-	-	0.03	948.90	0.01	0.24	-	-	949.18
Reclassification of Investment property	173.37	-	-	-	-	-	-	-	173.37
As At March 31, 2020	**2,925.96**	**1.26**	**1,512.98**	**16,148.51**	**199.67**	**128.79**	**59.81**	**45.20**	**21,022.18**
Additions	-	-	319.37	1,938.37	6.72	-	11.79	-	2,276.25
Disposals	-	-	182.13	4,343.23	-	0.18	-	-	4,525.54
As At March 31, 2021	**2,925.96**	**1.26**	**1,650.22**	**13,743.65**	**206.39**	**128.61**	**71.60**	**45.20**	**18,772.89**
Depreciation, Amortisation and Impairments									
As At March 31, 2019	**-**	**1.22**	**278.41**	**2,315.43**	**61.74**	**34.99**	**12.24**	**10.29**	**2,714.32**
Charged during the year	-	-	91.15	942.19	25.66	9.36		4.41	1,072.78
Disposals	-	-	0.01	158.56	-	0.21	-	-	158.78
As At March 31, 2020	**-**	**1.22**	**369.55**	**3,099.06**	**87.40**	**44.14**	**12.24**	**14.70**	**3,628.32**
Charged during the year	-	0.04	106.42	2,349.99	26.11	7.87		5.28	2,495.71
Disposals	-	-	33.57	3,176.65	-	0.16	-	-	3,210.38
As At March 31, 2021	**-**	**1.26**	**442.40**	**2,272.40**	**113.51**	**51.85**	**12.24**	**19.98**	**2,913.65**
Net Book Value									
As At March 31, 2020	**2,925.96**	**0.04**	**1,143.43**	**13,049.45**	**112.27**	**84.65**	**47.57**	**30.49**	**17,393.86**
As At March 31, 2021	**2,925.96**	**-**	**1,207.82**	**11,471.25**	**92.88**	**76.76**	**59.36**	**25.22**	**15,859.24**

The Additions during the year include those relating to R & D aggregating to ₹ 15.78 lakh (Previous Year ₹ Nil)

The Company has provided for impairment in the value of Property Plant and Equipment of ₹ 2075.30 lakh during the year ended March 31, 2021 (March 31, 2020: ₹ 790.6 Lakh) which has been disclosed as an 'exceptional items' in the accompanying financial statements of the Company for the year ended March 31, 2021 Depreciation for the year 2020-21 includes ₹ 760.11 Lakh which was shown under exceptional items. Refer Note 36 to the Financial Statements.

B. Capital Work in Progress

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period	**2,642.87**	634.62
Additions during the year	**2,474.97**	3,155.09
Capitalisation during the year	**(2,276.25)**	(1,146.84)
Balance at the end of the period	**2,841.59**	2,642.87

C. Right of Use Assets

Particulars	Buildings	Plant and Machinery	Total
Deemed Cost			
As At March 31, 2019	**-**	**-**	**-**
Addition	-	-	-
Transition adjustments Ind AS 116	184.56	2,717.45	2,902.01
Disposal	-	-	-
As At March 31, 2020	**184.56**	**2,717.45**	**2,902.01**
Additions	-	-	-
Disposals	-	-	-
As At March 31, 2021	**184.56**	**2,717.45**	**2,902.01**
Depreciation & Amortisation			
As At March 31, 2019	**-**	**-**	**-**
Charged during the year	40.28	271.76	312.03
Disposal			-
As At March 31, 2020	**40.28**	**271.76**	**312.03**
Charged during the year	40.04	271.74	311.78
Disposal	-	-	-
As At March 31, 2021	**80.32**	**543.50**	**623.81**
Net Book Value			
As At March 31, 2020	**144.28**	**2,445.69**	**2,589.98**
As At March 31, 2021	**104.24**	**2,173.95**	**2,278.20**

D. Investment Property - Land

[₹ In Lakh]

Particulars	Land
Deemed Cost	
As At March 31, 2019	**-**
Addition	-
Transfers to and from owner occupied property	4.98
Disposal	-
As At March 31, 2020	**4.98**
Addition	-
Disposal	-
As At March 31, 2021	**4.98**
Depreciation & Amortisation	
As At March 31, 2019	**-**
Charged during the year	-
Disposal	-
As At March 31, 2020	**-**
Charged during the year	-
Disposal	-
As At March 31, 2021	**-**
Net Book Value	
As At March 31, 2020	**4.98**
As At March 31, 2021	**4.98**

Rental income derived in the FY 2020-21	8.12
Direct operating expenses (including repairs and maintenance) generating rental income	-
Profit arising from investment properties	8.12

Fair value of Investment Property as at 31.03.2021	788.12

The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information and the same is not valued by an independent valuer.

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Other Non-Current Investments**		
	Non-Current Investments		
a)	**Investments in equity instruments at FVTOCI**		
	Quoted Investments		
	Chennai Petroleum Corporation Limited	**0.51**	0.30
	(500 Equity shares [500 in Previous Year] of ₹ 10 each fully paid)		
	Total of Quoted Investments	**0.51**	0.30
	Unquoted Investments		
	OPG Power Generation Private Limited *	**16.81**	12.18
	(1,53,200 [1,12,900 in Previous Year] Equity shares of ₹ 10 each fully paid)		
	AM Foundation	**0.17**	0.17
	(1,700 Equity shares [1,700 in Previous Year] of ₹ 10 each fully paid)		
	Total of unquoted Investments	**16.98**	12.35
	Total of Investments at FVTOCI (a)	**17.49**	12.65
b)	**Investment in equity shares of Wholly Owned Subsidiary**		
	Unquoted Investments		
	AMCHEM Speciality Chemicals Private Limited, Singapore	**11,032.18**	11,032.18
	(1,64,21,208 Equity Shares [1,64,21,208 in Previous Year] of USD 1 each fully paid)		
	Total of Investments in Wholly Owned Subsidiary (b)	**11,032.18**	11,032.18
	Total Other Non-Current Investments (a+b)	**11,049.67**	11,044.83
	Aggregate book value of quoted investments	**0.51**	0.30
	Aggregate market value of quoted investments	**0.51**	0.30
	Aggregate carrying value of unquoted investments	**11,049.67**	11,044.83
	Aggregate amount of impairment in value of investments	**-**	-

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

5 Other Financial Assets

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

6 Other Non-Current Assets

Capital advances	**181.93**	171.52
Advance tax (Net of provision for tax)	**623.77**	958.68
Other Advances	**831.73**	937.56
Total Other Non-Current Assets	**1,637.43**	2,067.76

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Inventories**		
	Inventories (lower of cost and net realisable value)		
	Raw materials	**2,655.38**	3,704.41
	Raw materials in transit	**1,036.97**	843.43
	Work-in-progress	**123.65**	39.36
	Finished goods	**2,062.19**	2,593.27
	Stores and spares	**145.22**	281.64
	Total Inventories	**6,023.41**	7,462.11

8 Current Investments

Quoted Investments		
Investment in Mutual Funds	-	4,059.16
Total Other Current Investments	-	4,059.16
Aggregate Book value of quoted Investments	-	4,059.16
Aggregate Market value of quoted Investments	-	4,059.16

9 Trade Receivables

Current:		
Trade Receivables - Considered good, unsecured	**14,918.00**	7,789.68
Trade Receivables - Credit Impaired	**29.75**	26.75
Allowance for doubtful debts	**(29.75)**	(26.75)
Total Trade Receivables	**14,918.00**	7,789.68

10 Cash and Cash Equivalents

Balances with Banks:		
In current accounts	**398.56**	242.14
In Fixed deposit with original maturity period of less than 3 months	**24,900.00**	3,799.98
Cheques on hand	-	16.21
Cash on hand	**2.60**	1.00
Cash and Cash Equivalents	**25,301.16**	4,059.33

11 Bank balances other than Cash and Cash equivalents

Margin money deposit Accounts	**153.00**	163.20
Unpaid dividend accounts	**387.53**	397.71
Total Bank balances	**540.53**	560.91

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

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
12 Loans		
Current		
Security deposits		
Considered Good - Unsecured	**9.59**	9.59
Other Loans:		
Considered Good - Unsecured		
Loans and advances to employees	**31.31**	28.56
Total Loans	**40.90**	38.15

13 Other Financial Assets

Interest Accrued on Deposits	**91.07**	33.79
Total Other Financial Assets	**91.07**	33.79

14 Other Current Assets

Advances given to vendors	**1,131.81**	464.53
Prepaid expenses	**316.18**	310.46
Unamortised premium on forward contracts	**6.76**	3.32
Balances with Government authorities		
GST Input Credit receivable / Customs duty paid in advance	**93.89**	126.44
Total Other Current Assets	**1,548.64**	904.75

15 Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Amount**	No of shares	Amount
Authorised share capital				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00
Movements during the year	**-**	**-**	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00

Issued, Subscribed and paid up shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Amount**	No of shares	Amount
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**17,19,99,229**	**8,599.96**	17,19,99,229	8,599.96
Forfeited Share capital		**3.51**		3.51
Total Equity Share Capital	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47

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

a) Reconciliation of number of shares outstanding

[₹ In Lakh]

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47
Issued / Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Holding %	No of shares	Holding %
Fully paid equity shares				
SIDD Life Sciences Private Limited	**6,58,46,053**	**38.28**	6,58,46,053	38.28
Tamilnadu Industrial Development Corporation Limited	**1,12,12,500**	**6.52**	1,12,12,500	6.52

c) Terms / rights attached to equity shares

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

16 Other Long-Term Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Operating Lease Liabilities (Ind AS 116)	**3,186.95**	3,471.33
Total Other Long-Term Liabilities	**3,186.95**	3,471.33

In respect of the leased assets, effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the Standard amounting to ₹ 655.39 lakh (net off deferred Tax Asset of ₹ 352.03 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019.

17 Non-Current Provisions

Employee Benefits		
Post employment benefits	**158.95**	176.57
Compensated absences	**95.18**	100.34
Total Non-Current Provisions	**254.13**	276.91

18 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities		
Property, Plant & Equipment	**1,273.40**	1,859.67
(Difference between book balance and tax balance)		
Tax Effect of Items Constituting Assets		
Provision for Lease Assets / (Liability) - Ind AS 116	**(301.19)**	(282.28)
Provision for doubtful debts / advances	**(7.49)**	(6.73)
Provisions Disallowed u/s. 43B of Income Tax Act, 1961	**(503.03)**	(440.82)
Provisions for Compensated absences, Gratuity and Other employee benefits	**(71.20)**	(89.99)
Net Deferred Tax Liabilities	**390.49**	1,039.85

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
19 **Other Non-Current Liabilities**		
Unsecured - at amortised cost		
Deposits	**84.36**	99.69
Deferred Income	**300.77**	317.57
Total Non-Current Liabilities	**385.13**	417.26
The deposits have been classified as under:		
As Non-Current Liabilities	**84.36**	99.69
As Current Liabilities	**15.33**	15.33
Total Deposits	**99.69**	115.02
Interest free deposit movement:		
Opening Deposit Balance	**115.02**	130.35
Less: Deposit refunded during the year	**15.33**	15.33
Closing Balance	**99.69**	115.02

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

The Deferred Income have been classified as under:		
As Non-Current Deferred Income	**300.78**	317.57
As Current Deferred Income	**16.79**	16.79
Total Deferred Income	**317.57**	334.36

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

20 Current Borrowings

Secured - at amortised cost		
From Banks:		
Cash Credit & Bills Discounted	**1,309.98**	895.93
Total Current Borrowings	**1,309.98**	895.93

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

21 Trade Payables

Dues to Micro and Small enterprises	**481.98**	154.53
Dues to Related Parties	**1,881.51**	1,012.78
Dues to Others	**5,229.72**	3,367.59
Total Trade Payables	**7,593.21**	4,534.90

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

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
22	**Other Financial Liabilities**		
	Unpaid dividend	**387.53**	397.71
	Total Other Financial Liabilities	**387.53**	397.71

23 Current Provisions

Employee benefits		
Gratuity	**4.71**	58.24
Compensated absences	**24.05**	22.41
Others		
Provision for wage arrears *	**589.72**	511.36
Other Provisions #	**1,095.33**	1,113.79
Total Current Provisions	**1,713.81**	1,705.80

*** Provision for wage arrears**

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

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

The movement in the provision for wage arrears is given below:		
Balance at the beginning of the year	**511.36**	469.19
Charge for the year	**88.81**	63.61
Payments made during the year	**(10.45)**	(21.44)
Balance at the end of the year	**589.72**	511.36

Other Provisions include ₹ 1083 Lakh (Previous Year ₹ 1083 Lakh) relating to claim by an erstwhile customer being contested by the Company in the Bombay High Court.

24 Other Current Liabilities

Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST etc)	**1,056.84**	197.52
Contractually reimbursable expenses	**32.99**	17.01
Deposits	**15.33**	15.33
Deferred Income	**16.79**	16.79
Operating Lease Liabilities (Ind AS 116) - Current	**287.98**	240.21
Other Current Liabilities *	**1,884.71**	1,737.06
Total Other Current Liabilities	**3,294.64**	2,223.92

* Other Current Liabilities include provision of ₹ 1096 Lakh (Previous year ₹ 1096 Lakh) relating to dispute in rate of customs duty for one of the imported raw materials, contested by the Company before the appropriate forum.

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
25	**Revenue from Operations**		
	Sale of Products		
	Finished Goods	**92,059.02**	67,301.61
	Sale of Services	**-**	116.99
	Other Operating Revenues		
	Scrap Sales	**153.05**	96.90
	Provisions no longer required written back	**-**	148.45
	Duty Drawback	**10.54**	-
	Total Revenue from Operations	**92,222.61**	67,663.95
	Details of Sales (Net):		
	Manufactured Goods:		
	Propylene Oxide	**462.53**	1,027.12
	Propylene Glycol	**24,727.04**	19,259.03
	Polyol	**59,161.69**	41,764.65
	Others	**8,747.05**	7,221.21
	Total Manufactured Goods	**93,098.31**	69,272.01
	Less: Trade Discounts	**1,039.29**	1,970.40
	Total Sale of Products	**92,059.02**	67,301.61

26 Other Income

a)	**Interest income**		
	On Bank deposits (at amortised cost)	**347.71**	197.40
	From Customers and Others	**659.47**	426.51
b)	**Dividend income**		
	From current investments in Mutual funds	**1.38**	69.37
c)	**Other non-operating income** (Net of expenses directly attributable to such income)		
	Insurance claims received	**120.08**	-
	Miscellaneous Income	**124.15**	180.99
	Total Other Income	**1,252.79**	874.27

27 Cost of materials consumed

Opening Stock	**4,547.84**	5,542.61
Add: Purchases	**47,668.04**	44,272.31
Less: Closing Stock	**3,692.35**	4,547.84
Total Cost of materials consumed	**48,523.53**	45,267.08

28 Changes in inventories of finished goods and work-in-progress.

Inventories at the end of the year		
Finished Goods	**2,062.19**	2,593.27
Work-in-progress	**123.65**	39.36
	2,185.84	2,632.63
Inventories at the beginning of the year		
Finished Goods	**2,593.27**	4,009.33
Work-in-progress	**39.36**	155.98
	2,632.63	4,165.31
Net Decrease in Inventories	**446.79**	1,532.68

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29	**Employee Benefits Expense**		
	Salaries and Wages *	**2,011.82**	1,726.81
	Contribution to provident and other funds	**98.33**	112.60
	Gratuity expense	**6.77**	69.26
	Post-Employment benefits	**63.61**	52.41
	Staff welfare expenses	**499.28**	440.87
	Employee Benefits Expense (Gross)	**2,679.81**	2,401.95
	Add / (Less): Remeasurement Cost of net defined employee benefits	**(52.77)**	64.99
	Total Employee Benefits Expense	**2,627.04**	2,466.94

* Salaries and Wages include ₹ 105.27 lakh (Previous Year ₹ 75.31 lakh) towards R & D Expenses

30 Finance Costs

Interest on working capital borrowings	**50.94**	132.09
Other Finance cost *	**390.74**	434.52
Total Finance Costs	**441.68**	566.61

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using in accounting for leased assets modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2902.01 lakh as right to use assets and lease liability of ₹ 3909.43 lakh as on the date of transition i.e. April 1, 2019.

31 Depreciation and Amortisation Expenses

Depreciation of Property, Plant and Equipment pertaining to continuing operations *	**2,047.38**	1,384.81
Total Depreciation Expenses	**2,047.38**	1,384.81

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 for leased assets using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2902.01 lakh as right to use assets and lease liability of ₹ 3909.43 lakh as on the date of transition i.e. April 1, 2019.

32 Utility Expenses

Power	**2,463.27**	2,714.88
Fuel	**3,309.75**	3,738.34
Water	**821.44**	1,159.79
Total Utility Expenses	**6,594.46**	7,613.01

[₹ In Lakh]

	Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
33	**Other Expenses**			
	a)	Consumption of Stores and Spares	**635.50**	417.56
	b)	Repairs and Maintenance		
		Building	**185.56**	161.80
		Plant and machinery	**1,330.10**	1,199.87
		Information Technology	**72.37**	33.59
		Others	**228.38**	92.76
	c)	Legal and Professional	**658.49**	588.66
	d)	Directors sitting fees	**37.00**	34.00
	e)	Expenditure on Corporate Social Responsibility	**102.74**	178.05
	f)	Loss on Property, Plant and Equipment sold/scrapped/ written off	**-**	-
	g)	Provision for Bad and Doubtful Debts	**2.99**	-
	h)	Payments to Statutory auditors:		
		For audit services	**11.00**	11.00
		For Taxation matters	**2.50**	2.50
		For other services	**4.00**	4.20
	i)	Payments to Other auditors	**13.81**	15.10
	j)	Rent	**37.13**	37.14
	k)	Insurance	**246.77**	299.42
	l)	Rates & Taxes	**258.49**	255.99
	m)	Agency Commission	**421.33**	225.70
	n)	Freight Outward	**321.10**	240.86
	o)	Net foreign exchange losses	**29.99**	69.71
	p)	Miscellaneous Expenses	**412.44**	551.15
	Total Other Expenses		**5,011.69**	4,419.06

The above Other Expenses include R&D spend aggregating to ₹120.96 lakh (Previous Year ₹151.80 lakh) under various items comprised therein.

34 Income Tax recognised in Statement of Profit and Loss

Current Tax		
In respect of current year	**7,123.52**	1,343.35
In respect of prior years	**(26.42)**	(85.04)
Deferred Tax		
In respect of current year	**(649.36)**	(624.91)
Total Tax Expenses	**6,447.74**	633.40

Reconciliation of Effective Tax Rate:

Income Tax Rate (%) as per IT Act	**25.17%**	25.17%
Tax Effects of Timing and Permanent Differences (%)	**0.01%**	-9.20%
Effective Tax Rate (%) as per Books	**25.18%**	15.97%

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Earnings Per Share (EPS)**		
	The following reflects the profit and shares related data used in the Basic EPS computations:		
	Profit for the period	**19,259.79**	3,864.03
	No. of Shares used in computing earnings per share	**17,19,99,229**	17,19,99,229
	Earnings Per Share - Basic and Diluted (in Rupees)	**11.20**	2.25
	Face Value Per share (in Rupees)	**5.00**	5.00

36 Exceptional Item

a) Evaluation of Captive Power Plant (CPP) Assets

During the previous financial year, an evaluation of use of CPP assets which were not in use was carried out. Assets amounting to ₹ 710.79 lakh which were found to have no further use were impaired and written off and disclosed under exceptional items. The remaining assets amounting to ₹ 1036.56 lakh, comprising mainly boiler, were expected to be used for conversion to LNG. On a further review, it was found that it will not be viable to use these assets for LNG fuel and also not fit for any other purpose and hence the same have been impaired during FY 2020-21, and shown under Exceptional Item.

b) Evaluation of other plant assets:

During the FY 2020-21 the Company carried out an evaluation of the major assets in both the manufacturing Plants including reassessment of the useful life of the Effluent Treatment Plants (ETP). Based on such evaluation, it was observed that some of the assets have exceeded the normal life and needed to be adjusted accordingly. Also, it has been decided that owing to the extreme conditions of usage, the remaining useful life of the ETP Assets is lower than previously estimated useful life of the assets was found to be not usable and hence impaired. This reassessment of useful life as well as impairment analysis has resulted in additional depreciation/amortization/ impairment of ₹ 1535.55 lakh of which ₹ 899.07 lakh has been shown under Exceptional Items (Representing Impairment) and the remaining amount of ₹ 636.48 lakh shown under Depreciation, Amortization and Impairment expenses in the Financial Statements for the Financial Year.

Further, during FY 2020-21 the Company carried out physical verification of property plant and equipment and assets having a carrying value of ₹ 139.67 lakh found to be no longer useful, have been written off. Similarly in the previous year property plant and equipment having a carrying value of ₹ 79.81 lakh found to be no longer useful, have been written off. These have been disclosed under exceptional items.

37 Segment Reporting (IND AS 108):

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

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

i) Contingent Liabilities

a) Claims against the Company not acknowledged as debt

	Nature of the Dues	As at March 31, 2021	As at March 31, 2020
1	Claim for arrears of lease rent by Thasildar, Tiruvottiyur	**19,836.00**	19,836.00
2	Claim from TNPCB	**200.00**	200.00

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

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

Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2022 which have been accepted and realized by the Thasildhar. Additionally, the Company continues to provide for lease rent based on the contract terms for fixation of lease rent and in terms of the extant Government guidelines for such leases.

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

2 During the previous year the Company received demand from Tamilnadu Pollution Control Board (TNPCB) seeking payment of ₹ 200 lakh as interim environmental compensation for causing damages to the environment. TNPCB has made the demand citing an order of the National Green Tribunal (NGT). Further the NGT has directed to identify the industries that are causing pollution and collect the environmental compensation. In the opinion of the Company the PCB has made the the demand without following the above direction. The notices have been examined and it is seen that the data relied up on by the TNPCB are incorrect as the alleged excesses were all due to technical/server error in CARE-AIR Centre. The Company has disputed the allegations and submitted the documents with a request to withdraw the demand for which no response has been received. Since the claim is arbitrary and without justification, the same has not been acknowledged as debts due by the Company. Further the above Order of the NGT has been stayed by the Hon'ble Supreme Court of India on September 22, 2020.

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

[₹ In Lakh]

Nature of the Dues	**Forum before which the dispute is pending**	**Period to which it relates**	**As at March 31, 2021**	As at March 31, 2020
Excise Duty	High Court of Madras	2007-08	**-**	53.39
	High Court of Madras	2012	**-**	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80
	Disputed Excise & Customs Demand		**6.80**	441.08
Sales Tax	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**	10.74
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**	6.06
	High Court of Madras	Various Years	**3.44**	3.44
	Disputed Sales Tax Demand		**20.24**	20.24
Income Tax	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12
	Commissioner of Income Tax (Appeals)	2010-11	**176.88**	176.88
	Commissioner of Income Tax (Appeals)	2012-13	**476.90**	476.90
	Income Tax Appellate Tribunal	2013-14	**30.46**	30.46
	Commissioner of Income Tax (Appeals)	2014-15	**78.08**	78.08
	Commissioner of Income Tax (Appeals)	2015-16	**108.22**	108.22
	Commissioner of Income Tax (Appeals)	2016-17	**232.14**	232.14
	Commissioner of Income Tax (Appeals)	2017-18	**42.35**	42.35
	Disputed Income Tax Demand **		**1,666.60**	1,666.60

** Against the above demands, the Company has not paid any amount during the year or the Previous Year.

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

ii) Commitments

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed (net of advances):	**10,097.66**	4,669.08
Total Commitments	**10,097.66**	4,669.08

39 Payable to MSME

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

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

40. Employee Benefits (Ind AS 19):

Defined contribution plans

The Company makes Provident fund and Pension (Funded) contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 88.85 lakhs (year ended 31 March, 2020 - ₹ 102.38 lakhs) for Provident Fund contributions and ₹ 63.61 lakhs (year ended 31 March, 2020 - ₹ 52.41 lakhs) for Pension (Funded) Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Defined benefit plans

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

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

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

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

Gratuity- Plant 1:

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

Inherent Risk:

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

Gratuity- Plant 2:

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

Pension

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

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

[₹ In Lakh]

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Discount Rate (%)	**6.85%**	6.85%	**6.75%**	6.85%
Estimated Rate of Return on Plan Assets (%)	**7.70%**	7.70%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**24.14**	24.14
Weighted Average Duration of Defined Benefit Obligation (Years)	**6.00**	5.00	**6.00**	6.00

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020	**For the Period Ended March 31, 2021**	For the Period Ended March 31, 2020
Expense recognised in Statement of Profit or Loss				
Current service cost	**0.61**	0.59	**24.93**	21.49
Past service cost	**-**	-	**-**	-
Interest cost on benefit obligation	**12.79**	13.71	**26.20**	26.52
Expected return on plan assets	**(12.38)**	(14.11)	**(22.24)**	16.19
Sub Total	**1.02**	0.19	**28.89**	64.20
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation		0.02		11.38
ii. Financial Assumptions on obligation		8.59		(0.50)
iii. Experience Adjustments on obligation		(0.68)		11.98
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**(13.56)**	3.10	**(40.35)**	(25.94)
Sub Total	**(13.56)**	11.03	**(40.35)**	(3.08)
Net benefit expense	**(12.54)**	11.22	**(11.46)**	61.12

Balance Sheet

[₹ In Lakh]

Partculars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Benefit asset / liability				
Present value of defined benefit obligation	**173.07**	186.83	**412.44**	383.12
Fair value of plan assets	**177.38**	180.88	**426.23**	324.86
Assets / (Liability) recognized in the balance sheet	**4.31**	(5.95)	**13.79**	(58.26)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**186.83**	177.66	**383.12**	341.54
Benefit transferred in	**-**	-		
Benefit transferred Out	**-**	-		
Benefits paid	**(29.44)**	(13.05)	**(19.46)**	(26.41)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**0.61**	0.59	**24.93**	21.49
Interest cost on benefit obligation	**12.79**	13.71	**26.20**	26.52
Recognised in Other Comprehensive Income	**(11.28)**	11.02	**(42.70)**	36.16
Actuarial (gain)/loss on obligation	**13.56**	(3.10)	**40.35**	(16.18)
Closing defined benefit obligation	**173.07**	186.83	**412.44**	383.12

Movement in the fair value of plan assets

Partculars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020	**For the Period Ended March 31, 2021**	For the Period Ended March 31, 2020
Opening fair value of plan assets	**180.88**	182.92	**324.87**	334.03
Contributions by employer			**58.24**	7.50
Contributions transfer in	**-**	-	**-**	-
Benefits paid	**(29.44)**	(13.05)	**(19.46)**	(26.41)
Expenses Recognised in Profit and Loss Account				
Expected return	**12.38**	14.11	**40.35**	(16.19)
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**13.56**	(3.10)	**22.24**	25.94
Closing fair value of plan assets	**177.38**	180.88	**426.24**	324.87

Percentage allocation of plan assets by category:

[₹ In Lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Government Securities	**79.28%**	86.21%	**50.39%**	50.39%
Debentures / bonds			**39.91%**	39.91%
Equity instruments	**0.00%**	0.00%	**4.76%**	4.76%
Savings/Fixed deposits	**20.72%**	13.79%	**4.94%**	4.94%
Total	**100.00%**	100.00%	**100.00%**	100.00%

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	31.3.2021	31.3.2020	**31.3.2021**	31.3.2020
Within next 12 Months	**89.19**	101.53	**73.36**	53.23
Between 1 and 5 years	**19.19**	19.78	**175.78**	157.35
5 years and above	**64.69**	65.52	**163.30**	172.54

Sensitivity Analysis

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

Pension (Funded)

Particulars	Increase		Decrease	
	FY 2020-21	FY 2019-20	**FY 2020-21**	FY 2019-20
Impact of the change in discount rate - 1%	**(5.70)**	(5.30)	**7.00**	6.40
Impact of the change in salary increase - 1%	**0.80**	0.80	**(0.80)**	(0.70)
Impact of the change in Mortality - 5%	**(0.30)**	(0.30)	**0.30**	0.30

Gratuity

Particulars	Increase		Decrease	
	FY 2020-21	FY 2019-20	**FY 2020-21**	FY 2019-20
Impact of the change in discount rate - 1%	**(3.00)**	(3.10)	**3.20**	3.30
Impact of the change in salary increase - 1%	**3.10**	3.20	**(2.90)**	(3.10)
Impact of the change in Mortality - 5%	**-**	-	**-**	-

The composition of investments in the fair value of plan assets relating to gratuity as given above is relating to employees of Plant -I only. The Gratuity fund relating to Plant - II is being maintained with Life Insurance Corporation of India (LIC) and as per the information provided by LIC the total fair value of plan assets and present value of obligations as on March 31, 2021 were ₹ 115.22 lakh and ₹ 103.40 lakh respectively. [March 31, 2020- ₹ 117.52 lakh and ₹ 116.55 lakh]

41 Related Party Disclosures (Ind AS 24):

a) List of Related Parties where control exists:

Name of the Related Party	Principal Place of Business	Shareholding and Voting Power	
		As at March 31, 2021	As at March 31, 2020
Subsidiary Companies			
a) AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016) (AMCHEM, Singapore)	Singapore	100.00%	100.00%
b) AMCHEM Speciality Chemicals UK Limited (w.e.f. 29th September, 2016) (AMCHEM, UK) *	UK	100.00%	100.00%
c) Notedome Limited (w.e.f. 1st October, 2016) #	UK	100.00%	100.00%

* 100% Subsidiary Company of AMCHEM, Singapore

100% Subsidiary Company of AMCHEM, UK

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

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

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

[₹ In Lakh]

Sl No	Particulars	2020-21	2019-20
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**493.85**	493.85
	Tamilnadu Industrial Development Corporation Limited	**84.09**	84.09
	Southern Petrochemicals Industries Corporation Limited	**0.08**	0.08
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited	**13,390.70**	11,106.70
	Notedome Limited	**0.23**	0.03
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited	**21.08**	13.99
	CNGSN & Associates LLP	**7.38**	5.90
	Southern Petrochemicals Industries Corporation Limited	**2.47**	6.96
	AMCHEM Speciality Chemicals Private Limited	**356.82**	336.71
4	**Royalty paid:**		
	Notedome Limited	**25.78**	14.68
5	**Rendering of Services:**		
	Tamilnadu Petroproducts Limited	**15.73**	133.73
6	**Sale of Goods:**		
	Southern Petrochemicals Industries Corporation Limited	**0.86**	-
	Tamilnadu Petroproducts Limited	**5,443.06**	2,847.60

[₹ In Lakh]

Sl No	Particulars	2020-21	2019-20
7	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust	**50.14**	31.56
	MPL Employees Gratuity Fund Trust	**58.24**	7.50
8	**Refund of Contribution**		
	Refund received from MPL Employees Superannuation Trust #	**-**	95.12
9	**Reimbursement of expenses**		
	Muthukrishnan Ravi	**4.25**	-

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

d) Outstanding Balances:

Sl No	Particulars	As at March 31, 2021	As at March 31, 2020
1	**Trade Payables**		
	Tamilnadu Petroproducts Limited	**1,881.51**	1,012.78
	Southern Petrochemical Industries Corporation Limited	**0.25**	-
	CNGSN & Associates LLP	**1.38**	-
	Notedome Limited	**11.94**	3.60
2	**Other payables**		
	Tamilnadu Petroproducts Limited	**68.55**	81.88
3	**Trade Receivables**		
	Tamilnadu Petroproducts Limited	**-**	8.66

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

42 Operating Leases (Ind AS 116):

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

Details of operating leasing arrangements - Non cancellable leases:

Bulk storage facility at Ennore Port-

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

Corporate Office premises-

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

Plant-2 Land-

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

[₹ In Lakh]

Sl No	Particulars	2020-21	2019-20
(a)	Weighted average incremental borrowing rate of the Lessee	**10.00%**	10.00%
(b)	Lease liabilities recognised in the balance sheet at the date of initial application	**3,909.43**	3,909.43
(c)	Depreciation charge for the year		
	- Buildings	**40.04**	40.28
	- Plant and Machinery	**271.74**	271.76
(d)	Interest expense on lease liabilities	**360.02**	383.18
(e)	Total cash outflow for Operating leases	**596.63**	581.07
(f)	Transition adjustments Ind AS 116 at the date of initial application		
	- Buildings	**184.56**	184.56
	- Plant and Machinery	**2,717.45**	2,717.45
(g)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset		
	- Buildings	**104.24**	144.28
	- Plant and Machinery	**2,173.95**	2,445.69

43 Corporate Social Responsibility

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

- Gross amount required to be spent by the company during the year 162.87 Lakh (Previous year 168.09 lakh)
- Amount spent during the year on:

Sl. No	Particulars	2020-21	2019-20
1	Construction / acquisition of any property	**102.74**	175.85
2	On purpose other than above	**-**	2.21

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

Sl. No	Particulars	2020-21	2019-20
1	Revenue Expenditure	**226.22**	227.11
2	Capital Expenditure (including capital work-in-progress)	**15.78**	-

45 Distribution Made and Proposed (Ind AS 1):

Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2020: ₹ 0.75 per share (March 31 2019: ₹ 0.75 per share)	**1,290.35**	1,290.00
Dividend Distribution Tax on Final Dividend	**-**	265.53
Total Distribution made	**1,290.35**	1,555.53
Proposed Dividend on Equity Shares		
Proposed dividend for the year ended on March 31, 2021: ₹ 1.50 per share (March 31 2020: ₹ 0.75 per share)	**2,580.00**	1,290.00
Total Dividend Proposed	**2,580.00**	1,290.00

Proposed dividend on equity shares is subject to approval at the annual general meeting and not recognised as a liability as at March 31, 2021

46 Capital Management (Ind AS 1):

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2021.

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

[₹ In Lakh]

Particulars	March 31, 2021	March 31, 2020
Net debt (Long term debt less Cash and Cash equivalent)	-	-
Total equity	**63,634.58**	45,704.18

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

Financial Risk Management Framework

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

Risk Exposures and Responses

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

i) Market Risk

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

Interest Rate Risk

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

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

Sensitivity Analysis

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2021	March 31, 2020
Financial Liabilities - Borrowings		
+1% (100 basis points)	**35.81**	34.48
-1% (100 basis points)	**(35.81)**	(34.48)
Financial Assets - Loans		
+1% (100 basis points)	**0.31**	0.29
-1% (100 basis points)	**(0.31)**	(0.29)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

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

Company's Total Foreign currency exposure:

[₹ In Lakh]

Particulars	Currency	March 31, 2021		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**73.5047**	**7.78**	**572.13**
Trade Payables	USD	**72.8075**	**14.99**	**1,091.33**
		March 31, 2020		
Trade Receivables	USD	75.3859	0.47	35.12
Trade Payables	USD	73.6865	11.26	829.71

Company's Unhedged Foreign currency exposure:

Particulars	Currency	March 31, 2021		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**73.5047**	**7.78**	**572.13**
Trade Payables	USD	**73.5047**	**-**	**-**
		March 31, 2020		
Trade Receivables	USD	75.3859	0.47	35.12
Trade Payables	USD	75.3859	1.22	91.97

Sensitivity

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2021	March 31, 2020
USD sensitivity		
INR/USD- increase by 5%	-	(4.76)
INR/USD- decrease by 5%	-	4.76

Commodity Risk

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

ii. Credit risk management

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

Trade Receivables:

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

Total Trade receivable as on March 31, 2021 was ₹ 14918 Lakh (March 31, 2020 ₹ 7789.68 Lakh)

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

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Board of Directors is unaware of any factors affecting the recoverability of outstanding balances at 31 March 2021.

iii. Liquidity risk

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

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

[₹ In Lakh]

Particulars	**At March 31, 2021**			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	1,309.98	-	-	1,309.98
Trade and other payables	9,307.02	-	-	9,307.02
Operating Lease Liabilities (Ind AS 116)	287.99	335.42	1,153.09	1,776.50
Total	**10,904.99**	**335.42**	**1,153.09**	**12,393.50**
Current Investments	-	-	-	-
Particulars	At March 31, 2020			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	895.93	-	-	895.93
Trade and other payables	6,240.70	-	-	6,240.70
Operating Lease Liabilities (Ind AS 116)	240.21	287.99	1,062.16	1,590.35
Total	7,376.84	287.99	1,062.16	8,726.98
Current Investments	4,059.16	-	-	4,059.16

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

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Fair Value through Profit and Loss		
Investments	-	4,059.16
Fair Value through Other Comprehensive Income		
Equity Shares	**17.49**	12.65
Amortised Cost		
Trade receivables	**14,918.00**	7,789.68
Loans	**40.90**	38.15
Cash and cash equivalents	**25,301.16**	4,059.33
Bank Balances	**540.53**	560.91
Other Financial Assets	**91.07**	33.79
Total	**40,909.15**	16,553.66
Financial liabilities		
Amortised Cost		
Borrowings	**1,309.98**	895.93
Trade payables	**7,593.21**	4,534.90
Other Financial Liabilities	**387.53**	397.71
Operating Lease Liabilities (Ind AS 116)	**3,474.93**	3,711.54
Total	**12,765.65**	9,540.08

B) **Fair value measurements (Ind AS 113):**

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

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at Fair Value Through Profit and Loss		
Investments - Level - 1	-	4,059.16
Financial assets at Fair Value Through Other Comprehensive Income		
Investments in Listed Equity Shares - Level - 1	**0.51**	0.30
Investments in Unlisted Equity Shares - Level - 2	**16.98**	12.35

Valuation Techniques used to determine the fair value

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

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

49 Note on Leasehold Land

a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Plant-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however is unascertainable at this point in time), are deemed necessary in the financial statements.

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

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

50 Regrouping

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

51 Approval of Financial Statements

The financial statements of Manali Petrochemicals Limited were reviewed by Audit Committee and approved by the Board of Directors at the meetings held on June 29, 2021.

As per our report of even date attached

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

For and on behalf of the Board of Directors

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : June 29, 2021

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Manali Petrochemicals Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, Total Comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

Without qualifying the audit opinion, attention is invited to

a) Note No.50(a) to the Consolidated Financial Statements, which explains the period of lease relating to the leasehold land on which one of the manufacturing units of the Holding Company (Unit-II) is operating has since expired on June 30, 2017, for which requests for renewal have been filed by the Holding Company with Govt. of Tamil Nadu, (the Lessor) and extension of lease is awaited. In the meanwhile, the Holding company has been remitting the lease rent based on the lease agreement which has expired, and the Government has been accepting the same. Pending renewal of lease, no adjustments have been made in the consolidated financial statements for the year for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the management is confident of obtaining the renewal of lease of land in the due course.

b) Note no 50(b) to the Consolidated Financial Statements, which explains the expiry of Holding Company's lease period of the Land which presents a position that the Holding company is unable to determine either its lease rent obligations or the period of lease. Accordingly, no adjustments have been made in the consolidated financial statements for the year towards the possible impact arising on account of implementation of Ind AS 116 – "Leases" as the same is not ascertainable at this point of time

c) Note no 38(i)(a) to the Consolidated Financial Statements, which explains the demand notice received from the authorities demanding payment of Rs. 19,836 Lakhs towards arrears of lease rent relating to Unit-II. The management based on a legal/expert advice explained to us that the arrears of lease rent is unsubstantiated, erroneous and is arbitrary and accordingly, in the opinion of the management no provision is considered necessary. We have also been explained by the management about the efforts they are taking in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained by the authorities in the demand notice issued to the Holding company). The Holding company's request for revision and withdrawal of the demand is currently pending before Government of Tamilnadu. Though the demand has not been formally disputed before any appellate forum, relying on the management assertions that the present demand by the government is unlikely to result in any outgo of resources to the Holding company and pending the outcome of representations by the Holding company to Government no adjustments have been considered necessary in the Consolidated Financial Statements.

Key Audit Matters

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

1) Revenue recognition and discounts:

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

2) Evaluation of Contingent Liabilities:

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

3) Valuation of Goodwill on Consolidation:

Key Audit Matter	Auditor's Response
As at March 31, 2021, the Group's assets include goodwill aggregating to Rs. 9536.82 Lakh arising on acquisition of businesses of Notedome Limited which is engaged in the business of Petrochemicals. Goodwill is carried at cost and is tested for impairment, if any, in accordance with Ind AS 36 "Impairment of Assets". However, there is a potential risk that the goodwill will be impaired if assumptions for the projected cash flows are not met. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. We identified this as a key audit matter for current year audit of the Consolidated Financial Statements owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of the recoverable value through estimation of future cash flows.	**Our audit procedures in relation to testing of impairment of goodwill, are as follows:** i. Assessed and tested the design and operating effectiveness of the Company's controls over recognition of impairment assessment process. ii. Obtained the impairment analyses and tested the appropriateness of the impairment model and reasonableness of the key assumptions used. iii. Compared the prior year budgets with the actual results to determine the efficacy of the management's budgeting process. iv. Obtained and evaluated sensitivity analysis performed by the Management on aforesaid key assumptions and v. Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian Accounting Standards. Based on the procedures stated above we found Management's key assumptions to be reasonable in determining the carrying value of the goodwill.

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

We did not audit the Financial Statements and other financial information of the three overseas subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect total assets of ₹ 34,554.39 Lakh as at 31st March, 2021, total revenues (including other income) of ₹ 10,861.93 Lakh, net cash flows of ₹ 1,532.18 Lakh and net profit of ₹ 854.92 Lakh for the year ended on that date as considered in the Consolidated Financial Statements. The Financial Statements and other financial information of these subsidiaries have been audited by the other auditors whose reports have been furnished to us by the Management and our report on the

Consolidated Financial Statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion is not modified in respect of this matter.

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

Report on Other Legal and Regulatory Requirements

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

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

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the holding Company as on 31st March, 2021 taken on record by the Board of Directors of the holding company, none of the directors of the holding company, is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure.

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

      i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group. Refer Note 38(i) to the Consolidated financial statements.

      ii. The Group did not have any material foreseeable losses due to long-term contracts including derivative contracts.

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

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

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

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

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 21026575AAAAMA6739

Place: Chennai
Date: June 29, 2021

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Holding Company") as of that date. The Holding Company does not have any subsidiary companies incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 21026575AAAAMA6739

Place: Chennai
Date: June 29, 2021

Consolidated Balance Sheet as at March 31, 2021

[₹ in lakh]

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
A. ASSETS			
I Non Current Assets			
a) Property, Plant and Equipment	3A	**17,339.28**	18,859.83
b) Goodwill on Consolidation		**9,539.39**	8,795.45
c) Capital work-in-progress	3B	**2,841.59**	2,642.87
d) Right of Use Assets	3C	**2,278.19**	2,589.98
e) Investment Property	3D	**4.98**	4.98
f) Financial Assets:			
i) Investments	4	**17.49**	12.65
ii) Other Financial Assets	5	**15.63**	15.63
g) Other non-current assets	6	**1,637.44**	2,067.76
TOTAL NON-CURRENT ASSETS		**33,673.99**	34,989.15
II Current Assets			
a) Inventories	7	**7,035.16**	8,890.16
b) Financial Assets:			
i) Current Investments	8	**-**	4,059.16
ii) Trade Receivables	9	**17,191.90**	10,843.19
iii) Cash and Cash equivalents	10	**28,155.56**	5,461.70
iv) Bank balances other than iii) above	11	**540.53**	560.91
v) Loans	12	**40.89**	38.14
vi) Other Financial Assets	13	**91.07**	34.62
c) Other Current assets	14	**1,923.24**	1,155.27
TOTAL CURRENT ASSETS		**54,978.35**	31,043.15
TOTAL ASSETS		**88,652.34**	66,032.30
B. EQUITY AND LIABILITIES			
I Equity			
a) Equity share capital	15	**8,603.47**	8,603.47
b) Other Equity		**59,393.22**	39,520.78
TOTAL-EQUITY		**67,996.69**	48,124.25
II Liabilities			
II. A Non-Current Liabilities			
a) Financial Liabilities			
i) Other Long-Term Liabilities	16	**3,186.95**	3,471.33
a) Provisions	17	**254.13**	276.91
b) Deferred Tax Liabilities (net)	18	**452.11**	1,114.79
c) Other non-current Liabilities	19	**385.13**	417.26
TOTAL NON-CURRENT LIABILITIES		**4,278.32**	5,280.29
II. B Current Liabilities			
a) Financial Liabilities			
i) Borrowings	20	**1,428.36**	2,564.57
ii) Trade Payables	21		
1 Total outstanding dues of Micro Enterprises and Small Enterprises		**481.98**	154.53
2 Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**8,509.30**	5,410.45
iii) Other financial liabilities	22	**387.53**	397.71
b) Provisions	23	**1,728.40**	1,716.39
c) Other current liabilities	24	**3,841.76**	2,384.11
TOTAL CURRENT LIABILITIES		**16,377.33**	12,627.76
TOTAL LIABILITIES		**20,655.65**	17,908.05
TOTAL EQUITY AND LIABILITIES		**88,652.34**	66,032.30

See accompanying notes to Financial Statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : June 29, 2021

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Profit and Loss for the period ended March 31, 2021

[₹ In Lakh]

	Particulars		Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Revenue**				
	a)	Revenue from Operations	25	**101,952.29**	80,305.31
	b)	Other Income	26	**1,845.91**	1,286.25
	Total Revenue (Gross) [a+b]			**103,798.20**	81,591.56
2	**Expenses**				
	a)	Cost of materials consumed	27	**54,710.16**	54,688.29
	b)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	**387.81**	1,546.74
	c)	Employee benefits expense	29	**4,599.57**	3,929.18
	d)	Finance costs	30	**470.55**	626.07
	e)	Depreciation expense	31	**2,101.38**	1,447.15
	f)	Utility Expenses	32	**6,766.32**	7,757.70
	g)	Other expenses	33	**5,902.81**	5,384.74
	Total Expenses			**74,938.60**	75,379.87
3	**Profit Before Exceptional items and Tax [1-2]**			**28,859.60**	6,211.69
4	**Exceptional Items**			**(2,075.30)**	(790.60)
5	**Profit Before Tax [3+4]**			**26,784.30**	5,421.09
6	**Tax Expenses**		34		
	a)	Current Tax		**7,355.60**	1,467.24
	b)	Short/(Excess) Provision for tax relating to prior years		**(26.42)**	(85.04)
	c)	Deferred Tax		**(668.26)**	(626.84)
	Total Tax Expenses [a+b+c]			**6,660.92**	755.36
7	**Profit for the period [5-6]**			**20,123.38**	4,665.73
8	**Other Comprehensive Income**				
	Items that will not be classified to profit or (loss)				
	Changes in Fair Value of Equity Investments			**0.21**	(1.06)
	Remeasurement Cost of net defined employee benefits		29	**(52.77)**	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss			**13.52**	(16.65)
	Items that will be classified to profit or (loss)				
	Changes in Foreign Currency Translation			**1,078.45**	293.22
9	**Total Comprehensive Income [7+8]**			**21,162.79**	5,006.23
10	**Earnings per equity share**		35		
	a)	Basic (in ₹)		**11.70**	2.71
	b)	Diluted (in ₹)		**11.70**	2.71

See accompanying notes to Financial Statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

N. Sri Krishna
Partner
Membership No. 026575

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Place: Chennai
Date : June 29, 2021

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Statement of Changes in Equity

A. Equity Share Capital

[₹ in lakh]

For the year ended 31st March 2021		
Balance as at April 01, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
8,603.47	-	8,603.47

For the year ended 31st March 2020		
Balance as at April 01, 2019	Changes in Equity Share Capital during the year	Balance as at March 31, 2020
8,603.47	-	8,603.47

B. Other Equity

Statement of changes in Other Equity (2020-21)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2020)	91.45	109.20	84.00	38,659.83	(0.14)	64.88	511.56	39,520.78
Profit for the year	-	-	-	20,123.38	0.21	(39.25)	1,078.45	21,162.79
Dividend paid during the year	-	-	-	(1,290.35)	-	-	-	(1,290.35)
Balance at the end of reporting Period (31.03.2021)	**91.45**	**109.20**	**84.00**	**57,492.86**	**0.07**	**25.63**	**1,590.01**	59,393.22

Statement of changes in Other Equity (2019-20)

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings				
Balance at the beginning of reporting Period (01.04.2019)	91.45	109.20	84.00	36,373.42	0.92	16.54	218.33	36,893.86
Profit for the year	-	-	-	4,665.73	(1.06)	48.34	293.22	5,006.23
Dividend paid during the year	-	-	-	(1,555.53)	-	-	-	(1,555.53)
Reclassification of Investment property				(168.40)				(168.40)
Transition adjustment to Ind AS 116	-	-	-	(655.39)	-	-	-	(655.39)
Balance at the end of reporting Period (31.03.2020)	**91.45**	**109.20**	**84.00**	**38,659.83**	**(0.14)**	**64.88**	**511.56**	**39,520.78**

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2021

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before Tax		**26,784.30**		5,421.09
	Adjustments for				
	Depreciation	**1,789.38**		1,135.12	
	Provisions no longer required written back	**-**		(148.45)	
	Dividend income	**(1.38)**		(69.37)	
	Finance costs	**470.55**		626.07	
	Remeasurement Cost of net defined employee benefits	**(52.77)**		64.99	
	Interest income	**(1,007.24)**		(624.38)	
	Provision for doubtful debts	**198.79**		191.27	
	Net unrealised exchange (gain) / loss	**41.33**		111.19	
	Loss on sale / write-off of assets	**2,143.14**		798.67	
	Net Adjustments		**3,581.80**		2,085.11
	Operating Profit		**30,366.10**		7,506.20
	Changes in Working Capital				
	Adjustments for (increase) / decrease in operating assets				
	Inventories	**1,855.00**		2,900.90	
	Trade Receivables	**(6,547.50)**		378.03	
	Other Financial Assets	**(59.20)**		3,531.04	
	Other Current Assets	**(767.97)**		11.43	
	Other Non-Current Assets	**(128.70)**		6.39	
	Adjustments for (increase) / decrease in operating liabilities				
	Trade payables	**3,384.97**		(3,885.59)	
	Other financial liabilities	**(10.18)**		(20.26)	
	Other Current liabilities	**539.31**		(251.10)	
	Short-term provisions	**12.01**		116.03	
	Other non-current Liabilities	**(32.13)**		(265.47)	
	Long-term provisions	**(22.78)**		49.74	
	Net Adjustments		**(1,777.17)**		2,571.15
	Net income tax paid		**(6,786.17)**		(1,336.49)
	Net cash from / (used in) Operating activities [A]		**21,802.76**		8,740.85
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets, including capital advances		**(2,448.73)**		(2,936.69)
	Investments in Equity shares		**(4.84)**		(1.58)
	Interest income		**1,007.24**		624.38
	Dividend income		**1.38**		69.37
	Bank balances not considered as cash and cash equivalents		**20.38**		184.58
	Net cash from / (used in) Investing activities [B]		**(1,424.57)**		(2,059.94)

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	(Repayment) / Proceeds from Short-term borrowings	**(1,136.21)**	(817.04)
	Interest paid	**(395.38)**	(511.93)
	Dividend paid	**(1,290.35)**	(1,290.00)
	Tax on dividend	**-**	(265.53)
	Net cash from / (used in) Financing Activities [C]	**(2,821.94)**	(2,884.50)
	Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**17,556.25**	3,796.41
	Cash and cash equivalents at the beginning of the period	**9,520.86**	5,431.23
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**1,078.45**	293.22
	Cash and cash equivalents at the end of the period	**28,155.56**	9,520.86

Components of Cash & Cash Equivalents:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (Note:10)		
Cash on hand	**2.60**	1.00
Cheques on hand	**-**	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	**3,252.96**	1,644.51
Balances in Fixed deposit original maturity period less than 3 months	**24,900.00**	3,799.98
Current Investments (Note:8)	**-**	4,059.16
Total Cash and Cash Equivalents	**28,155.56**	9,520.86

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

Particulars	As at March 31, 2020	Cash Flows	Fair Value Changes	As at March 31, 2021
Short term Borrowings	2,564.57	(1,136.21)	-	**1,428.36**
Total Liabilities from Financing Activities	2,564.57	(1,136.21)	-	**1,428.36**

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 PRINCIPLES OF CONSOLIDATION

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

(i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2021.

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

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

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

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

2.2. Statement of Compliance

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

2.3. Basis of Preparation and Presentation

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

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

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

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

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

The principal accounting policies are set out below:

2.4. Revenue Recognition:

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

2.4 (a) Sale of goods

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

2.4 (b) Income from services

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

2.4 (c) Export Incentives

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

2.5. Other Income

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

2.5. (a) Government Grants:

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

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

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

2.5 (b) Leases:

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

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

2.5 (c) Finance Lease:

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

2.6. Functional and presentation currency:

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

2.7. Foreign currency transactions:

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.8. Borrowing costs:

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

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.9. Employee benefits

Employee benefits include Provident Fund, Superannuation Scheme, Employee State Insurance Scheme, Gratuity Fund and compensated absences.

2.9 (a) Defined Contribution Plans

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined Contribution Plans for Superannuation Scheme of Officers of both the Plants and the Staff of Plant II are administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit & Loss on an accrual basis.

2.9 (b) Defined benefit plans

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

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

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

2.9 (c) Short-term Employee benefits:

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

2.9 (d) Other long-term employee benefits:

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

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

2.10 Earnings per share:

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

2.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of Profit and Loss,except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

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

2.12 Property, Plant and Equipment

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

Componentization:

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

Expenditure during the Construction period:

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

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

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

i)	Certain Plant and Machinery	– 20 years
ii)	Software	– 5 years
iii)	Certain Plant and Machinery	– 1 to 5 years
iv)	Certain Buildings	– 5 to 15 years

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

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

2.13 Impairment of tangible assets:

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

2.14 Inventories:

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

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

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

2.15 Provisions, Contingent Liabilities and Contingent Assets:

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

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

2.16 Financial instruments:

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

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

2.17 Financial assets:

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

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

2.18 Classification of financial assets:

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

2.19 Effective interest method:

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

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

2.20 Investments in subsidiaries:

On initial recognition, these investments are recognized at cost plus any directly attributable transaction cost. Subsequent measurement would be as per para 2.21

2.21 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

2.23 Impairment of financial assets:

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

2.24 De-recognition of financial assets:

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

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

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

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

2.25 Foreign exchange gains and losses:

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

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

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

2.26 Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in Other Comprehensive Income, unless the recognition of the effects of changes in the liability's credit risk in Other Comprehensive Income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss.

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

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

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

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

Foreign Exchange Gains and Losses

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

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

Derecognition of Financial Liabilities

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

2.27 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

a. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets except those specified in the exceptional items.

b. Provision for doubtful receivables

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

c. Estimation of net realisable value of inventories

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

d. Provision for employee benefits

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

e. **Provision for taxes**

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

2.28 Changes in accounting policies and disclosures

Amended standards in Previous Year

Ind AS 116 Leases

Ind AS 116 superseded Ind AS 17 Leases effective from 1 April 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

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

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

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

(₹ **in lakh**)

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

Nature and effect of adoption of Ind AS 116

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

Leases previously classified as finance leases

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

Leases previously accounted for as operating leases

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

3. Property, Plant and Equipment

A. Tangible Assets

[₹ In Lakh]

Particulars	Land	Development on Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Deemed Cost									
As At March 31, 2019	**3,099.33**	**1.26**	**2,461.17**	**16,671.27**	**199.68**	**129.00**	**59.81**	**81.28**	**22,702.80**
Additions	-	-	-	1,174.24	0.47	0.03	-	-	1,174.74
Disposals	-	-	0.03	948.90	0.01	0.24	-	-	949.17
Reclassification of Investment property	173.37	-	-	-	-	-	-	-	173.37
Effect of foreign currency translation	-	-	26.78	(95.36)	-	-	-	0.70	(67.88)
As At March 31, 2020	**2,925.96**	**1.26**	**2,434.36**	**16,991.97**	**200.14**	**128.79**	**59.81**	**80.58**	**22,822.87**
Additions	-	-	319.37	1,953.41	6.72	-	11.79	-	2,291.29
Disposals	-	-	182.13	4,343.23	-	0.18	-	-	4,525.54
Effect of foreign currency translation	-	-	175.54	(123.85)	-	-	-	-	51.69
As At March 31, 2021	**2,925.96**	**1.26**	**2,747.14**	**14,478.30**	**206.86**	**128.61**	**71.60**	**80.58**	**20,640.31**
Depreciation, Amortisation and Impairments									
As At March 31, 2019	**-**	**1.22**	**309.55**	**2,530.48**	**61.83**	**34.99**	**14.33**	**34.31**	**2,986.71**
Charged during the year	-	-	142.25	949.83	25.66	9.36	-	8.01	1,135.11
Disposals	-	-	0.01	158.56	-	0.21	-	-	158.78
Effect of foreign currency translation	-	-	-	-	-	-	-	-	-
As At March 31, 2020	**-**	**1.22**	**451.79**	**3,321.76**	**87.49**	**44.14**	**14.33**	**42.32**	**3,963.04**
Charged during the year	-	0.04	116.72	2,390.19	26.11	7.87	-	7.43	2,548.36
Disposals	-	-	33.57	3,176.65	-	0.16	-	-	3,210.38
As At March 31, 2021	**-**	**1.26**	**534.94**	**2,535.30**	**113.60**	**51.85**	**14.33**	**49.75**	**3,301.03**
Net Book Value									
As At March 31, 2020	**2,925.96**	**0.04**	**1,982.56**	**13,670.22**	**112.66**	**84.64**	**45.48**	**38.26**	**18,859.83**
As At March 31, 2021	**2,925.96**	**(0.00)**	**2,212.20**	**11,943.00**	**93.26**	**76.76**	**57.27**	**30.83**	**17,339.28**

The Additions during the year include those relating to R & D aggregating to ₹ 15.78 lakh (Previous Year ₹ Nil)

The Company has provided for impairment in the value of Property Plant and Equipment of ₹ 2075.30 lakh during the year ended March 31, 2021 (March 31, 2020: ₹ 790.6 Lakh) which has been disclosed as an 'exceptional items' in the accompanying financial statements of the Company for the year ended March 31, 2021 Depreciation for the year 2020-21 includes ₹ 760.11 Lakh which was shown under exceptional items. Refer Note 36 to the Financial Statements.

B. Capital Work in Progress

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period	**2,642.87**	634.62
Additions during the year	**2,490.01**	3,182.99
Capitalisation during the year	**(2,291.29)**	(1,174.74)
Balance at the end of the period	**2,841.59**	2,642.87

C. Right of Use Assets

Particulars	Buildings	Plant and Machinery	Total
Deemed Cost			
As At March 31, 2019	**-**	**-**	**-**
Addition	-	-	-
Transition adjustments Ind AS 116	184.56	2,717.45	2,902.01
Disposal	-	-	-
As At March 31, 2020	**184.56**	**2,717.45**	**2,902.01**
Additions	-	-	-
Disposals	-	-	-
As At March 31, 2021	**184.56**	**2,717.45**	**2,902.01**
Depreciation & Amortisation			
As At March 31, 2019	**-**	**-**	**-**
Charged during the year	40.28	271.76	312.03
Disposal	-	-	-
As At March 31, 2020	**40.28**	**271.76**	**312.03**
Charged during the year	40.04	271.74	311.79
Disposal	-	-	-
As At March 31, 2021	**80.32**	**543.50**	**623.82**
Net Book Value			
As At March 31, 2020	**144.28**	**2,445.69**	**2,589.98**
As At March 31, 2021	**104.24**	**2,173.95**	**2,278.19**

D. Investment Property - Land

[₹ In Lakh]

Particulars	Land
Deemed Cost	
As At March 31, 2019	**-**
Addition	-
Transfers to and from owner occupied property	4.98
Disposal	-
As At March 31, 2020	**4.98**
Addition	-
Disposal	-
As At March 31, 2021	**4.98**
Depreciation & Amortisation	
As At March 31, 2019	**-**
Charged during the year	-
Disposal	-
As At March 31, 2020	**-**
Charged during the year	-
Disposal	-
As At March 31, 2021	**-**
Net Book Value	
As At March 31, 2020	**4.98**
As At March 31, 2021	**4.98**

Rental income derived in the FY 2020-21	8.12
Direct operating expenses (including repairs and maintenance) generating rental income	-
Profit arising from investment properties	8.12

Fair value of Investment Property as at 31.03.2021	788.12

The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information and the same is not valued by an independent valuer.

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Other Non-Current Investments**		
	Non-Current Investments		
a)	**Investments in equity instruments at FVTOCI**		
	Quoted Investments		
	Chennai Petroleum Corporation Limited	**0.51**	0.30
	(500 Equity shares [500 in Previous Year] of ₹ 10 each fully paid)		
	Total of Quoted Investments	**0.51**	0.30
	Unquoted Investments		
	OPG Power Generation Private Limited *	**16.81**	12.18
	(1,53,200 [1,12,900 in Previous Year] Equity shares of ₹ 10 each fully paid)		
	AM Foundation [Formerly AM Corporate Social Responsibility Foundation]	**0.17**	0.17
	(1,700 Equity shares [1700 in Previous Year] of ₹ 10 each fully paid)		
	Total of unquoted Investments	**16.98**	12.35
	Total of Investments at FVTOCI	**17.49**	12.65
	Total Investments	**17.49**	12.65
	Aggregate book value of quoted investments	**0.51**	0.30
	Aggregate market value of quoted investments	**0.51**	0.30
	Aggregate carrying value of unquoted investments	**-**	-
	Aggregate amount of impairment in value of investments	**-**	-

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

5 Other Financial Assets

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

6 Other Non-Current Assets

Capital advances	**181.93**	171.52
Advance tax (Net of provision for tax)	**623.78**	958.68
Other Advances	**831.73**	937.56
Total Other Non-Current Assets	**1,637.44**	2,067.76

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Inventories**		
	Inventories (lower of cost and net realisable value)		
	Raw materials	**1,881.13**	3,405.44
	Raw materials in transit	**1,036.97**	843.43
	Work-in-progress	**123.65**	39.36
	Finished goods	**3,848.19**	4,320.29
	Stores and spares	**145.22**	281.64
	Total Inventories	**7,035.16**	8,890.16

8 Current Investments

Quoted Investments		
Investment in Mutual Funds	-	4,059.16
Total Other Current Investments	-	4,059.16
Aggregate Book value of quoted Investments	-	4,059.16
Aggregate Market value of quoted Investments	-	4,059.16

9 Trade Receivables

Current:		
Trade Receivables - considered good unsecured	**17,191.90**	10,843.19
Trade receivables - Credit impaired	**29.75**	26.75
Allowance for bad and doubtful debts	**(29.75)**	(26.75)
Total Trade Receivables	**17,191.90**	10,843.19

10 Cash and Cash Equivalents

Balances with Banks:		
In current accounts	**3,252.96**	1,644.51
In Fixed deposit with original maturity period of less than 3 months	**24,900.00**	3,799.98
Cheques on hand *	-	16.21
Cash on hand	**2.60**	1.00
Cash and Cash Equivalents	**28,155.56**	5,461.70

11 Bank balances other than Cash and Cash equivalents

Margin money deposit Accounts	**153.00**	163.20
Unpaid dividend accounts	**387.53**	397.71
Total Bank balances	**540.53**	560.91

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

[₹ In Lakh]

	Particulars	As at March 31, 2021	As at March 31, 2020
12	**Loans**		
	Current		
	Security deposits		
	Considered Good - Unsecured	**9.58**	9.58
	Other loans:		
	Considered Good - Unsecured:		
	Loans and advances to employees	**31.31**	28.56
	Total Loans	**40.89**	38.14

13 Other Financial Assets

Interest Accrued on Deposits	**91.07**	34.62
Total Other Financial Assets	**91.07**	34.62

14 Other Current Assets

Advances given to vendors	**1,304.71**	659.03
Other advances	**-**	
Prepaid expenses	**517.47**	365.28
Unamortised premium on forward contracts	**6.76**	3.32
Balances with Government authorities		
GST Input Credit receivable / Customs duty paid in advance	**94.30**	127.64
Total Other Current Assets	**1,923.24**	1,155.27

15 Equity share capital

[₹ In Lakh]

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Amount**	No of shares	Amount
Authorised share capital				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00
Movements during the year	**-**	**-**	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	**24,00,00,000**	**12,000.00**	24,00,00,000	12,000.00

Issued, Subscribed and paid up shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Amount**	No of shares	Amount
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	**17,19,99,229**	**8,599.96**	17,19,99,229	8,599.96
Forfeited Share capital		**3.51**		3.51
Total Equity Share Capital	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47

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

a) Reconciliation of number of shares outstanding

[₹ In Lakh]

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Amount**	No of shares	Amount
Outstanding at the beginning of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47
Issued / Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**17,19,99,229**	**8,603.47**	17,19,99,229	8,603.47

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	**Holding %**	No of shares	Holding %
Fully paid equity shares				
SIDD Life Sciences Private Limited	**6,58,46,053**	**38.28**	6,58,46,053	38.28
Tamilnadu Industrial Development Corporation Limited	**1,12,12,500**	**6.52**	1,12,12,500	6.52

c) Terms / rights attached to equity shares

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

[₹ In Lakh]

Particulars		As at March 31, 2021	As at March 31, 2020
16	**Other Long-Term Liabilities**		
	Operating Lease Liabilities (Ind AS 116)	**3,186.95**	3,471.33
	Total Other Long-Term Liabilities	**3,186.95**	3,471.33

Effective from 1st April, 2019, the Holding Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to ₹ 655.39 lakh (net off deferred Tax Asset of ₹ 352.03 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized ₹ 2902.01 lakh as right to use assets and lease liability of ₹ 3909.43 lakh as on the date of transition i.e. April 1, 2019.

17 Non-Current Provisions

Employee Benefits		
Post employment benefits	**158.95**	176.57
Compensated absences	**95.18**	100.34
Total Non-Current Provisions	**254.13**	276.91

18 Deferred Tax Liability (Net)

Tax Effect of Items Constituting Liabilities		
Property, Plant & Equipment	**1,353.92**	1,946.31
(Difference between book balance and tax balance)		
Deferred Tax of Subsidiaries	**(18.90)**	(1.93)
Tax Effect of Items Constituting Assets		
Provision for Lease Assets / (Liability) - Ind AS 116	**(301.19)**	(282.28)
Provision for doubtful debts / advances	**(7.49)**	(6.73)
Provisions Disallowed u/s. 43B of Income Tax Act, 1961	**(503.03)**	(450.59)
Provisions for Compensated absences, Gratuity and Other employee benefits	**(71.20)**	(89.99)
Net Deferred Tax Liabilities	**452.11**	1,114.79

19 Other Non-Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
Deposits	**84.36**	99.69
Deferred Income	**300.77**	317.57
Total Non-Current Borrowings	**385.13**	417.26
The deposits have been classified as under:		
As Non-Current Liabilities	**84.36**	99.69
As Current Liabilities	**15.33**	15.33
Total Deposits	**99.69**	115.02
Interest free deposit movement:		
Opening Deposit Balance	**115.02**	130.35
Less: Deposit refunded during the year	**15.33**	15.33
Closing Balance	**99.69**	115.02

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

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
The Deferred Income have been classified as under:		
As Non-Current Deferred Income	**300.77**	317.57
As Current Deferred Income	**16.79**	16.79
Total Deferred Income	**317.56**	334.36

The above Deferred Income was received as subsidy from Ozone Cell, Ministry of Environment and Forests, Government of India for phasing out of HCFC. Stage I was completed in all aspects by December 2016. Ozone Cell appointed an Independent consultant to inspect the facility and the same was carried out in May 2017. The company had received 100% subsidy of ₹ 369.34 Lakh and the same has been considered for Deferred Income as per Ind AS: 20 Accounting for Government Grants and Disclosure of Government Assistance. The current portion of the above said subsidy is shown under Other Current Liabilities in Note: 24

20 Current Borrowings

Secured - at amortised cost		
From Banks:		
Cash Credit and Bill Discounted	**1,428.36**	2,564.57
Total current borrowings	**1,428.36**	2,564.57

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

21 Trade Payables

Trade Payables		
Due to Micro and Small Enterprises	**481.98**	154.53
Due to Related Parties	**1,881.51**	1,012.78
Due to Others	**6,627.79**	4,397.67
Total Trade Payables	**8,991.28**	5,564.98

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

22 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend	**387.53**	397.71
Total Other Financial Liabilities	**387.53**	397.71

23 Current Provisions

Employee benefits		
Gratuity	**4.71**	58.24
Compensated absences	**24.05**	22.41
Others		
Provision for wage arrears *	**589.72**	511.36
Other Provisions#	**1,109.92**	1,124.38
Total Current Provisions	**1,728.40**	1,716.39

* Provision for wage arrears

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

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

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
The movement in the provision for wage arrears is given below:		
Balance at the beginning of the year	**511.36**	469.19
Charge for the year	**88.81**	63.61
Payments made during the year	**(10.45)**	(21.44)
Balance at the end of the year	**589.72**	511.36

Other Provisions include ₹ 1083 Lakh (Previous Year ₹ 1083 Lakh) relating to claim by an erstwhile customer being contested by the Company in the Bombay High Court.

24 Other Current Liabilities

Statutory remittances (Contributions to PF and ESIC, Witholding taxes, GST etc)	**1,144.76**	177.57
Contractually reimbursable expenses	**32.99**	17.01
Deposits	**15.33**	15.33
Deferred Income	**16.79**	16.79
Operating Lease Liabilities (Ind AS 116) - Current	**287.98**	240.21
Other Current Liabilities*	**2,343.91**	1,917.20
Total Other Current Liabilities	**3,841.76**	2,384.11

* Other Current Liabilities include provision of ₹ 1096 Lakh (Previous year ₹ 1096 Lakh) relating to dispute in rate of customs duty for one of the imported raw materials, contested by the Company before the appropriate forum.

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
25	**Revenue from Operations**		
	Sale of Products		
	Finished Goods	**101,788.70**	79,942.97
	Sale of Services	**-**	116.99
	Other Operating Income		
	Scrap Sales	**153.05**	96.90
	Provisions no longer required written back	**-**	148.45
	Duty Drawback	**10.54**	-
	Total Revenue from Operations	**101,952.29**	80,305.31
	Details of Sales (Net):		
	Manufactured Goods:		
	Propylene Oxide	**462.53**	1,027.12
	Propylene Glycol	**24,727.04**	19,259.03
	Polyol	**59,161.69**	41,764.65
	Others	**18,476.73**	19,862.57
	Total Manufactured Goods	**102,827.99**	81,913.37
	Less: Trade Discounts	**1,039.29**	1,970.40
	Total Sale of Products	**101,788.70**	79,942.97

26 Other Income

a)	**Interest income**		
	Bank deposits (at amortised cost)	**347.77**	197.87
	From Customers and Others	**659.47**	426.51
b)	**Dividend income**		
	Dividends from current investments in Mutual funds	**1.38**	69.37
c)	**Other non-operating income (net of expenses directly attributable to such income)**		
	Insurance claims received	**120.08**	-
	Miscellaneous Income	**717.21**	592.51
	Total Other Income	**1,845.91**	1,286.25

27 Cost of materials consumed

Opening Stock	**4,248.87**	5,603.97
Add: Purchases	**53,379.39**	53,333.19
Less: Closing Stock	**2,918.10**	4,248.87
Cost of materials consumed	**54,710.16**	54,688.29

28 Changes in inventories of finished goods and work-in-progress

Inventories at the end of the year		
Finished Goods	**3,848.19**	4,320.29
Work-in-process	**123.65**	39.36
	3,971.84	4,359.65
Inventories at the beginning of the year		
Finished Goods	**4,320.29**	5,750.41
Work-in-process	**39.36**	155.98
	4,359.65	5,906.39
Net Decrease in Inventories	**387.81**	1,546.74

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29	**Employee Benefits Expense**		
	Salaries and Wages *	**3,938.38**	3,088.83
	Contribution to provident and other funds	**98.33**	112.60
	Gratuity expense	**6.77**	69.26
	Post-Employment benefits	**95.70**	103.44
	Staff welfare expenses	**513.15**	490.06
	Employee Benefits Expenses (Gross)	**4,652.34**	3,864.19
	Add / (Less): Remeasurement Cost of net defined employee benefits	**(52.77)**	64.99
	Total Employee Benefits Expenses	**4,599.57**	3,929.18

* Salaries and Wages include ₹ 105.27 lakh (Previous Year ₹ 75.31 lakh) towards R & D Expenses

30 Finance Costs

Interest on working capital borrowings	**50.94**	132.09
Other Finance cost *	**419.61**	493.98
Total Finance Costs	**470.55**	626.07

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2,902.01 lakh as right to use assets and lease liability of ₹ 3,909.43 lakh as on the date of transition i.e. April 1, 2019.

31 Depreciation and Amortisation Expenses

Depreciation of property, plant and equipment pertaining to continuing operations *	**2,101.38**	1,447.15
Total Depreciation Expenses	**2,101.38**	1,447.15

* Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The Company has recognized ₹ 2902.01 lakh as right to use assets and lease liability of ₹ 3909.43 lakh as on the date of transition i.e. April 1, 2019.

32 Utility Expenses

Power	**2,549.03**	2,776.20
Fuel	**3,309.75**	3,738.33
Water	**907.54**	1,243.17
Total Utility Expenses	**6,766.32**	7,757.70

[₹ In Lakh]

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
33 Other Expenses		
a) Consumption of Stores and Spares	**635.50**	417.56
b) Repairs and Maintenance		
Building	**185.56**	161.80
Plant and machinery	**1,500.18**	1,329.47
Information Technology	**72.37**	33.59
Others	**228.38**	92.76
c) Legal and Professional	**343.30**	286.47
d) Directors sitting fees	**37.00**	34.00
e) Expenditure on Corporate Social Responsibility	**102.74**	178.05
f) Loss on Property, Plant and Equipment sold/scrapped/ written off	**67.83**	8.07
g) Provision for Bad and Doubtful Debts	**198.79**	191.27
h) Payments to Statutory auditors:		
For audit services	**11.00**	11.00
For Taxation matters	**2.50**	2.50
For other services	**4.00**	4.20
i) Payments to Other auditors	**31.14**	30.32
j) Rent	**73.14**	90.98
k) Insurance	**412.96**	414.05
l) Rates & Taxes	**285.49**	266.92
m) Agency Commission	**424.62**	228.95
n) Freight Outward	**584.30**	641.32
o) Net foreign exchange (gains)/losses	**41.33**	111.19
p) Miscellaneous Expenses	**660.68**	850.27
Total Other Expenses	**5,902.81**	5,384.74

The above Other Expenses include R&D spend aggregating to ₹ 120.96 lakh (Previous Year ₹ 151.80 lakh) under various items comprised therein.

34 Income Tax recognised in Statement of Profit and Loss

Current Tax		
In respect of current year	**7,342.08**	1,483.89
In respect of prior year	**(26.42)**	(85.04)
Deferred Tax		
In respect of current year	**(668.26)**	(626.84)
Total Tax Expenses	**6,647.40**	772.01

Reconciliation of Effective Tax Rate:

Income Tax Rate (%) as per IT Act	**25.17%**	25.17%
Tax Effects of Timing and Permanent Differences (%)	**0.01%**	-8.82%
Effective Tax Rate (%) as per Books	**25.18%**	16.35%

[₹ In Lakh]

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Earnings Per Share (EPS)**		
	The following reflects the profit and shares related data used in the Basic EPS computations:		
	Profit for the period	**20,123.38**	4,665.73
	No. of Shares used in computing earnings per share	**17,19,99,229**	17,19,99,229
	Earnings Per Share - Basic and Diluted (in Rupees)	**11.70**	2.71
	Face Value Per share (in Rupees)	**5.00**	5.00

36 Exceptional Item

a) Evaluation of Captive Power Plant (CPP) Assets

During the previous financial year, an evaluation of use of CPP assets which were not in use was carried out. Assets amounting to ₹ 710.79 lakh which were found to have no further use were impaired and written off and disclosed under exceptional items. The remaining assets amounting to ₹ 1,036.56 lakh, comprising mainly boiler, were expected to be used for conversion to LNG. On a further review, it was found that it will not be viable to use these assets for LNG fuel and also not fit for any other purpose and hence the same have been impaired during FY 2020-21, and shown under Exceptional Item

b) Evaluation of other plant assets:

During the FY 2020-21 the Company carried out an evaluation of the major assets in both the manufacturing Plants including reassessment of the useful life of the Effluent Treatment Plants (ETP). Based on such evaluation, it was observed that some of the assets have exceeded the normal life and needed to be adjusted accordingly. Also, it has been decided that owing to the extreme conditions of usage, the remaining useful life of the ETP Assets is lower than previously estimated useful life of the assets was found to be not usable and hence impaired. This reassessment of useful life as well as impairment analysis has resulted in additional depreciation/amortization/ impairment of ₹ 1,535.55 lakh of which ₹ 899.07 lakh has been shown under Exceptional Items (Representing Impairment) and the remaining amount of ₹ 636.48 lakh shown under Depreciation, Amortization and Impairment expenses in the Financial Statements for the Financial Year.

Further, during FY 2020-21 the Company carried out physical verification of property plant and equipment and assets having a carrying value of ₹ 139.67 lakh found to be no longer useful, have been written off. Similarly in the previous year property plant and equipment having a carrying value of ₹ 79.81 lakh found to be no longer useful, have been written off. These have been disclosed under exceptional items.

37 Segment Reporting (IND AS 108):

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

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

i) Contingent Liabilities

a) Claims against the Company not acknowledged as debt

	Nature of the Dues	As at March 31, 2021	As at March 31, 2020
1	Claim for arrears of lease rent by Thasildar, Tiruvottiyur	**19,836.00**	19,836.00
2	Claim from TNPCB for interim environmental compensation	**200.00**	200.00

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

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

Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2022 which have been accepted and realized by the Thasildhar. Additionally, the Company continues to provide for lease rent based on the contract terms for fixation of lease rent and in terms of the extant Government guidelines for such leases.

The Auditors have included an Emphasis of Matter para in their Report on the above along with the Note 50(a) & 50(b).

2 During the previous year the Company received demand from Tamilnadu Pollution Control Board (TNPCB) seeking payment of ₹ 200 lakh as interim environmental compensation for causing damages to the environment. TNPCB has made the demand citing an order of the National Green Tribunal. Further the NGT has directed to identify the industries that are causing pollution and collect the environmental compensation. In the opinion of the Company the PCB has made the demand without following the above direction. The notices have been examined and it is seen that the data relied up on by the TNPCB are incorrect as the alleged excesses were all due to technical/server error in CARE-AIR Centre. MPL has disputed the allegations and submitted the documents with a request to withdraw the demand for which no response has been received. Since the claim is arbitrary and without justification, the same has not been acknowledged as debts due by the Company. Further the above Order of the NGT has been stayed by the Hon'ble Supreme Court of India on September 22, 2020.

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

[₹ In Lakh]

Nature of the Dues	**Forum before which the dispute is pending**	**Period to which it relates**	**As at March 31, 2021**	As at March 31, 2020
Excise Duty	High Court of Madras	2007-08	**-**	53.39
	High Court of Madras	2012	**-**	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	6.80
	Disputed Excise & Customs Demand		**6.80**	441.08
Sales Tax	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**	10.74
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**	6.06
	High Court of Madras	Various Years	**3.44**	3.44
	Disputed Sales Tax Demand		**20.24**	20.24
Income Tax	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12
	Commissioner of Income Tax (Appeals)	2010-11	**176.88**	176.88
	Commissioner of Income Tax (Appeals)	2012-13	**476.90**	476.90
	Income Tax Appellate Tribunal	2013-14	**30.46**	30.46
	Commissioner of Income Tax (Appeals)	2014-15	**78.08**	78.08
	Commissioner of Income Tax (Appeals)	2015-16	**108.22**	108.22
	Commissioner of Income Tax (Appeals)	2016-17	**232.14**	232.14
	Commissioner of Income Tax (Appeals)	2017-18	**42.35**	42.35
	Disputed Income Tax Demand **		**1,666.60**	1,666.60

** Against the above demands, the Company has not paid any amount during the year or the Previous Year.

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

ii) Commitments

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed (net of advances):	**10,097.66**	4,669.08
Total Commitments	**10,097.66**	4,669.08

39 Payable to MSME

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

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

40. Employee Benefits (Ind AS 19):

Defined contribution plans

The Company makes Provident fund and Pension (Funded) contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 88.85 lakh (year ended 31 March, 2020 - ₹ 102.38 lakh) for Provident Fund contributions and ₹ 63.61 lakh (year ended 31 March, 2020 - ₹ 52.41 lakh) for Pension (Funded) Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Defined benefit plans

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

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

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

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

Gratuity- Plant 1:

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

Inherent Risk:

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

Gratuity- Plant 2:

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

Pension

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

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

[₹ In Lakh]

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Discount Rate (%)	**6.85%**	6.85%	**6.75%**	6.85%
Estimated Rate of Return on Plan Assets (%)	**7.70%**	7.70%	**0.00%**	0.00%
Expected rate of salary increase (%)	**5.00%**	5.00%	**5.00%**	5.00%
Attrition Rate (%)	**3.00%**	3.00%	**3.00%**	3.00%
Expected Average Remaining Service (years)	**-**	-	**24.14**	24.14
Weighted Average Duration of Defined Benefit Obligation (Years)	**6.00**	5.00	**6.00**	6.00

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020	**For the Period Ended March 31, 2021**	For the Period Ended March 31, 2020
Expense recognised in Statement of Profit or Loss				
Current service cost	**0.61**	0.59	**24.93**	21.49
Past service cost	**-**	-	**-**	-
Interest cost on benefit obligation	**12.79**	13.71	**26.20**	26.52
Expected return on plan assets	**(12.38)**	(14.11)	**(22.24)**	16.19
Sub Total	**1.02**	0.19	**28.89**	64.20
Recognised in Other Comprehensive Income				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation		0.02		11.38
ii. Financial Assumptions on obligation		8.59		(0.50)
iii. Experience Adjustments on obligation		(0.68)		11.98
iv. Actual Return on Plan Assets Less Interest on Plan Assets	**(13.56)**	3.10	**(40.35)**	(25.94)
Sub Total	**(13.56)**	11.03	**(40.35)**	(3.08)
Net benefit expense	**(12.54)**	11.22	**(11.46)**	61.12

Balance Sheet

[₹ In Lakh]

Partculars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Benefit asset / liability				
Present value of defined benefit obligation	**173.07**	186.83	**412.44**	383.12
Fair value of plan assets	**177.38**	180.88	**426.23**	324.86
Assets / (Liability) recognized in the balance sheet	**4.31**	(5.95)	**13.79**	(58.24)
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	**186.83**	177.66	**383.12**	341.54
Benefit transferred in	**-**	-		
Benefit transferred Out	**-**	-		
Benefits paid	**(29.44)**	(13.05)	**(19.46)**	(26.41)
Expenses Recognised in Statement of Profit and Loss Account				
Current service cost	**0.61**	0.59	**24.93**	21.49
Interest cost on benefit obligation	**12.79**	13.71	**26.20**	26.52
Recognised in Other Comprehensive Income	**(11.28)**	11.02	**(42.70)**	36.16
Actuarial (gain)/loss on obligation	**13.56**	(3.10)	**40.35**	(16.18)
Closing defined benefit obligation	**173.07**	186.83	**412.44**	383.12

Movement in the fair value of plan assets

Partculars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2021	For the Period Ended March 31, 2020	**For the Period Ended March 31, 2021**	For the Period Ended March 31, 2020
Opening fair value of plan assets	**180.88**	182.92	**324.87**	334.03
Contributions by employer			**58.24**	7.50
Contributions transfer in	**-**	-	**-**	-
Benefits paid	**(29.44)**	(13.05)	**(19.46)**	(26.42)
Expenses Recognised in Profit and Loss Account				
Expected return	**12.38**	14.11	**40.35**	(16.19)
Recognised in Other Comprehensive Income				
Actuarial (gain) / loss on plan assets	**13.56**	(3.10)	**22.24**	25.94
Closing fair value of plan assets	**177.38**	180.88	**426.24**	324.86

Percentage allocation of plan assets by category:

[₹ In Lakh]

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Government Securities	**79.28%**	86.21%	**50.39%**	50.39%
Debentures / bonds	**0.00%**	0.00%	**39.91%**	39.91%
Equity instruments	**0.00%**	0.00%	**4.76%**	4.76%
Savings/Fixed deposits	**20.72%**	13.79%	**4.94%**	4.94%
Total	**100.00%**	100.00%	**100.00%**	100.00%

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	31.3.2021	31.3.2020	**31.3.2021**	31.3.2020
Within next 12 Months	**89.19**	101.53	**73.36**	53.23
Between 1 and 5 years	**19.19**	19.78	**175.78**	157.35
5 years and above	**64.69**	65.52	**163.30**	172.54

Sensitivity Analysis

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

Pension (Funded)

Particulars	Increase		Decrease	
	FY 2020-21	FY 2019-20	**FY 2020-21**	FY 2019-20
Impact of the change in discount rate - 1%	**(5.70)**	(5.30)	**7.00**	6.40
Impact of the change in salary increase - 1%	**0.80**	0.80	**(0.80)**	(0.70)
Impact of the change in Mortality - 5%	**(0.30)**	(0.30)	**0.30**	0.30

Gratuity

Particulars	Increase		Decrease	
	FY 2020-21	FY 2019-20	**FY 2020-21**	FY 2019-20
Impact of the change in discount rate - 1%	**(3.00)**	(3.10)	**3.20**	3.30
Impact of the change in salary increase - 1%	**3.10**	3.20	**(2.90)**	(3.10)
Impact of the change in Mortality - 5%	**-**	-	**-**	-

The composition of investments in the fair value of plan assets relating to gratuity as given above is relating to employees of Plant -I only. The Gratuity fund relating to Plant - II is being maintained with Life Insurance Corporation of India (LIC) and as per the information provided by LIC the total fair value of plan assets and present value of obligations as on March 31, 2021 were ₹ 115.22 lakh and ₹ 103.40 lakh respectively. [March 31, 2020 - ₹ 117.52 lakh and ₹ 116.55 lakh].

41 **Related Party Disclosures (Ind AS 24):**

a) **Related Parties with whom there were transactions during the year:**

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

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

[₹ In Lakh]

Sl No	**Particulars**	**2020-21**	2019-20
1	**Dividend paid:**		
	SIDD Life Sciences Private Limited	**493.85**	493.85
	Tamilnadu Industrial Development Corporation Limited	**84.09**	84.09
	Southern Petrochemical Industries Corporation Limited	**0.08**	0.08
2	**Purchase of Goods:**		
	Tamilnadu Petroproducts Limited	**13,390.70**	11,127.66
3	**Purchase of Services:**		
	Tamilnadu Petroproducts Limited	**21.08**	13.99
	CNGSN & Associates LLP	**7.38**	5.90
	Southern Petrochemical Industries Corporation Limited	**2.47**	6.96
4	**Rendering of Services:**		
	Tamilnadu Petroproducts Limited	**15.73**	133.73
5	**Sale of Goods:**		
	Southern Petrochemical Industries Corporation Limited	**0.86**	-
	Tamilnadu Petroproducts Limited	**5,443.06**	2,974.90
6	**Contributions to Post employment benefit plan trust:**		
	MPL Employees Superannuation Trust	**50.14**	31.56
	MPL Employees Gratuity Fund Trust	**58.24**	7.50
7	**Refund of Contribution**		
	Refund received from MPL Employees Superannuation Trust #	**-**	95.12
8	**Reimbursement of expenses**		
	Muthukrishnan Ravi	**4.25**	-

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

c) Outstanding Balances:

[₹ In Lakh]

Sl No	Particulars	As at March 31, 2021	As at March 31, 2020
1	**Trade Payables**		
	Tamilnadu Petroproducts Limited	**1,881.51**	1,012.78
	Southern Petrochemical Industries Corporation Limited	**0.25**	-
	CNGSN & ASSOCIATES LLP	**1.38**	-
2	**Other Payables**		
	Tamilnadu Petroproducts Limited	**70.95**	81.88
3	**Trade Receivables**		
	Tamilnadu Petroproducts Limited	**-**	8.66

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

42 Operating Leases (Ind AS 116):

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

Bulk storage facility at Ennore Port-

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

Corporate Office premises-

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

Plant-2 Land-

The period of lease for the lease hold land in which one of manufacturing unit of the Company is located has expired before effective date, pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact of which is unascertainable. Refer Note 50.

Sl No	Particulars	2020-21	2019-20
(a)	Weighted average lessee's incremental borrowing rate	**10.00%**	10.00%
(b)	Lease liabilities recognised in the balance sheet at the date of initial application	**3,909.43**	3,909.43
(c)	Depreciation charge for the year		
	- Buildings	**40.04**	40.28
	- Plant and Machinery	**271.74**	271.76
(d)	Interest expense on lease liabilities	**360.02**	383.18
(e)	Total cash outflow for Operating leases	**596.63**	581.07
(f)	Transition adjustments Ind AS 116 at the date of initial application		
	- Buildings	**184.56**	184.56
	- Plant and Machinery	**2,717.45**	2,717.45
(g)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset		
	- Buildings	**104.24**	144.28
	- Plant and Machinery	**2,173.95**	2,445.69

43 Corporate Social Responsibility

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

- Gross amount required to be spent by the company during the year ₹ 162.87 Lakh (Previous year ₹ 168.09 lakh)

- Amount spent during the year on:

[₹ In Lakh]

Sl. No	Particulars	2020-21	2019-20
1	Construction / acquisition of any property	**102.74**	175.84
2	On purpose other than above	**-**	2.21

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

Sl. No	Particulars	2020-21	2019-20
1	Revenue Expenditure	**226.22**	227.11
2	Capital Expenditure (including capital work-in-progress)	**-**	-

45 Distribution Made and Proposed (Ind AS 1):

Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2020: ₹ 0.75 per share (March 31 2019: ₹ 0.75 per share)	**1,290.35**	1,290.00
Dividend Distribution Tax on Final Dividend	**-**	265.16
Total Distribution made	**1,290.35**	1,555.16
Proposed Dividend on Equity Shares		
Proposed dividend for the year ended on March 31, 2021: ₹ 1.50 per share (March 31 2020: ₹ 0.75 per share)	**2,580.00**	1,290.00
Total Dividend Proposed	**2,580.00**	1,290.00

Proposed dividend on equity shares is subject to approval at the annual general meeting and not recognised as a liability as at March 31, 2021

46 Capital Management (Ind AS 1):

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2021

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

Particulars	March 31, 2021	March 31, 2020
Net debt (Long term debt less Cash and Cash equivalent)	**-**	-
Total equity	**67,996.69**	48,124.25

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

Financial Risk Management Framework

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

Risk Exposures and Responses

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

i) Market Risk

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

Interest Rate Risk

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

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

Sensitivity Analysis

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2021	March 31, 2020
Financial Liabilities - Borrowings		
+1% (100 basis points)	**36.69**	19.19
-1% (100 basis points)	**(36.69)**	(19.19)
Financial Assets - Loans		
+1% (100 basis points)	**0.31**	0.29
-1% (100 basis points)	**(0.31)**	(0.29)

There are no hedging instruments to mitigate this risk.

Foreign Currency Risk

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

Company's Total Foreign currency exposure:

[₹ In Lakh]

Particulars	Currency	March 31, 2021		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**73.5047**	**7.78**	**572.13**
Trade Payables	USD	**72.8075**	**14.99**	**1,091.33**
		March 31, 2020		
Trade Receivables	USD	75.3859	0.47	35.12
Trade Payables	USD	73.6865	11.26	829.71

Company's Unhedged Foreign currency exposure:

Particulars	Currency	March 31, 2021		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	**73.5047**	**7.78**	**572.13**
Trade Payables	USD	**73.5047**	**-**	**-**
		March 31, 2020		
Trade Receivables	USD	75.3859	0.47	35.12
Trade Payables	USD	75.3859	1.22	91.97

Sensitivity

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

Particulars	Profit / (Loss) after taxation	
	March 31, 2021	March 31, 2020
USD sensitivity		
INR/USD- increase by 5%	**(21.41)**	(3.44)
INR/USD- decrease by 5%	**21.41**	3.44

Commodity Risk

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

ii. Credit risk management

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

Trade Receivables:

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

Total Trade receivable as on March 31, 2021 was ₹ 17,191.9 Lakh (March 31, 2020 ₹ 10,843.19 Lakh)

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

Investments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, balances with Banks and Current Investments is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Board of Directors is unaware of any factors affecting the recoverability of outstanding balances at 31 March 2021.

iii. Liquidity risk

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

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

[₹ In Lakh]

Particulars	**At March 31, 2021**			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Cash Credits	1,428.36	-	-	1,428.36
Bank Borrowings	-	-	-	-
Trade and other payables	14,561.44	-	-	14,561.44
Operating Lease Liabilities (Ind AS 116)	287.99	335.42	1,153.09	1,776.50
Total	**16,277.79**	**335.42**	**1,153.09**	**17,766.30**
Current Investments	-	-	-	-
Particulars	At March 31, 2020			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	2,564.57	-	-	2,564.57
Bank Borrowings	-	-	-	-
Trade and other payables	9,665.49	-	-	9,665.49
Operating Lease Liabilities (Ind AS 116)	240.21	287.99	1,062.16	1,590.35
Total	12,470.26	287.99	1,062.16	13,820.41
Current Investments	4,059.16	-	-	4,059.16

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

[₹ In Lakh]

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Fair Value through Profit and Loss		
Investments	-	4,059.16
Fair Value through Other Comprehensive Income		
Equity Shares	17.49	12.65
Amortised Cost		
Trade receivables	17,191.90	10,843.19
Loans	40.89	38.14
Cash and cash equivalents	28,155.56	5,461.70
Bank Balances	540.53	560.91
Total	45,946.37	20,975.75
Financial liabilities		
Amortised Cost		
Borrowings	1,428.36	2,564.57
Trade payables	8,991.28	5,564.98
Other Financial Liabilities	387.53	397.71
Operating Lease Liabilities (Ind As 116)	3,474.93	3,711.54
Total	14,282.09	12,238.80

B) Fair value measurements (Ind AS 113):

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

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets at fair value through Profit or Loss		
Investments- Level-1	-	4,059.16
Financial Assets at fair value through other comprehensive income		
Investments in Listed Equity Shares- Level-1	0.51	0.30
Investments in unlisted Equity Shares- Level-2	16.98	12.35

Valuation Techniques used to determine the fair value

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

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

49 - Additional information on Consolidated Net Assets, Share of Profit or Loss, Other Comprehensive Income and Total Comprehensive Income as required under Schedule III to the Companies Act, 2013

Name of the Entity in the Group	Net Assets*		Share of Profit or Loss		Share in OCI #		Share in TCI @	
	As % of consolidated net assets	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh	As % of consolidated Profit or Loss	Amount in Lakh
Parent Manali Petrochemicals Limited	100.054	68,033.38	99.565	20,035.90	100.000	1,039.41	99.587	21,075.31
Subsidiary - Foreign								
1. AMCHEM Speciality Chemicals Private Limited, Singapore	(0.174)	(118.31)	0.380	76.47	-	-	0.361	76.47
2. AMCHEM Speciality Chemicals UK Limited, UK	0.002	1.38	0.001	0.19	-	-	0.001	0.19
3. Notedome Limited, UK	0.118	80.24	0.054	10.82	-	-	0.051	10.82
Total	**100.000**	**67,996.69**	**100.000**	**20,123.38**	**100.000**	**1,039.41**	**100.000**	**21,162.79**

* Total assets - Total liabilities

Other comprehensive Income

@ Total comprehensive Income

50 Note on Leasehold Land

a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Plant-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however is unascertainable at this point in time), are deemed necessary in the financial statements.

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

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

51 Regrouping

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

52 Approval of Financial Statements

The financial statements of Manali Petrochemicals Limited were reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on June 29, 2021.

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Form AOC-I

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

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

Part'A'- Subsidiary

Particulars	AMCHEM Speciality Chemicals Private Limited, Singapore		AMCHEM Speciality Chemicals UK Limited, UK		Notedome Limited, UK	
	31st March 2021		31st March 2021		31st March 2021	
	₹ in Lakh*	In USD	₹ in Lakh*	In GBP	₹ in Lakh*	In GBP
Capital	12,070.36	16,421,208	11,609.35	11,500,000	3.95	3,916
Reserves	(41.84)	(56,921)	115.17	114,082	6,693.19	6,630,148
Total Assets	12,215.05	16,618,057	13,624.88	13,496,544	8,714.45	8,632,368
Total Liabilities	186.53	253,770	1,900.36	1,882,463	2,017.31	1,998,304
Investments	11,151.10	15,170,600	13,453.89	13,327,165	-	-
Turnover (inc other income)	1,917.51	2,608,684	121.20	120,062	9,162.93	9,076,622
Profit/(Loss) before Tax	157.19	213,850	17.02	16,863	928.86	920,112
Provision for Taxation	80.72	109,810	3.22	3,189	133.76	132,503
Profit/(Loss) after Tax	76.47	104,040	13.80	13,674	795.10	787,609
% of shareholding	100%		100%@		100%#	

* Translated at exchange rate prevailing as on 31.3.2021

1 USD = ₹ 73.5047

1 GBP = ₹ 100.9509

@ Held by AMCHEM Speciality Chemicals Private Limited, Singapore

Held by AMCHEM Speciality Chemicals UK Limited, UK

As per our report of even date attached

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

N. Sri Krishna
Partner
Membership No. 026575

Place: Chennai
Date : June 29, 2021

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

For the kind attention of Shareholders

For participation in AGM

- You can attend the AGM using your remote e-voting credentials.
- Once you log in the link for joining the meeting will be available and you can click the EVSN of Company to proceed further.

  The facility to join the meeting will be available between from 1:15 PM on the AGM day (28th September 2021).
- Please use Laptops/Desktops/IPads for better experience. You can also join through other devices such as mobile phones. To avoid disturbance, please ensure that the internet connectivity is good.
- It has been reported that participants connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- To register as a speaker at the meeting please visit https://investors.cameoindia.com, the web portal of the Registrar & Transfer Agent M/s Cameo Corporate Services Limited
- Registration will be open from 9:00 AM on 20th September 2021 to 5:00 PM on 24th September 2021.

  There will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
- There is no provision for appointment of proxies to attend the meeting.
- Please do not permit any other person to use your log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.
- You can participate in the meeting even if you have voted through the remote e-voting.

Dividend payment and tax deduction

- Where the Bank account details are not available dividend warrants will be sent through the available mode.
- Due to the current pandemic situation, there may be delays in receipt of the warrants and so to ensure timely credit of the dividend please register your bank account details well in advance.
- Information provided after 5th October 2021 may not be considered by the RTA.
- If you are Resident Individual and wish to avail NIL tax deduction from dividend exceeding ₹ 5,000 you may submit Form 15G/Form 15H through the Web-portal of the RTA https://Investors. cameoindia.com.
- The facility for providing the declaration for Dividend 2020-21 will not be available after 5th October 2021 5:00PM.

Detailed information on the above are available in Pages 6 to 13 which may kindly be referred to. For any further details please contact the RTA.

Manali Petrochemicals Limited

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