



## Manali Petrochemicals Limited

SPIC House, 88, Mount Road, Guindy, Chennai - 600 032

Telefax : 044 - 2235 1098 Website : [www.manalipetro.com](http://www.manalipetro.com)

CIN : L24294TN1986PLC013087

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2019

8<sup>th</sup> July 2019

The Manager,  
Listing Department,  
BSE Limited  
Corporate Relationship  
Department  
1<sup>st</sup> 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, 5<sup>th</sup> 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 2018-19 – reg.

Pursuant to Regulation 34 (1) of the SEBI (LODR) Regulations, 2015, as amended, we submit the Annual Report for the year 2018-19 in pdf version, along with the Notice of the Meeting and the Abridged Annual Report dispatch of which would be commencing today.

We request you to kindly take above on record.

Thanking you,

Yours faithfully,

**For Manali Petrochemicals Limited**

R Kothandaraman  
**Company Secretary**

Attachment.: As above



### Factories :

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

Plant - 2 : Sathangadu Village, Manali, Chennai - 600 068

Phone : 044 - 2594 1025 Fax : 044 - 2594 1199

E-mail: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com)





# **ANNUAL REPORT**

**2018 - 19**

**Manali Petrochemicals Limited**

## Financial Highlights

All amounts ₹ in crore unless stated otherwise

Details	Ind AS			Previous GAAP						
	2018-19	2017-18	2016-17 \$	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Net Revenue from operations	<b>702.12</b>	645.33	582.79	579.04	733.13	554.44	522.15	573.96	451.90	388.70
Other income	<b>6.80</b>	1.67	12.35	10.74	7.37	6.30	7.08	6.83	4.75	4.71
Total Revenue	<b>708.92</b>	647.00	595.14	589.78	740.50	560.74	529.23	580.79	456.65	393.41
EBIDTA	<b>97.98</b>	94.91	73.52	77.66	77.55	53.21	43.84	66.70	40.76	35.55
PBT	<b>102.69</b>	83.85	62.47	69.26	69.53	44.76	35.34	58.89	34.31	30.00
PAT	<b>65.17</b>	54.87	42.27	48.21	43.99	29.05	27.32	43.68	25.28	21.06
Total Comprehensive Income	<b>65.86</b>	54.53	42.33							
Equity Capital	<b>86.03</b>	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03
Reserves & Surplus	<b>355.52</b>	300.03	255.85	196.67	158.80	125.42	106.43	88.34	56.65	41.37
Net Worth	<b>441.55</b>	386.06	341.88	282.70	244.83	211.45	192.46	174.37	142.68	127.40
Net Fixed Assets	<b>189.18</b>	183.46	170.21	120.89	110.99	106.22	106.29	103.71	99.89	79.03
Face Value of share ₹	<b>5.00</b>	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Earnings per share ₹	<b>3.83</b>	3.17	2.46	2.80	2.56	1.69	1.59	2.54	1.47	1.22
Dividend	<b>15% #</b>	10%	10%	10%	10%	10%	10%	12%	10%	7.5%
Book value per share ₹	<b>25.67</b>	22.45	19.88	16.44	14.23	12.29	11.19	10.14	8.30	7.41
EBIDTA/Net Revenue	<b>13.95%</b>	14.71%	12.62%	13.41%	10.58%	9.60%	8.40%	11.62%	9.02%	9.15%
PBT/Net Revenue	<b>14.63%</b>	12.99%	10.72%	11.96%	9.48%	8.07%	6.77%	10.26%	7.59%	7.72%
PAT /Net Revenue	<b>9.28%</b>	8.50%	7.25%	8.33%	6.00%	5.24%	5.23%	7.61%	5.59%	5.42%
Return on Networth	<b>14.76%</b>	14.21%	12.36%	17.05%	17.97%	13.74%	14.19%	25.05%	17.72%	16.53%
Return on Capital Employed	<b>22.29%</b>	21.33%	18.33%	24.96%	28.71%	20.31%	17.82%	31.93%	22.17%	21.72%

\$ 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
Dr. Aneesh Sekhar S. IAS	DIN: 07887010	Director
Thanjavur Kanakaraj Arun	DIN: 02163427	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
C Subash Chandra Bose	DIN: 06586982	Whole-Time Director (Works)

## Company Secretary

R Kothandaraman

## Chief Financial Officer

Anis Tyebali Hyderi

## Registered Office

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

## Factories:

### Plant - 1

Ponneri High Road, Manali, Chennai 600 068

### Plant - 2

Sathangadu Village, Manali, Chennai 600 068

## Registrar and Share Transfer Agent (RTA)

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

## Auditors

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

## Cost Auditor

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

## Secretarial Auditor

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

## Internal Auditors

**Profoids 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

## CONTENTS

Directors' Report and Management Discussion & Analysis Report	02
Report on Corporate Governance	09
Secretarial Audit Report	17
Extract of Annual Return	22
Annual Report on CSR Activities	28
<b>Standalone Financial Statements</b>	
Auditors' Report	30
Balance Sheet	38
Statement of Profit and Loss	39
Statement of Changes in Equity	40
Statement of Cash Flows	41
Notes	43
<b>Consolidated Financial Statements</b>	
Auditors' Report	76
Balance Sheet	82
Statement of Profit and Loss	83
Statement of Changes in Equity	84
Statement of Cash Flows	85
Notes	87
Form AOC-1	120

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

The Directors present their 33<sup>rd</sup> Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2019.

### Financial Results

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

(₹ In crore)

DESCRIPTION	2018-19	2017-18
Profit Before interest & depreciation*	<b>114.75</b>	94.91
Interest	<b>1.74</b>	2.82
Depreciation	<b>10.32</b>	8.25
<b>Profit Before Tax</b>	<b>102.69</b>	83.85
Provision for Taxation	<b>37.52</b>	28.98
Profit After Tax	<b>65.17</b>	54.87
<b>Total Comprehensive Income</b>	<b>65.86</b>	54.54

\* including exceptional items

### Operational Highlights

Total revenue during the year was ₹ 709 crore against ₹ 647 crore in 2017-18, registering an increase of about 10%. The margins were better during the year under review compared to the previous year.

During the year profitability improved significantly. The Directors are happy to report that the Company has recorded historically the highest profits during the year under review and also crossed the ₹ 100 crore mark.

The total additions to fixed assets during 2018-19 were ₹ 23 crore and the major spends were for improvements to Effluent Treatment Plant and RO Water Plant.

During the year the Company completed the project for revamp of the Effluent Treatment facilities at both the Plants at an aggregate cost of ₹ 17 crore incurred over the last 2 years. Post revamp, the Company has overcome the issues faced in meeting the extant environmental norms stipulated by the authorities. However, due to disparity in methods adopted in testing the treated effluent, there were variations in the values arrived at by the Central Pollution Control Board (CPCB) and the Company, which led to temporary closure of Plant 1 for about 22 days during the year. The Company complied with the further directions of the CPCB in the matter and the earlier order for closure was revoked by the authorities. To avoid recurrence of such occurrences in future, the Company has taken steps to align the testing methodology jointly with CPCB.

The Company continues to source power from third parties besides the power supplied by TANGEDCO. The bio mass Captive Power Plant continued to remain inoperative as it was more economical to use the furnace oil based energy. It is expected that the supply of LNG would commence during the year 2019-20 and a decision on further use of the CPP would be taken once the LNG supplies have commenced and stabilized.

### Financial Review

During the year working capital facilities were used judiciously and the finance cost was lower than the previous year. The capital expenditure was met from internal sources and the Company has no long term debts.

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

### Dividend

Your Company has been following a consistent dividend policy, ensuring that the dividend payments are sustained even when the conditions are not favourable. You would be happy to note that the Company has an unbroken dividend track of 13 years till the last year.

Your Directors are happy to recommend a dividend of 15% i.e. seventy five paise per equity share of ₹ 5/- each fully paid-up, for the year 2018-19, aggregating to ₹ 12.90 crore, excluding dividend distribution tax. It may be seen that the dividend rate has been increased by 50% from 10% in the previous years.

### 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 offers unique properties like good abrasion and wear resistance, elongation, resilience, flexibility, scratch resistance, mechanical strength, adhesion, low temperature, flexibility, thermal insulation, electrical insulation etc. It is one of the very few polymers which is available in wide range of hardness and shows properties of thermoset, thermoplastics and elastomers.

PU is one of the most versatile polymers available in many forms, ranging from soft foams to very rigid and tough materials. This provides opportunity for almost infinite applications, which are evolving continuously. Due to wider range of properties and forms, it finds applications in rigid and flexible foam, fiber, film, composites, elastomers, coatings, adhesives and mainly caters to industries like Automotive, Appliances, Building & Construction, Energy, Defense, Paints and Coatings, Soft furniture, etc.

Flexible and rigid foams together have a global market share of about 65%. The other major segments are coating (13%) and thermoplastic elastomers (12%).

While the usage levels are advanced in Europe, North America and Far East, in India it is still in the emergent stage. 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.

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

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

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

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

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

Your Company also produces Propylene Glycol Mono Methyl Ether (PGMME), an environment-friendly solvent used in paints and coatings and electronics industries.

Indian PU and PG market continued to be impacted by large volume of imports aggravated by the new capacities that have come up in the past few years especially in Thailand and Singapore without corresponding demand for the product in their region. Pricing has been a major issue in the last few years, weaning the domestic customers away from the local manufacturers.

#### **Opportunities and threats**

Polyurethane materials, due to their versatility, perform extremely well as part of any application that is subject to dynamic stress. They provide many advantages including

resilience, high tear resistance, low viscosity and low heat build-up. Polyurethane can be used for varied applications like building insulations, refrigeration, furniture, footwear, automotive, coatings and adhesives, sealants etc. The development of polyurethane materials is still evolving and new applications are regularly being created. 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.

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

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

Besides the threat of lower margins due to ever increasing imports, tougher environmental laws have resulted in additional spending on the treatment process. With monsoon failing for two consecutive years, availability of water for industries has been becoming hard and also very expensive.

Though the Company succeeded in its efforts for imposition of anti-dumping duty on imports from certain countries, there had been no real relief either in the volume or in the pricing. So, the Company has taken various actions for cost reduction and product development to produce more value added products such as water proofing, foot-wear applications, etc.

#### **Indian Market Scenario**

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

Indian PG market is also generally dominated by imports, but your Company continues to get better realization from sale of PG. This is mainly due to higher growth in demand for PG which is estimated at 11-12% in the country against 5-6% globally.

Reports suggest that besides PG, the growth of almost all segments in India such as Slab Stock Polyol, Rigid, shoe Soles, HR Polyol, etc. was nearly twice the global average during the year 2018-19. While the global projections for 2019-20 look to be stagnant, in India the growth is expected to be more than the year under review.

### **Risk Management Policy**

The Company has established a structured frame work for addressing business risk management issues. A risk management plan has been framed, implemented and monitored by the Board through the Risk Management Committee of Directors (RMC) comprising Ms. Sashikala Srikanth as the Chairperson and Mr. T K Arun, Mr. G D Sharma and Mr. Muthukrishnan Ravi, as the other Members.

The Company has two employee-level Committees viz., a sub-committee and an Apex Committee, headed by the Wholetime Director (Works) to review and assess the risks that could affect the Company's business. The sub-committee brings out the matters that could affect the operations and the Apex Committee, determines the issues that could become business risks. The mitigation actions are also suggested by the Committees and the report of the Chairman of the Apex Committee is submitted to the Risk Management Committee of Directors (RMC). The RMC meets periodically, reviews the reports and recommends actions to be taken in this regard. During the year under review the Committee met on 16<sup>th</sup> May 2018, 3<sup>rd</sup> August 2018, 13<sup>th</sup> October 2018 and 11<sup>th</sup> February 2019.

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

### **Risks and Concerns**

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

The PU industry is concentrated globally and a major portion of the supplies are controlled by smaller number of producers. The top manufacturers control over 60% of the total PU production giving them enormous control over product pricing & other strategies. Such major multinationals enter into strategic alliances across 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.

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

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

The Company explored various options for improving the quality of the treated effluent to meet stricter standards which had been a big challenge. The projects have been completed and the standard and quality of the treated effluent have improved to the required levels. Sustainability could be a concern in the long run as these are biological processes and so the Company would have to be very watchful on the developments and may be required to spend higher amounts, affecting the profitability.

Though the Company has overcome the issues faced in achieving the environmental norms successfully, the case filed with the National Green Tribunal against the marine disposal of the treated effluent is still pending. Since the Southern Bench of the NGT is not functional, the case has been transferred to NGT, New Delhi during the year and hearing is awaited.

During the year 2017, the period of lease relating to Plant 2 expired and though the Company filed its request for extension well in advance with the Government of Tamilnadu, the same is yet to be renewed. The Auditors have drawn their attention to this, but since the land has been put to use by the Company for the purpose for which it has been allotted and also as the matter is being closely followed up, your Company is confident that the request would be considered favourably by the authorities.

### **Outlook**

As per the World Economic Outlook released by the World Bank in April 2019, global economic activities have shown signs of melting during the 2<sup>nd</sup> half of 2018, after robust activity in 2017 and the first half of 2018. It has been projected that the growth in 2019 would be 3.3% against 3.6% in the preceding year, with an expectation that it would go back to the earlier level in the succeeding year.

The main reason for the meltdown is attributed to the decline in Chinese output which to a major extent is attributable to regulatory tightening and trade tensions with USA. The EU nations lost more momentum than expected and countries like Germany, Italy too have declined. Japan was affected by more frequent and severe calamities out of human control.

As regards India, the WEO has projected GDP growth of 7.3% and 7.5% in 2019 and 2020 respectively, against 7.1% in 2018. The Asian Development Bank figures are slightly different at 7.0% for 2018, 7.2% in 2019 and 7.3% in 2020. It may be noted that projections for China for the next years are lower at 6.3% and 6.1%, against 6.6% in 2018.

After the interruption in the growth due to demonetization and introduction of the Goods and Services Tax (GST), the Indian economy looks to be getting back to a respectable growth in 2019 and 2020, which is relatively higher than the global average and also other major economies. In fact

as per the WEO report none of the other economies are in the 7+ league. The revenue collections have been good for the Government and so it is expected that the public spend would be more to propel the economy. However, the impact of sanctions on oil imports from Iran could be a thorn in the growth story and this would also affect the exports from India.

During the year your Company commenced production of Notedome products and supplies are being made to the domestic and other Asian customers. Product development to meet customer requirements and also introduce innovative applications are continued.

The facility for PO manufacturing set up by another Company in Manali has commenced production during the year and so dependence on imported PO has come down considerably. This has also helped in reduction in the input costs. Having successfully overcome the environmental issues, the Company has taken actions for augmenting the capacity of various products, though not in a big way due to other constraints.

#### **Subsidiaries**

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

#### **AMCHEM, Singapore**

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

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

During the year under review, the total income of AMCHEM, Singapore was US\$ 1.62 million (₹ 11.35 crore) and the profit for the year was US\$ 870,903 (₹ 6.09 crore). AMCHEM, Singapore continues to explore other opportunities for acquisition of existing overseas facilities to further improve the global presence of MPL, besides taking up other activities such as trading, transaction facilitations, business and project consultancy.

#### **AMCHEM, UK**

AMCHEM Speciality Chemicals UK Limited, UK was established in September 2016 by AMCHEM Singapore as its WOS which completed the acquisition of Notedome Limited effective 1<sup>st</sup> 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 £420,000 (₹ 3.85 crore) comprising mainly dividend of £300,000 from Notedome Limited and profit was £ 334,052 (₹ 3.06 crore).

#### **Notedome Limited, UK**

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

The total revenue for the year 2018-19 was £ 11.99 million (₹ 108.08 crore) and profit £ 0.64 million (₹ 5.93 crore). During the year under review the profitability was impacted due to higher input prices which could not be passed on to the customers. Since the WOS is competing with composite units it does not have pricing flexibility. So it is focusing on product development to widen the customer base.

#### **Environment and Safety**

Your Company has laid down clear policies for quality, environment and safety and has set-up various teams and committees to monitor and improve observance of the said policies. Besides periodical in-house reviews and audits, surveillance audits of ISO 9001 and ISO 14001 have been done regularly, ensuring proper adherence to the quality, environment and safety requirements. World Environment Day is celebrated and to mark the occasion tree planting and similar activities are undertaken.

Your Company pays special attention to safety of men and material and various competitions are held during the Safety Week to create awareness among the employees about the need to adhere to safe manufacturing practices. Training is provided to the employees in safety related matters and first aid and mock drills are conducted to ensure that the systems and processes are in place to meet any eventualities.

#### **Audit Committee**

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

#### **Vigil Mechanism**

As required under S. 177 of Companies Act, 2013 (the Act) and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, (the Regulations) the Company has established a vigil mechanism for directors and employees to report genuine



concerns through the whistle blower policy of the Company as published in the website of the Company. As prescribed under the Act and the Regulations, provision has been made for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

### Human Resources

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

As on 31<sup>st</sup> March 2019, your company had 318 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

### Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Act or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., <http://manalipetro.com/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 has been obtained through postal ballot for transactions with Tamilnadu Petroproducts Limited upto ₹ 200 crore in 2019-20.

### Board of Directors and related disclosures

As on the date of the Report the Board comprises of 10 directors of whom five are independent including a woman director. All the Independent Directors have furnished necessary declaration under Section 149 (7) of the Act and under Regulation 25(8) of the Regulations. As per the said declarations, they meet the criteria of independence as provided in Section 149 (6) of the Act and the Regulations.

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

The Board has approved a Remuneration Policy as recommended by the Nomination and Remuneration Committee (NRC), which inter alia contains the criteria for determining the positive attributes and independence of a director as formulated by the NRC. The policy on

remuneration to directors is disclosed in the CGR annexed to this Report.

There has been no changes in the Key Managerial Persons after the last AGM. The following changes took place in the composition of the Board since the last Annual General Meeting:

- a. Dr. Aneesh Sekhar S IAS, (DIN: 07887010) Executive Director, TIDCO has been appointed as an Additional Director with effect from 2<sup>nd</sup> April 2019, in the category of Non-Independent, Non-Executive Director. Pursuant to Section 161 of the Companies Act, 2013, (the Act) he holds office till the ensuing Annual General Meeting (AGM) and is seeking reappointment.
- b. Lt. Col. (Retd.) Chatapuram Swaminathan Shankar (DIN: 08397818) and Dr. N Sundaradevan IAS, (Retd.) (DIN: 00223399) have been appointed as an Additional and Independent Directors of the Company for a period of five years from 20<sup>th</sup> May 2019 and 12<sup>th</sup> June 2019 respectively. Approval of the Members for the above under Sections 150, 152 and 160 read with Schedule IV to the Act will be considered at the ensuing AGM.

As regards the Independent Directors, the following may be noted:

- a. Brig. (Retd.) Harish Chandra Chawla (DIN 00085415), retired on 27<sup>th</sup> May 2019 as an Independent Director of the Company upon completing his first term of five years as Independent Director. The Board places on record its appreciation for the invaluable services rendered by Brig. Chawla during his association with the Company since July 2011.
- b. Mr. G Chellakrishna (DIN 01036398) and Ms. Sashikala Srikanth (DIN: 01678374) would be completing their first term of five years on 12<sup>th</sup> August 2019 as Independent Directors and are being proposed for appointment for a further term of five years from 13<sup>th</sup> August 2019 which would also be considered at the ensuing AGM.
- c. Pursuant to Regulation 24(1) of the Regulations Ms. Sashikala Srikanth has been appointed as Director of AMCHEM, Singapore and AMCHEM, UK, which are material subsidiaries of the company.

Pursuant to proviso to S. 160 (1) there is no requirement of any deposit for the proposals for the appointment of Dr. Aneesh Sekhar S, IAS as a Director and also for appointment of the Independent Directors.

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

### Annual Evaluation of the Board, Committees and Directors

The formal evaluation of the Board was done taking into account the various parameters such as the structure, meetings, functions, risk evaluation, management of conflict of interests, stakeholder value and responsibility, corporate culture and value, facilitation to the Independent Directors to

function impartially and other matters. The evaluation of the Committees was done based on the mandate, composition, effectiveness, structure and meetings, independence and contribution to the decisions of the Board.

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

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

#### **Directors' Responsibility Statement**

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

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2019, 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 31<sup>st</sup> March 2019 on a "going concern" basis.
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Details of unclaimed Share Certificates**

In accordance with the requirements of the Clause 5A of the erstwhile Listing Agreement, shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 2,34,782 shares, which remained unclaimed by 644 shareholders at the beginning of the year, 8703 shares, were released to 20 shareholders during the year. Further, 17,790 shares

relating to 68 shareholders were transferred to the Investor Education and Protection Fund in compliance with the requirements of S. 124 (6) of the Act. As at the end of the year 2,08,289 shares remained unclaimed by 556 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

#### **Auditors**

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

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

#### **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 is also covered under Cost Audit, which are duly complied with.

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai was appointed as the Cost Auditor of the Company for the financial year 2018-19 on a remuneration of ₹ 4.00 lakh plus applicable taxes and reimbursement of out of pocket expenses which is to be ratified by the Members at the 33<sup>rd</sup> Annual General Meeting. The Cost Auditor holds office till 30<sup>th</sup> September 2019 or submission of his report for the year 2018-19, whichever is earlier.

#### **Adequacy of Internal Financial Controls**

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

#### **Corporate Governance**

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

#### **Secretarial Audit Report**

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

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

- a. The ratio of remuneration of Mr. C Subash Chandrabose, Wholetime Director (Works) to the median remuneration of the employees of the Company was 9.5.
- b. The percentile increase in remuneration of the Company Secretary was 17% and for the Wholetime Director (Works) and Chief Financial Officer 10%.
- 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 6%
- d. As at the year-end there were 251 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 6.6% and the increase in managerial remuneration was 10%.
- f. Information required under Rule 5(2) are given in **Annexure C** to this Report.
- g. The remuneration paid to the employees are as per the remuneration policy of the Company.

**Other disclosures**

- a. Information on conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable are given in **Annexure D**.
- b. The extract of the Annual Return in Form MGT-9 is given in **Annexure E**.
- c. The Company has not accepted any deposits from the public during the year under report.
- d. The information under Section 186 of the Act relating to investments, loans, etc. as at the year-end has been furnished in notes to the Financial Statement.

- e. The CSR Policy related disclosures are given in **Annexure F**.
- f. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No cases were filed under the said Act.
- g. The Company has complied with the requirements of all the applicable Secretarial Standards.
- h. There has been no significant change in the key financial ratios viz., change of 25% or more compared to the previous year and Return on Net Worth which was 15.8% for the year 2018-19 against 15.4% for the preceding 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.

**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**

Chennai  
June 12, 2019

Ashwin C Muthiah  
DIN: 00255679  
**Chairman**

## 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 were made mandatory by SEBI. This report covers the corporate governance aspects in your Company relating to the year ended 31<sup>st</sup> March 2019.

### 2. Board of Directors:

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

As on 31<sup>st</sup> March 2019, the Board comprised of eight directors, as detailed below:

Category/Name	Other Listed Companies of which he/she is a director and category	Other Memberships	
		Boards	Committees
<b>Non Executive, Non Independent (NENI)</b>			
Mr. Ashwin C Muthiah, Chairman	Southern Petrochemical Industries Corporation Limited, SICAGEN India Limited and Tamilnadu Petroproducts Limited (All NENI)	3(2)	1
Mr. Thanjavur Kanakaraj Arun	Southern Petrochemical Industries Corporation Limited (NENI)	1	1
<b>Non Executive, Independent (NEID)</b>			
Brig (Retd.) Harish Chandra Chawla	Southern Petrochemical Industries Corporation Limited (NEID)	1	-
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	6(2)
Mr. Govindarajan Dattatreyan Sharma	-	-	-
<b>Executive, Non Independent (ENI)</b>			
Mr. Muthukrishnan Ravi, Managing Director	-	-	-
Mr. C. Subash Chandra Bose, Whole-time Director (Works)	-	-	-

#### Notes:

- Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships as on 31<sup>st</sup> March 2019.
- Only Membership in Audit Committees and Stakeholder's Relationship Committee (other than in MPL) are reckoned for Other Board Committee Memberships in companies other than (a) above. Figures in brackets denote the number of companies / committees of listed companies in which the Director is the Chairperson.
- Except Mr. Ashwin C Muthiah, Chairman, who is holding 13,648 shares, none of the other Directors hold any shares in the Company nor have any inter se relationship.
- The details of familiarization programmes conducted for the Independent Directors are disclosed in the website of the Company at <http://manalipetro.com/wp-content/uploads/2016/08/MPL-Familiarization-Programme-for-Independent-Directors-31-03-2019.pdf>

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

The Board of Directors met five times during the year 2018-19 viz., on 16<sup>th</sup> May 2018, 10<sup>th</sup> August 2018, 22<sup>nd</sup> October 2018, 12<sup>th</sup> February 2019 and 27<sup>th</sup> March 2019. The details of the attendance of the directors at the Board Meetings and the AGM are as follows:

Name	No. of meetings held during the year	No. of Meetings attended	Attendance at the Last AGM on 06.08.2018
Mr. Ashwin C Muthiah	Five	Five	Yes
Brig. (Retd.) Harish Chandra Chawla	Five	Four	Yes
Mr. G Chellakrishna	Five	Four	Yes
Ms. Sashikala Srikanth	Five	Five	Yes
Mr. Thanjavur Kanakaraj Arun	Five	Five	Yes
Mr. Govindarajan Dattatreyan Sharma	Five	Five	Yes
Mr. Muthukrishnan Ravi	Five	Five	Yes
Mr. C. Subash Chandra Bose	Five	Five	Yes

## iii. Chart of Skills/Expertise/Competence of the Board:

The following are the skills/competencies determined as required for the discharge of the obligations by the Board:

Major Classification	Sub Classification	Remarks
Industry Related	Specific Skills	Good knowledge about the Petrochemicals business and industry and the issues specific to the Company.
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors).
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.
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management.
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.
Risk & Compliance	Operational	Identification of risks related to each area of operation.
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements.
	Financial	Experience in accounting and finance, ability to analyze the financial statements presented, assess the viability of various financial proposals, oversea funding arrangements and budgets.

Major Classification	Sub Classification	Remarks
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyze issues and contribute at board level to solutions.
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.
Personal	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.
	Experience	Previous experience in Board or senior management positions in reputed companies/ organizations/ government.
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company.
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritize the Company.

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

In the opinion of the Board all the above skills/competencies are actually available with its Members as a Group.

#### iv. Confirmation on Independent Directors

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

### 3. Audit Committee:

#### i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory under the 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 31<sup>st</sup> March 2019, the Committee comprised of Mr. G. Chellakrishna as Chairman, Brig (Retd.) Harish Chandra Chawla, Ms. Sashikala Srikanth and Mr. Thanjavur Kanakaraj Arun as the other Members. The Company Secretary is the Secretary to the Committee.

#### iii. Meetings and attendance

The Committee met four times during the year 2018-19 viz., on 16<sup>th</sup> May 2018, 09<sup>th</sup> August 2018, 22<sup>nd</sup> October 2018 and 11<sup>th</sup> February 2019. Except Brig. (Retd.) Harish Chandra Chawla, who attended three meetings, all the other members attended all the four meetings.

### 4. Nomination and Remuneration Committee:

#### i. Composition, terms of reference and meeting

The Committee comprised of Brig (Retd.) Harish Chandra Chawla, as the Chairman, Mr. Govindarajan Dattatreyan Sharma and Mr. Ashwin C Muthiah as the other Members.

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

The Committee met five times during the year 2018-19 viz., on 16<sup>th</sup> May 2018, 10<sup>th</sup> August 2018, 22<sup>nd</sup> October 2018, 12<sup>th</sup> February 2019 and 27<sup>th</sup> March 2019. Brig. (Retd.) Harish Chandra Chawla attended four meetings and the other members attended all the five 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 Remuneration Policy for Directors.

##### a) For Executive Directors

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

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

**b) For Non-Executive Directors**

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

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

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

**iii. Details of remuneration paid to the Directors**

**a) Executive Directors**

During the year 2018-19 the remuneration of Mr. C Subash Chandra Bose, Whole-time Director (Works) was ₹ 29.15 lakh comprising Salary & allowances of ₹ 18.22 lakh, Performance linked pay of ₹ 9.63 lakh and Perquisites of ₹ 1.30 lakh. In addition to the above, contribution to Provident and Superannuation Funds are made as per applicable law/rules/terms of employment.

**b) Non-Executive Directors**

During the year an aggregate amount of ₹ 14 lakh was paid to the Non-Executive Directors as Sitting Fees for attending the Board Meetings as stated below:

- Mr. Ashwin C Muthiah, Mrs. Sashikala Srikanth, Mr. Govindarajan Dattatreyan Sharma and Mr. Thanjavur Kanakaraj Arun ₹ 2.50 lakh each
- Brig. (Retd.) Harish Chandra Chawla and Mr. G. Chellakrishna ₹ 2 lakh each.

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

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

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

**6. Stakeholders' Relationship Committee**

**i. Chairman and Compliance Officer**

As on 31<sup>st</sup> March 2019, the Committee comprised of Mr. Ashwin C Muthiah, Chairman, Mr. Muthukrishnan Ravi and Mr. C Subash Chandra Bose as Members. Mr. R Kothandaraman, Company Secretary is the Compliance Officer. The Committee met four times during the year on 16<sup>th</sup> May 2018, 10<sup>th</sup> August 2018, 22<sup>nd</sup> October 2019 and 12<sup>th</sup> February 2019. All the Members attended all the meetings.

**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 and 32 complaints were received during the year out of which 31 complaints were redressed by the Company/ RTA to the satisfaction of the shareholders. The remaining one complaint pending at the end of the year has since been redressed.

**7. General Body Meetings**

**i. Annual General Meetings:**

AGM	Year	Venue	Date	Time
30 <sup>th</sup>	2016	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	21.09.2016	9.30 a.m.
31 <sup>st</sup>	2017	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	25.07.2017	10.30 a.m.
32 <sup>nd</sup>	2018	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	06.08.2018	10.00 a.m.



## ii. Special Resolutions:

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

Date of AGM	Subject
21.09.2016	No Special Resolution was passed.
25.07.2017	(a) Approving the reappointment of Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years with effect from 29 <sup>th</sup> July 2017. (b) Approving the appointment and payment of remuneration to Mr. C Subash Chandra Bose as the Whole-time Director (Works) for a period of three years with effect from 28 <sup>th</sup> May 2017.
06.08.2018	Approving the increase in remuneration to Mr. C Subash Chandra Bose, Whole-time Director (Works) with effect from 1 <sup>st</sup> April 2018.

There were no resolutions requiring approval through Postal Ballot during the last year.

## 8. Means of communication

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

## 9. General Shareholder Information

### i. Annual General Meeting

The thirty third AGM of the Company is scheduled to be held on 5<sup>th</sup> August 2019 at 10:00 AM at Rajah Annamalai Mandram Esplanade, Chennai 600 108

### ii. Financial year

The financial year of the Company commences on 1<sup>st</sup> April and ends on 31<sup>st</sup> March

### iii. Dividend payment date

The dividend for the year 2018-19 will be paid on 30<sup>th</sup> August 2019 subject to declaration at the ensuing AGM.

### iv. Listing Details and Stock Code

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

Listing fees upto 2019-20 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
2018 April	38.70	33.65	10,759.00	10,111.30	38.75	33.60	35213.30	32972.56
May	46.40	32.65	10,929.20	10,417.80	46.40	32.00	35993.53	34302.89
June	55.90	39.25	10,633.15	10,550.90	55.75	39.25	35877.41	34784.68
July	48.70	40.65	11,366.00	10,604.65	48.70	40.60	37644.59	35106.57

Month & Year	NSE				BSE			
	Share Price (₹)		Nifty 50		Share Price (₹)		Sensex	
	High	Low	High	Low	High	Low	High	Low
August	52.25	37.10	11,760.20	11,234.95	52.20	37.20	38989.65	37128.99
September	42.60	32.00	11,751.80	10,850.30	42.55	32.25	38934.35	35985.63
October	36.80	29.60	11,035.65	10,004.55	36.90	29.75	36616.64	33291.58
November	36.40	31.75	10,922.45	10,341.90	36.30	31.80	36389.22	34303.38
December	34.40	30.05	10,985.15	10,333.85	34.40	30.25	36554.99	34426.29
2019 January	32.20	21.10	10,987.45	10,583.65	32.25	21.20	36701.03	35375.51
February	25.70	22.05	11,118.10	10,585.65	25.80	21.70	37172.18	35287.16
March	28.05	24.10	11,630.35	10,817.00	28.05	24.25	38748.54	35926.94

**vi. Registrars and Share Transfer Agent:**

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

**vii. Share Transfer System:**

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

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

**viii. Distribution of shareholding as on March 31, 2019:**

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	21,685	19.58	10,38,982	0.60
101	500	67,003	60.51	1,58,82,411	9.23
501	1000	11,234	10.15	90,15,532	5.24
1001	2000	5,028	4.54	77,69,507	4.52
2001	3000	1,905	1.72	49,95,248	2.91
3001	4000	813	0.74	29,64,717	1.72
4001	5000	835	0.75	39,80,304	2.32
5001	10000	1,263	1.14	94,25,814	5.48
10001	& above	966	0.87	11,69,26,714	67.98
<b>Total</b>			<b>100.00</b>	<b>17,19,99,229</b>	<b>100.00</b>

**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, 2019, 16,33,73,478 shares were held in dematerialized form, representing about 94.99% 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 at the Registered Office of the Company, Phone/Fax: 044 –22351098 E-mail: companysecretary@manalipetro.com

## 10. Other Disclosures

- i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements pursuant to Ind AS - 24.
  - ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
  - iii. As stipulated under the Act and the Regulations, a Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company. No personnel has been denied access to the Audit Committee.
  - iv. All the mandatory requirements of Corporate Governance under the Regulations have been complied with.
  - v. The policy for determining material subsidiaries is disclosed in the website of the Company under the link <http://www.manalipetro.com/wp-content/uploads/2016/08/Policy-for-Determination-of-Material-Subsidiary.pdf>
  - vi. The Company mainly sources its materials domestically and the exports are not substantial and so there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activities undertaken by the Company. As regards the foreign exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the financial statements.
  - vii. Mrs. B Chandra, Practicing Company Secretary has certified that during the year none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
  - viii. During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - ix. There were no payments to the Statutory Auditor or other entities in the network firm/network entity of which the statutory auditor is a part by the Company or its subsidiaries, other than the audit fee and related payments as disclosed in the financial statements.
11. All the requirements of corporate governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.
12. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:
- There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.
  - The Company has appointed separate persons for the post of Chairman and Managing Director.
  - The Company has appointed a third party firm as the internal Auditors which carries out the audit and the report is presented to the Audit Committee for review and further directions.
13. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the Regulations.
14. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.

---

### Declaration by CEO

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

Chennai  
May 20, 2019

Muthukrishnan Ravi  
DIN: 00360522  
Managing Director

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

### To: The Members of Manali Petrochemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Manali Petrochemicals Limited, for the year ended on 31<sup>st</sup> March, 2019, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B CHANDRA**  
Company Secretaries

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

Place: Chennai  
Date: May 20, 2019

**Annexure B**

## SECRETARIAL AUDIT REPORT

ISSUED BY MRS. B CHANDRA, THE SECRETARIAL AUDITOR

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

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

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

**For B CHANDRA**  
Company Secretaries

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

Place: Chennai  
Date: May 20, 2019

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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 31.03.2019, 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 31.03.2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015.

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

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
- (vi) In addition to the compliance with laws applicable to factories and labour laws pertaining to the same, based on the study of the systems and processes in place and a review of the reports of (1) Occupier/Manager of the factories plant 1 & 2 located in Manali which manufacture Petrochemicals (2) Internal Audit Reports (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the following industry specific statutes, the rules, and also the directions of the concerned authorities thereunder to the extent it is applicable to them:

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

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

Industrial Disputes Act, 1947; The Payment of Wages Act, 1936; The Minimum Wages Act, 1948; Employees' State Insurance Act, 1948; The Employees' Provident Funds and Miscellaneous Provisions Act, 1952; The Payment of Bonus Act, 1965; The Payment of Gratuity Act, 1972; The Contract Labour (Regulation & Abolition) Act, 1970; The Maternity Benefit Act, 1961; The Child Labour (Prohibition & Regulation) Act, 1986; The Industrial Employment (Standing Order) Act, 1946; The Employees' Compensation Act, 1923; Workmen's Compensation Act 1923; The 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 us, we report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

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

I further report that the Company had initiated the process of seeking approval of shareholders through postal ballot for the following matters

1. Approval for increase in remuneration to Mr. C Subash Chandra Bose, (DIN:06586982) Whole Time Director with effect from 1<sup>st</sup> April 2019.
2. Approval under Reg 23 of listing requirements for material related party transactions with M/s Tamilnadu Petroproducts Limited, a related party, for a sum upto ₹ 200 crore for 2019-20 and
3. Approval u/s 188 of the Companies Act, 2013 for Mr Ashwin Chidambaram Muthiah in holding an office or place of profit of in the Companies subsidiary M/s Amchem Speciality Chemicals Private Limited, Singapore for US \$1,00,000 per annum w.e.f 1<sup>st</sup> April 2019.

and the said resolutions were passed with requisite majority on 7<sup>th</sup> May 2019.

**For B CHANDRA**  
Company Secretaries

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

Place: Chennai  
Date: May 20, 2019

## Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

Name	Designation	Rem. ₹ lakh	Qualification	Exp. Yrs	DOJ	Age	Last Employment
Anis Tyebali Haideri	Chief Financial Officer	61.84	B.Com, ACA, AICWA	23	07.04.2014	45	CFO, Switz International, Middle East
Kothandaraman R	Company Secretary	45.09	M.Com. ACS	36	03.11.2010	56	Company Secretary, TIDEL Park Limited
E Venkatasubramaniyan \$	GM (Marketing)	37.76	B.Sc., B. Tech, PGDM	23	07.08.2018	46	Manager – Project & Business Support Covestro (I) Pvt. Ltd.
C. Subash Chandra Bose	WTD (Works)	32.01	B. Tech	25	01.07.1993	47	–
B Sekar	DGM (Purchase)	29.97	B.E.	28	01.06.2014	50	Head (SC & PIng.) Bostik India Pvt. Ltd.
Aravind Mani \$	AGM (Strategy, Global Initiatives, and Marketing)	22.41	B. Tech. MBA (AIM)	10	01.08.2015	32	Head (Marketing), Tamilnadu Petroproducts Ltd.
Palaniappan R	DGM (Mktg)	21.75	B.A. MBA	29	15.04.1991	52	–
Krishnendu Ghosh	Sr. Manager (Mktg)	19.42	B. Tech	18	04.12.2017	43	Technical Sales Manager, Chemtura Specialties India Pvt. Ltd.
Thangasagaran T	DGM (Operations)	18.97	M.Tech	26	04.11.1996	51	Asst. Engineer, Tirumalai Chemicals Ltd.
Nagarajan N	Technician Gr II	18.76	ITI	28	06.03.1989	49	–

\$ Employed for part of the year

#### Notes:

- The above appointments are contractual.
- 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.
- The remuneration shown above includes contributions to Provident and other Funds.

**For and on behalf of the Board**

Ashwin C Muthiah  
DIN: 00255679  
**Chairman**

Place: Chennai  
Date: June 12, 2019

Annexure D

## Particulars as required under Rule 3 of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March 2019:

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 31<sup>st</sup> March 2019, to the extent applicable:

### A) Conservation of Energy

#### i) Steps taken or impact on conservation of energy

- ✓ Commissioning of new ejector for Polyol plant is in progress which will potentially save 150 KL of furnace oil annually.
- ✓ PGMME plant steam consumption was optimized by 250 Kg/Hr resulting in savings of about ₹ 35 lakh per annum.

#### ii) Steps taken for utilizing alternate sources of energy

The Company commissioned a biomass based Captive Power Plant during the year 2008, which was being used for the energy needs of Plant 2 and also for export to Plant 1. However, over the period, the cost of input has been going up and also the availability affected due to supply-demand mismatch. Hence, exports to Plant 1 were curtailed and the CPP catered to the needs of Plant 2. Though the Company took various steps to use alternate fuel, the cost of power/steam had been spiraling and became comparatively uneconomical due to fall in fuel prices. Hence, the CPP is under shut down from mid-December 2014. The wood prices are ruling in the range of ₹ 3,400-3,600 but consistent supply still being an issue due to consumption of the bio mass in paper Industries.

The running of the unit has not yet been found to be viable and so it had been decided that the same would be restarted as and when found to be economical with the emission norms being further tightened, disposal of the fly ash has also been cited as an issue to be addressed, if the CPP restarts.

As a further development, IOCL has commenced actions for supply of LNG to Manali area which is expected to commence in the next few months for Plant 1 and later in Plant 2. Hence it has now been viewed that use of CPP for alternate purposes could be considered once the LNG supplies commence and stabilize. This would primarily be to look at possibility of converting CPP into LNG fired boiler for production of Steam.

iii) Capital investment in conservation of energy

Approvals have been obtained and action initiated for installing a Vapor Absorption Machine (VAM) which will reduce the power consumption by about 75,000 kwh annually.

**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 under review, the Company received and has put to use technology for manufacture of Cast Elastomers from Notedome Limited, the Step Down Subsidiary. Initially about 7 products have been introduced and the same would be expanded in due course based on market conditions and customer requirements.

Notedome has provided the technical knowhow to MPL for manufacture of its products in India and service its Indian and other Asian region customers. Hence it has been decided that MPL would compensate Notedome through payment of royalty from 2019-20.

ii) Expenditure on Research & Development

(a) Capital	NIL
(b) Recurring	₹ 252.32 lakh
(c) Total	₹ 252.32 lakh

**C) Foreign Exchange Earnings and outgo:**

i) Foreign exchange in terms of actual inflows	₹ 487.78 lakh
ii) Foreign exchange in terms of actual outflows	₹ 17,862.63 lakh

**For and on behalf of the Board**

Place: Chennai  
Date: June 12, 2019

Ashwin C Muthiah  
DIN: 00255679  
**Chairman**



**Extract of Annual Return**
**Form No. MGT-9**
**Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2019**

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

**I. REGISTRATION AND OTHER DETAILS**

i) CIN	L24294TN1986PLC013087
ii) Registration Date	11 <sup>th</sup> June 1986
iii) Name of the Company	Manali Petrochemicals Limited
iv) Category/Sub-Category of the Company	Company Limited By Shares Non-Government Company
v) Address of the Registered office and contact details	SPIC House 88 Mount Road Guindy, Chennai 600 032 Telefax: 22351098 E-mail: companysecretary@manalipetro.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building No. 1 Club House Road Chennai 600 002 Ph.: 044-28460390/394/718/1832, Fax: 044-28460129 E-mail: investor@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

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

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

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

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change to total equity
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	13,648	NIL	13,648	0.01	13,648	NIL	13,648	0.01	NIL
b) Bodies Corporate	6,58,56,053	NIL	6,58,56,053	38.29	6,58,56,053	NIL	6,58,56,053	38.29	NIL
c) Banks/FI	1,12,12,500	NIL	1,12,12,500	6.52	1,12,12,500	NIL	1,12,12,500	6.52	NIL
<b>Total shareholding of Promoters</b>	<b>7,70,82,201</b>	<b>NIL</b>	<b>7,70,82,201</b>	<b>44.82</b>	<b>7,70,82,201</b>	<b>NIL</b>	<b>7,70,82,201</b>	<b>44.82</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	17,850	1,65,900	1,83,750	0.11	17,850	1,65,900	1,83,750	0.11	NIL
b) Banks/FI	3,55,071	17,100	3,72,171	0.22	4,26,015	17,100	4,43,115	0.26	0.04
c) FIs	NIL	0	NIL	NIL	NIL	0	NIL	NIL	NIL
d) FPI (Corporate Category II)	24,93,760	0	24,93,760	1.45	28,63,541	0	28,63,541	1.66	0.22
e) FPI (Corporate Category III)	NIL	0	NIL	NIL	NIL	0	NIL	NIL	NIL
<b>Sub-total (B)(1)</b>	<b>28,66,681</b>	<b>1,83,000</b>	<b>30,49,681</b>	<b>1.77</b>	<b>33,07,406</b>	<b>1,83,000</b>	<b>34,90,406</b>	<b>2.03</b>	<b>0.26</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporate	72,06,238	1,86,750	73,92,988	4.30	64,78,854	1,81,500	66,60,354	3.87	-0.43
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4,70,59,518	88,99,134	5,59,58,652	32.53	4,78,69,340	77,85,826	5,54,55,166	32.36	-0.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,54,72,322	74,910	1,55,47,232	9.04	1,52,64,230	1,02,210	1,53,66,440	8.93	-0.11
c) Others	1,25,48,010	4,20,465	1,29,68,475	7.54	1,33,71,447	3,73,215	1,37,44,662	7.99	0.45
<b>Sub-total (B) (2)</b>	<b>8,22,86,088</b>	<b>95,81,259</b>	<b>9,18,57,347</b>	<b>53.41</b>	<b>8,29,83,871</b>	<b>84,42,751</b>	<b>9,14,26,622</b>	<b>53.16</b>	<b>-0.26</b>
<b>Total Public shareholding (B)=(B) (1)+ (B)(2)</b>	<b>8,51,52,769</b>	<b>97,64,259</b>	<b>9,49,17,028</b>	<b>55.19</b>	<b>8,62,91,277</b>	<b>86,25,751</b>	<b>9,49,17,028</b>	<b>55.19</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>16,22,34,970</b>	<b>97,64,259</b>	<b>17,19,99,229</b>	<b>100</b>	<b>16,33,73,478</b>	<b>86,25,751</b>	<b>17,19,99,229</b>	<b>100</b>	<b>NIL</b>

##### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tamil Nadu Industrial Development Corporation Ltd	1,12,12,500	6.52	NIL	1,12,12,500	6.52	NIL	NIL
2	Southern Petrochemical Industries Corporation Limited	10,000	0.01	NIL	10,000	0.01	NIL	NIL
3	SIDD Life Sciences Private Limited	6,58,46,053	38.28	NIL	6,58,46,053	38.28	NIL	NIL
4	Muthiah A.C	13,648	0.008	NIL	NIL	NIL	NIL	(0.008)
5	Ashwin C Muthiah	NIL	NIL	NIL	13,648	0.008	NIL	0.008
	<b>Total</b>	<b>7,70,82,201</b>	<b>44.82</b>	<b>NIL</b>	<b>7,70,82,201</b>	<b>44.82</b>	<b>NIL</b>	<b>NIL</b>

(iii) There was no change in Promoters' Shareholding during the year except for transfer of 13,648 equity shares by Dr. A C Muthiah to Mr. Ashwin C Muthiah.

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year		At the end of the year (as on 31.03.2019)	
		No of shares	%	No of shares	%	No. of shares	%
1	Arial Holdings 1	2,260,000	1.31			2,260,000	1.31
2	Shailaja Anil Pandit	564,932	0.33				
	Sale 10-Aug-2018	-564,932	-0.33	0	0.0000	0	0
3	II And FS Securities Services Limited	911,677	0.53				
	Sale 06-Apr-2018	-14,493	-0.01	897,184	0.52		
	Purchase 13-Apr-2018	23,577	0.01	920,761	0.54		
	Sale 13-Apr-2018	-19,752	-0.01	901,009	0.52		
	Sale 20-Apr-2018	-24,495	-0.01	876,514	0.51		
	Sale 27-Apr-2018	-24,861	-0.01	851,653	0.50		
	Sale 04-May-2018	-2,000	-0.00	849,653	0.49		
	Purchase 11-May-2018	39,966	0.02	889,619	0.52		
	Sale 11-May-2018	-38,240	-0.02	851,379	0.49		
	Purchase 18-May-2018	1,820	0.00	853,199	0.50		
	Sale 25-May-2018	-221,645	-0.13	631,554	0.37		
	Purchase 01-Jun-2018	320,133	0.19	951,687	0.55		
	Purchase 08-Jun-2018	28,150	0.02	979,837	0.57		
	Sale 15-Jun-2018	-58,672	-0.03	921,165	0.54		
	Purchase 22-Jun-2018	101,895	0.06	1,023,060	0.59		
	Sale 22-Jun-2018	-39,087	-0.02	983,973	0.57		
	Sale 29-Jun-2018	-60,342	-0.04	923,631	0.54		
	Purchase 30-Jun-2018	1,500	0.00	925,131	0.54		
	Purchase 06-Jul-2018	115,048	0.07	1,040,179	0.60		
	Sale 06-Jul-2018	-74,847	-0.04	965,332	0.56		
	Purchase 13-Jul-2018	541	0.00	965,873	0.56		
	Purchase 20-Jul-2018	14,655	0.01	980,528	0.57		
	Sale 27-Jul-2018	-85,814	-0.05	894,714	0.52		
	Sale 30-Jul-2018	-450	-0.00	894,264	0.52		
	Purchase 03-Aug-2018	93,377	0.05	987,641	0.57		
	Sale 10-Aug-2018	-144,820	-0.08	842,821	0.49		
	Sale 10-Aug-2018	-13,375	-0.01	829,446	0.48		
	Sale 17-Aug-2018	-18,253	-0.01	811,193	0.47		
	Purchase 24-Aug-2018	16,950	0.01	828,143	0.48		
	Sale 31-Aug-2018	-224,666	-0.13	603,477	0.35		
	Purchase 07-Sep-2018	45,910	0.03	649,387	0.38		
	Purchase 14-Sep-2018	78,317	0.05	727,704	0.42		
	Sale 14-Sep-2018	-251,596	-0.15	476,108	0.28		
	Purchase 21-Sep-2018	3,650	0.00	479,758	0.28		
	Sale 28-Sep-2018	-3,175	-0.00	476,583	0.28		
	Sale 29-Sep-2018	-2,712	-0.00	473,871	0.28		
	Purchase 05-Oct-2018	272,412	0.16	746,283	0.43		
	Sale 05-Oct-2018	-283,912	-0.17	462,371	0.27		
	Purchase 12-Oct-2018	3,040	0.00	465,411	0.27		
	Sale 12-Oct-2018	-4,100	-0.00	461,311	0.27		
	Sale 19-Oct-2018	-4,140	-0.00	457,171	0.27		
	Sale 19-Oct-2018	-560	-0.00	456,611	0.27		
	Purchase 26-Oct-2018	49,360	0.03	505,971	0.29		
	Sale 26-Oct-2018	-17,208	-0.01	488,763	0.28		
	Sale 02-Nov-2018	-31,175	-0.02	457,588	0.27		
	Purchase 09-Nov-2018	225,976	0.13	683,564	0.40		
	Sale 09-Nov-2018	-226,176	-0.13	457,388	0.27		
	Sale 16-Nov-2018	-1,425	-0.00	455,963	0.27		
	Purchase 23-Nov-2018	778	0.00	456,741	0.27		
	Sale 07-Dec-2018	-32,209	-0.02	424,532	0.25		
	Sale 14-Dec-2018	-6,578	-0.00	417,954	0.24		
	Sale 21-Dec-2018	-5,989	-0.00	411,965	0.24		
	Purchase 28-Dec-2018	61,127	0.04	473,092	0.28		
	Purchase 04-Jan-2019	61,684	0.04	534,776	0.31		
	Sale 04-Jan-2019	-66,937	-0.04	467,839	0.27		
	Sale 11-Jan-2019	-5,692	-0.00	462,147	0.27		
	Purchase 18-Jan-2019	59,172	0.03	521,319	0.30		
	Sale 08-Feb-2019	-30,385	-0.02	490,934	0.29		
	Sale 25-Jan-2019	-3,986	-0.00	486,948	0.28		
	Sale 01-Feb-2019	-19,368	-0.01	467,580	0.27		

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year		At the end of the year (as on 31.03.2019)	
		No of shares	%	No of shares	%	No. of shares	%
	Sale 08-Feb-2019	-9,976	-0.01	457,604	0.27		
	Purchase 15-Feb-2019	4,360	0.00	461,964	0.27		
	Purchase 22-Feb-2019	10,845	0.01	472,809	0.27		
	Purchase 01-Mar-2019	9,826	0.01	482,635	0.28		
	Sale 01-Mar-2019	-5,537	-0.00	477,098	0.28		
	Purchase 08-Mar-2019	62,255	0.04	539,353	0.31		
	Sale 08-Mar-2019	-28,893	-0.02	510,460	0.30		
	Sale 08-Mar-2019	-1,261	-0.00	509,199	0.30		
	Sale 15-Mar-2019	-22,689	-0.01	486,510	0.28		
	Sale 22-Mar-2019	-21,152	-0.01	465,358	0.27		
	Sale 29-Mar-2019	-41,364	-0.02	423,994	0.25		
	Sale 30-Mar-2019	-1,933	-0.00	422,061	0.25	422,061	0.25
4	Gaurav Manocha	359,625	0.21	0	0	359,625	0.21
5	Edelweiss Custodial Services Ltd	315,286	0.18				
	Purchase 06-Apr-2018	11,667	0.01	326,953	0.19		
	Sale 13-Apr-2018	-3,434	-0.00	323,519	0.19		
	Sale 20-Apr-2018	-46,510	-0.03	277,009	0.16		
	Sale 27-Apr-2018	-12,787	-0.01	264,222	0.15		
	Sale 04-May-2018	-7,451	-0.00	256,771	0.15		
	Purchase 11-May-2018	1,061	0.00	257,832	0.15		
	Sale 11-May-2018	-1,600	-0.00	256,232	0.15		
	Sale 18-May-2018	-11,089	-0.01	245,143	0.14		
	Sale 18-May-2018	-1,061	-0.00	244,082	0.14		
	Purchase 25-May-2018	112,316	0.07	356,398	0.21		
	Purchase 25-May-2018	40	0.00	356,438	0.21		
	Purchase 01-Jun-2018	6,248	0.00	362,686	0.21		
	Sale 01-Jun-2018	-88,626	-0.05	274,060	0.16		
	Purchase 08-Jun-2018	70,910	0.04	344,970	0.20		
	Purchase 08-Jun-2018	51,170	0.03	396,140	0.23		
	Sale 15-Jun-2018	-15,610	-0.01	380,530	0.22		
	Sale 15-Jun-2018	-55,409	-0.03	325,121	0.19		
	Purchase 22-Jun-2018	15,610	0.01	340,731	0.20		
	Purchase 22-Jun-2018	206,038	0.12	546,769	0.32		
	Sale 29-Jun-2018	-112,110	-0.07	434,659	0.25		
	Sale 30-Jun-2018	-29,597	-0.02	405,062	0.24		
	Purchase 06-Jul-2018	115,048	0.07	520,110	0.30		
	Purchase 06-Jul-2018	134,867	0.08	654,977	0.38		
	Sale 13-Jul-2018	-6,638	-0.00	648,339	0.38		
	Sale 13-Jul-2018	-200,184	-0.12	448,155	0.26		
	Purchase 20-Jul-2018	6,638	0.00	454,793	0.26		
	Purchase 20-Jul-2018	1,988	0.00	456,781	0.27		
	Purchase 27-Jul-2018	48,933	0.03	505,714	0.29		
	Sale 30-Jul-2018	-1,600	-0.00	504,114	0.29		
	Sale 03-Aug-2018	-12,220	-0.01	491,894	0.29		
	Purchase 10-Aug-2018	123,682	0.07	615,576	0.36		
	Purchase 17-Aug-2018	176,765	0.10	792,341	0.46		
	Sale 24-Aug-2018	-80,771	-0.05	711,570	0.41		
	Sale 31-Aug-2018	-87,876	-0.05	623,694	0.36		
	Sale 07-Sep-2018	-11,255	-0.01	612,439	0.36		
	Sale 14-Sep-2018	-15,137	-0.01	597,302	0.35		
	Sale 21-Sep-2018	-113,096	-0.07	484,206	0.28		
	Sale 28-Sep-2018	-25,358	-0.01	458,848	0.27		
	Sale 28-Sep-2018	-26,152	-0.02	432,696	0.25		
	Sale 29-Sep-2018	-800	-0.00	431,896	0.25		
	Sale 05-Oct-2018	-48,134	-0.03	383,762	0.22		
	Sale 05-Oct-2018	-1,616	-0.00	382,146	0.22		
	Sale 12-Oct-2018	-5,611	-0.00	376,535	0.22		
	Purchase 12-Oct-2018	1,681	0.00	378,216	0.22		
	Purchase 19-Oct-2018	92,492	0.05	470,708	0.27		
	Sale 19-Oct-2018	-2,589	-0.00	468,119	0.27		
	Sale 26-Oct-2018	-19,886	-0.01	448,233	0.26		
	Sale 26-Oct-2018	-1,000	-0.00	447,233	0.26		
	Purchase 02-Nov-2018	12,083	0.01	459,316	0.27		
	Sale 09-Nov-2018	-11,322	-0.01	447,994	0.26		

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year		At the end of the year (as on 31.03.2019)	
		No of shares	%	No of shares	%	No. of shares	%
	Purchase 16-Nov-2018	13,643	0.01	461,637	0.27		
	Sale 16-Nov-2018	-54	-0.00	461,583	0.27		
	Sale 23-Nov-2018	-55,566	-0.03	406,017	0.24		
	Sale 23-Nov-2018	-2,741	-0.00	403,276	0.23		
	Sale 30-Nov-2018	-24,416	-0.01	378,860	0.22		
	Sale 30-Nov-2018	-2,637	-0.00	376,223	0.22		
	Sale 07-Dec-2018	-27,386	-0.02	348,837	0.20		
	Sale 07-Dec-2018	-7,261	-0.00	341,576	0.20		
	Purchase 14-Dec-2018	20,171	0.01	361,747	0.21		
	Sale 14-Dec-2018	-18,990	-0.01	342,757	0.20		
	Sale 21-Dec-2018	-4,306	-0.00	338,451	0.20		
	Purchase 28-Dec-2018	37,328	0.02	375,779	0.22		
	Purchase 31-Dec-2018	12,765	0.01	388,544	0.23		
	Sale 04-Jan-2019	-11,187	-0.01	377,357	0.22		
	Purchase 11-Jan-2019	31,732	0.02	409,089	0.24		
	Sale 11-Jan-2019	-52,073	-0.03	357,016	0.21		
	Purchase 18-Jan-2019	20,618	0.01	377,634	0.22		
	Sale 25-Jan-2019	-33,207	-0.02	344,427	0.20		
	Sale 01-Feb-2019	-37,032	-0.02	307,395	0.18		
	Sale 08-Feb-2019	-26,676	-0.02	280,719	0.16		
	Sale 15-Feb-2019	-6,642	-0.00	274,077	0.16		
	Sale 22-Feb-2019	-6,436	-0.00	267,641	0.16		
	Sale 22-Feb-2019	-1,822	-0.00	265,819	0.15		
	Purchase 01-Mar-2019	6,202	0.00	272,021	0.16		
	Purchase 08-Mar-2019	15,060	0.01	287,081	0.17		
	Purchase 15-Mar-2019	2,726	0.00	289,807	0.17		
	Purchase 22-Mar-2019	2,730	0.00	292,537	0.17		
	Purchase 29-Mar-2019	9,480	0.01	302,017	0.18		
	Sale 30-Mar-2019	-3,500	-0.00	298,517	0.17	298,517	0.17
6	Joydeep Chatterjee	311,293	0.18			311,293	0.18
7	Lincoln P Coelho	300,000	0.17			300,000	0.17
8	Mehul Shah	250,000	0.15				
	Sale 15-Jun-2018	-50,000	-0.03	200,000	0.12	200,000	0.12
9	Leela Devi Jaju	247,886	0.14				
	Purchase 15-Jun-2018	16,000	0.01	263,886	0.15		
	Sale 22-Jun-2018	-1,000	-0.00	262,886	0.15		
	Purchase 29-Jun-2018	3,792	0.00	266,678	0.16		
	Sale 06-Jul-2018	-67,000	-0.04	199,678	0.12		
	Sale 13-Jul-2018	-29,792	-0.02	169,886	0.10		
	Purchase 17-Aug-2018	25,000	0.01	194,886	0.11	194,886	0.11
10	Anand Rathi Global Finance Limited	419,948	0.24			419,948	0.24
11	Sanjay Amilal Shah	30,000	0.02				
	Sale 15-Jun-2018	-30,000	-0.02	-	0.00		
	Purchase 06-Jul-2018	30,000	0.02	30,000	0.02		
	Purchase 13-Jul-2018	30,000	0.02	60,000	0.03		
	Purchase 17-Aug-2018	10,000	0.01	70,000	0.04		
	Purchase 24-Aug-2018	10,000	0.01	80,000	0.05		
	Purchase 31-Aug-2018	10,000	0.01	90,000	0.05		
	Purchase 14-Sep-2018	20,000	0.01	110,000	0.06		
	Purchase 21-Sep-2018	30,000	0.02	140,000	0.08		
	Purchase 05-Oct-2018	20,000	0.01	160,000	0.09		
	Purchase 02-Nov-2018	10,000	0.01	170,000	0.10		
	Purchase 30-Nov-2018	43,229	0.03	213,229	0.12		
	Purchase 14-Dec-2018	10,000	0.01	223,229	0.13		
	Purchase 21-Dec-2018	10,000	0.01	233,229	0.14		
	Purchase 28-Dec-2018	6,771	0.00	240,000	0.14		
	Purchase 04-Jan-2019	15,000	0.01	255,000	0.15		
	Purchase 18-Jan-2019	30,000	0.02	285,000	0.17		
	Purchase 25-Jan-2019	15,000	0.01	300,000	0.17		
	Purchase 01-Feb-2019	20,000	0.01	320,000	0.19		
	Purchase 08-Feb-2019	15,000	0.01	335,000	0.19		
	Purchase 22-Feb-2019	10,000	0.01	345,000	0.20		
	Purchase 01-Mar-2019	5,000	0.00	350,000	0.20		
	Purchase 08-Mar-2019	5,000	0.00	355,000	0.21		
	Purchase 15-Mar-2019	5,000	0.00	360,000	0.21	360,000	0.21

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year		At the end of the year (as on 31.03.2019)	
		No of shares	%	No of shares	%	No. of shares	%
12	Artico Sicav - Artico Global Small Cap	0	0.00				
	Purchase 29-Jun-2018	189,009	0.11	189,009	0.11		
	Purchase 27-Jul-2018	139,655	0.08	328,664	0.19	328,664	0.19
13	Sunil Kumar Wadhwa	213,500	0.12				
	Purchase 22-Jun-2018	47,000	0.03	260,500	0.15		
	Purchase 18-Jan-2019	42,000	0.02	302,500	0.18	302,500	0.18

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year		At the end of the year (as on 31.03.2019)	
		No. of shares	%	No. of shares	%	No. of shares	%
1	Ashwin C Muthiah	NIL	-	13,648	<0.01	13,648	<0.01

V. INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,111.91	600.00	NIL	1,711.91
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	1,111.91	600.00	NIL	1,711.91
Change in Indebtedness during the financial year				
Increase/(Decrease)	325.62	(600.00)	NIL	(274.38)
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>	1,437.53	NIL	NIL	1,437.53
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	1,437.53	NIL	NIL	1,437.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

No remuneration was paid to the Managing Director during the year, who draws remuneration from AMCHEM Speciality Chemicals Private Limited, Singapore, as its CEO. The remuneration to the Whole-time Director during the year was ₹ 29.15 lakh as per details given in the Corporate Governance Report in **Annexure A** (excluding contribution to Provident and Other Funds) against the Ceiling on remuneration of ₹ 1,045.01 lakh under the Act. No stock option, sweat equity or commission was given to these Directors.

B. Remuneration to other directors:

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

**C. Remuneration to other Key Managerial Personnel**

(₹ in lakh)

SI. No.	Particulars of Remuneration	CS	CFO	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41.93	57.11	99.04
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.54	2.18	3.72
	<b>Total</b>	<b>43.47</b>	<b>59.29</b>	<b>102.76</b>

- There was no stock option, sweat equity or commission to the above persons.
- The remuneration shown above is exclusive of contributions to Provident and Other Funds

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**
**For and on behalf of the Board**

 Place: Chennai  
 Date: June 12, 2019

 Ashwin C Muthiah  
 DIN: 00255679  
**Chairman**
**Annexure F**
**ANNUAL REPORT ON CSR ACTIVITIES DURING THE YEAR 2018-19**
**1. Brief outline of the CSR Policy and related information**
The policy

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

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

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

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

Overview of projects or programmes

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

**2. Composition of the CSR Committee**

As on 31<sup>st</sup> March 2019, the CSR Committee comprised Mr. Ashwin C Muthiah as Chairman, Ms. Sashikala Srikanth and Mr. G D Sharma as the other Members. During the year the Committee met four times, viz., on 16<sup>th</sup> May 2018, 9<sup>th</sup> August 2018, 13<sup>th</sup> October 2018 and 12<sup>th</sup> February 2019. All the Members attended all the meetings.

- Average net profit of the Company for the last three financial years** ₹ 7,214.58 lakh
- Prescribed CSR Expenditure** ₹ 144.29 lakh
- Details of CSR Spent during the financial year**
  - Total amount to be spent for the financial year ₹ 144.29 lakh
  - Amount unspent ₹ 9.59 lakh

c. Manner of spending the amount

I. Provision of drinking water at 3 villages

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

Once the land is allotted, the project would be implemented at an estimated cost of ₹ 150 lakh for which MPL has so far paid ₹ 40 lakh to the Foundation to meet the survey and other expenses. Further payments would be made based on the implementation schedule and progress.

II. Provision of toilets at individual households

The Company took up project for provision of latrines at individual households in Tiruvottiyur area, near the factories under the Swachh Bharat Programme. Out of the proposed 250 units 192 have been completed for which ₹ 35.00 lakh has been disbursed. Balance units would be constructed once the beneficiaries are identified by the Chennai Corporation.

In addition to the above 56 households were proposed to be covered in Tiruvallur District at a cost of about ₹ 13.25 lakh. Since the concerned authorities have not yet signed the MOU, the project is pending.

III. Sanitation and Drinking water facilities at schools

The Board approved ₹ 285 lakh for provision of sanitation and drinking water facilities in ten schools in and around the Manali area. Of these five schools were identified in 2017-18 and implementation completed in four schools. Further five schools were identified during the year under review and the work is in progress in one of the schools. Approvals have been received for 2 schools and awaited for the remaining two. The total amount spent during the year 2018-19 was ₹ 134.70 lakh.

6. **Reasons for amount not spent**

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

All the aforesaid projects being aimed to provide enduring and long term benefits to the under privileged people, the implementation is not confined to a single year or activity. Hence though it is not mandatory to carry over the unspent amount, the Board has decided that the entire unspent amount relating to the previous years could be accumulated and spent for the above project.

Against total obligations of ₹ 5.92 crore since 2014-15, the Board has approved various projects for ₹ 4.47 crore of which an aggregate amount of ₹ 2.20 crore has been spent since the year 2015-16. Further projects would be identified and implemented in due course.

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

Muthukrishnan Ravi  
DIN 03605222  
Managing Director

Ashwin C Muthiah  
DIN 00255679  
Chairman of the CSR Committee



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Manali Petrochemicals Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2019, 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, 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

Attention is invited to Note No. 48 to the Standalone Ind AS Financial Statements, explaining that the period of lease relating to the leasehold land on which one of the manufacturing units of the Company is operating has since expired on June 30, 2017 for which requests for renewal have been filed by the Company with Govt. of Tamil Nadu, (the Lessor) and the extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Standalone Ind AS Financial Statements for the year ended March 31, 2019 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management is confident of obtaining the renewal of the lease of the land. Our opinion is not modified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, which in our professional judgment, were most significant in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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
<p>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.</p> <p>This is an area of significant judgement and with varying complexity, depending on nature of arrangement which differs from customer to customer.</p> <p>Therefore, there is a risk of revenue being misstated as a result of faulty estimations relating to discounts to its customers</p>	<p>(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.</p> <p>(ii) We have tested the effectiveness of the entity's internal controls over calculation of discounts.</p> <p>(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.</p> <p>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.</p>

## 2) Evaluation of Contingent Liabilities

Key Audit Matter	Auditor's Response
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 Ind AS financial statements and hence considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>(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;</p> <p>(ii) We have considered the list of various orders/notices/demands received with respect to various litigations from the management;</p> <p>(iii) We 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.</p> <p>(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;</p> <p>(v) We assessed the objectivity and competence of the Management and independence of the legal experts;</p> <p>(vi) We evaluated the Management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the standalone Ind AS financial statements; and</p> <p>(vii) We assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.</p> <p>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.</p>

## 3) Evaluation of Carrying Value of Captive Power Plant (Property, Plant and Equipment):

Key Audit Matter	Auditor's Response
<p>The Management has suspended the operations of the Captive Power Plant (CPP) and is in the process of evaluating the future course of action and viability of the plant which is mainly dependent on the availability and pricing of fuel. The Management has estimated the recoverable value of the CPP plant as ₹ 23.13 crore, which is the carrying value as at 31<sup>st</sup> March 2019.</p> <p>Due to the multitude of factors, assumptions and significant judgments involved in estimating the recoverable values, any adverse changes to these assumptions could result in change in the recoverable value determined resulting in such recoverable value becoming lower than the carrying amount.</p> <p>Therefore, there is a risk of the carrying value being stated above to be different from the recoverable value and hence considered as a key audit matter.</p>	<p>Principal audit procedures performed:</p> <p>In evaluating this key audit matter, we considered the following:</p> <p>(i) Completeness and accuracy of the data and reasonableness of assumptions considered in determining the recoverable value.</p> <p>(ii) The External valuation obtained by the Management for the immediately preceding financial year where the Management had confirmed that the valuation report is still be relevant for assessing the recoverable value of CPP as at 31<sup>st</sup> March 2019. The assessment associated with the determination of the recoverable value included the following procedures:</p> <ol style="list-style-type: none"> <li>Discussions with key management persons to identify factors that have been taken into account in the analysis.</li> <li>Assessed the reasonableness of the valuation methodology considered by the external specialist, appointed by the Management having specific regard to the Management's plans of putting the CPP into use with alternate fuels to make the operations viable.</li> <li>Evaluation of the Management's assumptions used in determining the recoverable value insofar it relates to justification of the carrying value</li> </ol> <p>Based on the procedures stated above we found that the justification of the carrying value is appropriate considering the Management's future plans.</p>

### **Information Other than the Standalone Ind AS 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 does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone Ind AS 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 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 37(i) to the standalone Ind AS 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

Place: Chennai  
Date: May 20, 2019

**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 Ind AS Financial Statements for the year ended March 31, 2019**

- i. In respect of Company's fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. No material discrepancies were noticed upon physical verification during the year.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a) on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

[₹ in lakh]

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved	Amount unpaid
Central Excise Act, 1944	Excise Duty	High Court of Madras	2007-08	53.39	-
		High Court of Madras	2012-13	380.89	380.89
Customs Tariff Act,1962	Customs Duty	Additional Director General, DRI	Various Years	383.08	383.08
Finance Act,1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	4.80
TNVAT & CST Acts	Sales Tax	TN Sales Tax Appellate Tribunal	2000-01	10.74	10.74
		Appellate Deputy Commissioner	2003-04	21.62	-
		High Court of Madras	2008-09	6.06	6.06
		Appellate Deputy Commissioner	2007-08,2008-09 2009-10	12.58	12.58
		Appellate Deputy Commissioner	2008-09	7.17	7.17
			Assessment Year		
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	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	108.22
		Commissioner of Income Tax (Appeals)	2016-17	232.14	232.14
<b>Total</b>				<b>2,880.55</b>	<b>2,248.07</b>

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

- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not obtained any term loans during the year.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid /provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

N. Sri Krishna  
**Partner**  
Membership No: 026575

Place: Chennai  
Date: May 20, 2019

**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 Ind AS Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Company") as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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**

Place: Chennai  
Date: May 20, 2019

Membership No: 026575



**Standalone Balance Sheet as at March 31, 2019**

		[₹ in lakh]	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. ASSETS</b>			
<b>I Non-Current Assets</b>			
a) Property, Plant and Equipment	3	18,283.57	17,124.52
b) Capital work-in-progress		634.62	1,221.10
c) Intangible Assets		-	-
d) Financial Assets:			
i) Investments	4	11,043.25	11,044.72
ii) Other Financial Assets	5	15.63	16.14
e) Other Non-Current Assets	6	2,104.23	2,014.97
<b>Total Non-Current Assets</b>		<u>32,081.30</u>	<u>31,421.45</u>
<b>II Current Assets</b>			
a) Inventories	7	9,988.61	5,668.07
b) Financial Assets:			
i) Current Investments	8	-	5,676.29
ii) Trade Receivables	9	8,185.45	7,646.28
iii) Cash and Cash Equivalents	10	4,487.65	164.44
iv) Bank balances other than iii) above	11	745.49	554.71
v) Loans	12	3,538.40	60.19
vi) Other Financial Assets	13	65.41	9.34
c) Other Current Assets	14	1,010.06	678.55
<b>Total Current Assets</b>		<u>28,021.07</u>	<u>20,457.87</u>
<b>TOTAL ASSETS</b>		<u>60,102.37</u>	<u>51,879.32</u>
<b>B. EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
a) Equity Share Capital	15	8,603.47	8,603.47
b) Other Equity		35,552.07	30,003.03
<b>Total Equity</b>		<u>44,155.54</u>	<u>38,606.50</u>
<b>II Liabilities</b>			
<b>A Non-Current Liabilities</b>			
a) Provisions	16	227.17	131.68
b) Deferred Tax Liabilities (net)	17	2,016.79	1,413.68
c) Other Non-Current Liabilities	18	449.38	481.50
<b>Total Non-Current Liabilities</b>		<u>2,693.34</u>	<u>2,026.86</u>
<b>B Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	19	1,437.53	1,711.91
ii) Trade Payables	20		
1. Total outstanding dues to Micro Enterprises and Small Enterprises		10.98	33.03
2. Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		7,853.26	4,486.71
iii) Other Financial Liabilities	21	417.97	420.29
b) Provisions	22	1,600.19	1,616.61
c) Other Current Liabilities	23	1,933.56	2,977.41
<b>Total Current Liabilities</b>		<u>13,253.49</u>	<u>11,245.96</u>
<b>Total Liabilities</b>		<u>15,946.83</u>	<u>13,272.82</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>60,102.37</u>	<u>51,879.32</u>

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: May 20, 2019

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 Profit and Loss for the year ended March 31, 2019

[₹ in lakh]

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1 Revenue</b>			
a) Revenue from Operations	24	70,211.80	66,290.48
b) Other Income	25	679.52	166.57
<b>Total Revenue (Gross) [a+b]</b>		<b>70,891.32</b>	<b>66,457.05</b>
<b>2 Expenses</b>			
a) Cost of materials consumed	26	47,270.79	40,745.05
b) Excise duty on sale of goods		-	1,757.97
c) Changes in inventories of finished goods and work-in-progress.	27	(2,196.39)	1,429.14
d) Employee benefits expense	28	2,567.91	2,197.12
e) Finance costs	29	173.71	281.60
f) Depreciation and amortisation expense	30	1,032.44	824.74
g) Power & Fuel	31	7,861.58	6,160.66
h) Other expenses	32	5,589.78	4,675.82
<b>Total Expenses</b>		<b>62,299.82</b>	<b>58,072.10</b>
<b>3 Profit Before Exceptional Items and Tax [1-2]</b>		<b>8,591.50</b>	<b>8,384.95</b>
<b>4 Exceptional Items</b>		<b>1,677.00</b>	<b>-</b>
<b>5 Profit Before Tax [3+4]</b>		<b>10,268.50</b>	<b>8,384.95</b>
<b>6 Tax Expenses</b>	33		
a) Current Tax		2,970.00	2,110.00
b) Short/(Excess) Provision for tax relating to prior years		178.58	-
c) Deferred Tax		603.11	787.93
<b>Total Tax Expenses [a+b+c]</b>		<b>3,751.69</b>	<b>2,897.93</b>
<b>7 Profit for the period [5-6]</b>		<b>6,516.81</b>	<b>5,487.02</b>
<b>8 Other Comprehensive Income</b>			
<b>Items that will not be classified to profit or (loss)</b>			
Changes in Fair Value of Equity Investments		(0.28)	(0.17)
Remeasurement Cost of net defined employee benefits	29	69.31	(33.38)
<b>9 Total Comprehensive Income [7+8]</b>		<b>6,585.84</b>	<b>5,453.47</b>
<b>10 Earnings per equity share [Face value of ₹ 5 each]</b>	34		
a) Basic (in ₹)		3.83	3.17
b) Diluted (in ₹)		3.83	3.17

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: May 20, 2019

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 31<sup>st</sup> March 2019

(₹ in lakh)

Balance as at April 01, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
8,603.47	-	8,603.47
<b>For the year ended 31<sup>st</sup> March 2018</b>		
Balance as at April 01, 2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
8,603.47	-	8,603.47

### B. Other Equity

#### Statement of Changes in Other Equity (2018-19)

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium	General Reserve	Capital Reserve			
Balance at the beginning of reporting Period (01.04.2018)	91.45	109.20	84.00	1.20	(28.55)	30,003.03
Profit for the year	-	-	-	(0.28)	69.31	6,565.84
Dividend paid during the year including tax therein	-	-	-	-	-	(1,036.80)
<b>Balance at the end of reporting Period (31.03.2019)</b>	<b>91.45</b>	<b>109.20</b>	<b>84.00</b>	<b>0.92</b>	<b>40.76</b>	<b>35,552.07</b>

#### Statement of Changes in Other Equity (2017-18)

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Total
	Securities Premium	General Reserve	Capital Reserve			
Balance at the beginning of reporting Period (01.04.2017)	91.45	109.20	84.00	1.37	4.83	25,564.64
Profit for the year	-	-	-	(0.17)	(33.38)	5,453.47
Dividend paid during the year including tax therein	-	-	-	-	-	(1,035.08)
<b>Balance at the end of reporting Period (31.03.2018)</b>	<b>91.45</b>	<b>109.20</b>	<b>84.00</b>	<b>1.20</b>	<b>(28.55)</b>	<b>30,003.03</b>

As per our report of even date attached

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

N. Sri Krishna  
**Partner**  
 Membership No. 026575

Place: Chennai  
 Date: May 20, 2019

For and on behalf of the Board of Directors

Ashwin C Muthiah  
**Chairman**  
 (DIN: 00255679)

Anis Tvebali Hyderi  
**Chief Financial Officer**

R Kothandaraman  
**Company Secretary**

## Standalone Statement of Cash Flows for the year ended March 31, 2019

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash Flow from operating activities</b>		
<b>Profit before Tax</b>	<b>10,268.50</b>	<b>8,384.95</b>
<b>Adjustments for</b>		
Depreciation	1,032.44	824.74
Provisions no longer required written back	(1,764.97)	(850.80)
Dividend income	(229.15)	(86.58)
Finance costs	173.71	281.60
Interest income	(154.03)	(16.63)
Provision for doubtful debts	3.23	16.18
Net unrealised exchange (gain) / loss	134.33	81.00
Loss on sale / write-off of assets	135.61	0.63
<b>Net Adjustments</b>	<b>(668.83)</b>	<b>250.14</b>
<b>Operating Profit</b>	<b>9,599.67</b>	<b>8,635.09</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets</b>		
Inventories	(4,320.54)	5,974.69
Trade Receivables	(542.40)	(775.78)
Other Financial Assets	(3,478.21)	26.14
Other Current Assets	(387.58)	1,345.82
Other Non-Current Assets	128.56	(532.13)
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	3,210.19	(5,928.66)
Other financial liabilities	(2.32)	20.18
Other Current liabilities	790.43	314.18
Short-term provisions	(161.36)	49.31
Other Non Financial Liabilities	(32.12)	335.82
Long-term provisions	95.49	(1.42)
<b>Net Adjustments</b>	<b>(4,699.86)</b>	<b>828.15</b>
Net income tax paid	(3,003.64)	(2,542.00)
<b>Net cash from / (used in) Operating activities [A]</b>	<b>1,896.17</b>	<b>6,921.24</b>
<b>B. Cash Flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(1,957.95)	(2,033.44)
Sale/(Investments) in Equity shares	1.19	(1.79)
Interest income	154.03	16.63
Dividend income	229.15	86.58
Bank balances not considered as cash and cash equivalents	(190.78)	409.63
<b>Net cash from / (used in) Investing activities [B]</b>	<b>(1,764.36)</b>	<b>(1,522.39)</b>

[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C. Cash Flow from financing activities</b>		
(Repayment) / Proceeds from Short-term borrowings	(274.38)	(594.17)
Interest paid	(173.71)	(278.88)
Dividend paid	(860.00)	(860.00)
Tax on dividend	(176.80)	(175.08)
<b>Net cash from / (used in) Financing Activities [C]</b>	<b>(1,484.89)</b>	<b>(1,908.13)</b>
<b>Net (decrease) / increase in cash and cash equivalents = (A+B+C)</b>	<b>(1,353.08)</b>	3,490.72
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,840.73</b>	2,350.01
<b>Cash and cash equivalents at the end of the period</b>	<b>4,487.65</b>	5,840.73

**Components of Cash & Cash Equivalents:**

Cash and Cash Equivalents (Note: 10)		
Cash on hand	2.35	2.98
Balance(s) In current accounts (including debit balance(s) in cash credit)	5.30	161.04
Balances in Fixed deposit original maturity period less than 3 months	4,480.00	-
Balance(s) In EEFC accounts	-	0.42
<b>Current Investments (Note: 8)</b>	<b>-</b>	<b>5,676.29</b>
<b>Total Cash and Cash Equivalents</b>	<b>4,487.65</b>	<b>5,840.73</b>

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

Particulars	As at March 31, 2018	Cash Flows	Fair Value Changes	As at March 31, 2019
Short term Borrowings	1,711.91	(274.38)	-	1,437.53
<b>Total Liabilities from Financing Activities</b>	<b>1,711.91</b>	<b>(274.38)</b>	<b>-</b>	<b>1,437.53</b>

As per our report of even date attached

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

N. Sri Krishna  
**Partner**  
Membership No. 026575

Place: Chennai  
Date: May 20, 2019

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 Standalone Financial Statements for the year ended March 31, 2019

### 1. General Information

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

### 2. Significant Accounting Policies

#### 2.1. Statement of Compliance

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

#### 2.2. Basis of Preparation and Presentation

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

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

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

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

The principal accounting policies are set out below:

#### 2.3. Revenue Recognition:

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

##### 2.3.1 Sale of goods

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

##### 2.3.2 Income from services

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

##### 2.3.3 Export Incentive

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

## 2.4 Other Income

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

### 2.4.1 Government Grants

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

Government grants that are receivable towards capital investments under State Investments Promotion Scheme are recognised in the Statement of Profit and Loss in the period in which they become receivable. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

### 2.4.2 Leases

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

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

### 2.4.3 Finance Lease

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

## 2.5 Functional and presentation currency

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

## 2.6 Foreign currency transactions

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

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

## 2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

## 2.8 Employee benefits

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

### 2.8.1 Defined Contribution Plans

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

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

### 2.8.2 Defined benefit plans

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

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

The Company presents defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment. The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### 2.8.3 Short-term employee benefits

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

### 2.8.4 Other long-term employee benefits

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

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

### 2.9 Earnings per share

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

### 2.10 Taxation

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

#### Current tax

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

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally



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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Current and deferred tax for the year**

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

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

### **2.11 Property, Plant and Equipment**

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

#### **Componentization**

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

#### **Expenditure during the Construction period**

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

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

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

- i) Certain Plant and Machinery – 20 years
- ii) Software – 5 years

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

### **2.12 Impairment of tangible assets**

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

### 2.13 Inventories

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

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

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

### 2.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

### 2.15 Financial Instruments

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

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

### 2.16 Financial assets

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

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

### 2.17 Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

#### **2.18 Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### **2.19 Investments in subsidiaries**

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

#### **2.20 Investments in equity instruments at FVTOCI**

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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

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

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

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

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

## 2.22 Impairment of financial assets

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

## 2.23 De-recognition of financial assets

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

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

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

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

## 2.24 Foreign exchange gains and losses

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

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

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

## 2.25 Financial liabilities and equity instruments

### Classification as debt or equity

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

### Equity instruments

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

### Financial liabilities

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

#### Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

#### Foreign Exchange Gains and Losses

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

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

#### **Derecognition of Financial Liabilities**

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

### **2.26 Critical accounting judgements and key sources of estimation uncertainty**

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

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

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

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

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

#### **b. Provision for doubtful receivables**

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

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

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

#### **d. Provision for employee benefits**

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

#### **e. Provision for taxes**

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

### **2.27 Changes in Accounting Standard and recent accounting pronouncements**

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019. 1. Ind AS 12, Income taxes-Appendix C on uncertainty over income tax treatment. 2. Ind AS 12, Income Taxes-Accounting for Dividend Distribution Taxes. 3. Ind AS 23, Borrowing costs. 4. Ind AS 28 - Investment in associates and joint ventures. 5. Ind AS 103 and Ind AS 111 - Business combinations and joint arrangements. 6. Ind AS 109-Financial instruments. 7. Ind AS 19-Employee benefits. The Company is in the process of evaluating the impact of such amendments.

**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
<b>Deemed Cost</b>									
As At March 31, 2017	3,099.33	1.26	1,273.65	10,300.75	208.86	123.07	59.68	20.88	15,087.48
Additions	-	-	50.80	3,698.83	-	3.15	-	16.08	3,768.86
Disposals	-	-	-	-	4.74	-	-	-	4.74
As At March 31, 2018	3,099.33	1.26	1,324.45	13,999.58	204.12	126.22	59.68	36.96	18,851.60
Additions	-	-	59.80	2,246.33	-	3.36	7.68	9.95	2,327.12
Disposals	-	-	0.19	166.36	4.44	0.58	7.55	1.71	180.83
As At March 31, 2019	3,099.33	1.26	1,384.06	16,079.55	199.68	129.00	59.81	45.20	20,997.89
<b>Depreciation and Amortisation</b>									
As At March 31, 2017	-	1.22	86.51	784.67	5.16	11.03	14.98	2.88	906.45
Charged during the year	-	-	92.42	681.17	34.45	13.01	-	3.69	824.74
Disposals	-	-	-	-	4.11	-	-	-	4.11
As At March 31, 2018	-	1.22	178.93	1,465.84	35.50	24.04	14.98	6.57	1,727.08
Charged during the year	-	-	99.52	889.30	27.94	11.16	-	4.52	1,032.44
Disposals	-	-	0.04	39.71	1.70	0.21	2.74	0.80	45.20
As At March 31, 2019	-	1.22	278.41	2,315.43	61.74	34.99	12.24	10.29	2,714.32
Net Book Value									
As At April 01, 2016	3,099.33	0.04	1,187.14	9,516.08	203.70	112.04	44.70	18.00	14,181.03
As At March 31, 2018	3,099.33	0.04	1,145.52	12,533.74	168.62	102.18	44.70	30.39	17,124.52
As At March 31, 2019	3,099.33	0.04	1,105.65	13,764.12	137.94	94.01	47.57	34.91	18,283.57

The Addition includes those relating to R &amp; D aggregating to ₹ NIL (Previous Year 2017-18 ₹ 28.53 lakh)

**B. Other Intangible Assets - NIL**

[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>4 Other Non-Current Investments</b>		
<b>Non-Current Investments</b>		
<b>a) Investments in equity instruments at FVTOCI</b>		
<b>Quoted Investments</b>		
Chennai Petroleum Corporation Limited (500 equity shares [500 in 2017-18] of ₹ 10 each fully paid)	1.36	1.65
<b>Total of Quoted Investments</b>	<b>1.36</b>	1.65
<b>Unquoted Investments</b>		
OPG Power Generation Private Limited (90,000 [100,600 in 2017-18] equity shares of ₹ 10 each fully paid)	9.54	10.76
AM Foundation (1,700 [1,300 in 2017-18] Equity shares of ₹ 10 each fully paid)	0.17	0.13
<b>Total of Unquoted Investments</b>	<b>9.71</b>	10.89
<b>Total of Investments at FVTOCI (a)</b>	<b>11.07</b>	12.54
<b>b) Investment in equity shares of Wholly Owned Subsidiary</b>		
<b>Unquoted Investments</b>		
AMCHEM Speciality Chemicals Private Limited, Singapore (1,64,21,208 Equity Shares [1,64,21,208 in 2017-18] of USD 1 each fully paid)	11,032.18	11,032.18
<b>Total of Investments in Wholly Owned Subsidiary (b)</b>	<b>11,032.18</b>	11,032.18
<b>Total Other Non-Current Investments (a+b)</b>	<b>11,043.25</b>	11,044.72
Aggregate book value of quoted investments	1.36	1.65
Aggregate market value of quoted investments	1.36	1.65
Aggregate carrying value of unquoted investments	11,043.25	11,044.72
Aggregate amount of impairment in value of investments	-	-

**5 Other Financial Assets**

<b>Non-Current</b>		
Security deposits	15.63	16.14
<b>Total Other Financial Assets</b>	<b>15.63</b>	16.14

**6 Other Non-Current Assets**

<b>Others</b>		
Capital advances	249.43	32.12
Advance tax (Net of provision for tax)	876.41	984.83
Other Advances	978.39	998.02
<b>Total Other Non-Current Assets</b>	<b>2,104.23</b>	2,014.97



[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7 Inventories</b>		
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	2,730.21	3,001.00
Raw materials in transit	2,812.40	524.95
Work-in-progress	155.98	110.16
Finished goods	4,009.33	1,858.76
Stores and spares	280.69	173.20
<b>Total Inventories</b>	<b>9,988.61</b>	<b>5,668.07</b>

**8 Current Investments**

<b>Quoted Investments</b>		
Investment in Mutual Funds	-	5,676.29
<b>Total Current Investments</b>	<b>-</b>	<b>5,676.29</b>
<b>Aggregate Book value of quoted Investments</b>	<b>-</b>	<b>5,676.29</b>
<b>Aggregate Market value of quoted Investments</b>	<b>-</b>	<b>5,676.29</b>

**9 Trade Receivables**

<b>Current:</b>		
Trade Receivables - Considered good, unsecured	8,185.45	7,646.28
Trade receivables - Credit impaired	26.75	23.52
Allowance for bad and doubtful debts	(26.75)	(23.52)
<b>Total Trade Receivables</b>	<b>8,185.45</b>	<b>7,646.28</b>

**10 Cash and Cash Equivalents**

<b>Balances with Banks:</b>		
In current accounts	5.30	161.04
In EEFC accounts	-	0.42
In Fixed deposit with original maturity period of less than 3 months	4,480.00	-
Cash on hand	2.35	2.98
<b>Total Cash and Cash Equivalents</b>	<b>4,487.65</b>	<b>164.44</b>

Cash on hand includes ₹ 1.19 lakh (2017-18 ₹ 1.38 lakh) held in various foreign currencies.

**11 Bank balances other than Cash and Cash Equivalents**

Fixed Deposit with original maturity period more than 3 months	103.29	-
Margin money deposit Accounts	224.23	134.42
Unpaid dividend accounts	417.97	420.29
<b>Total Bank balances</b>	<b>745.49</b>	<b>554.71</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12 Loans</b>		
<b>Current</b>		
Security deposits		
Considered Good - Unsecured	9.59	18.39
<b>Other loans:</b>		
<b>Considered Good - Unsecured:</b>		
Loans and advances to employees	28.81	41.80
Loans-Others*	3,500.00	-
<b>Total Loans</b>	<b>3,538.40</b>	<b>60.19</b>

\* Loans-Others represent 14% Inter-Corporate Deposit advanced during the year for working capital purposes.

### 13 Other Financial Assets

Interest Accrued on Deposits	65.41	9.34
<b>Total Other Financial Assets</b>	<b>65.41</b>	<b>9.34</b>

### 14 Other Current Assets

Advances given to vendors	497.87	406.18
Prepaid expenses	397.39	165.64
Unamortised premium on forward contracts	23.45	4.11
<b>Balances with Government authorities</b>		
GST / CENVAT / VAT Credit receivable	91.35	102.62
<b>Total Other Current Assets</b>	<b>1,010.06</b>	<b>678.55</b>

**15 Equity share capital**

[₹ in lakh]

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	240,000,000	12,000.00	240,000,000	12,000.00
Movements during the year	-	-	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	240,000,000	12,000.00	240,000,000	12,000.00
<b>Issued, Subscribed and paid up shares</b>				
Fully paid up Equity Share capital (Face Value of ₹ 5 each)	171,999,229	8,599.96	171,999,229	8,599.96
Forfeited Shares - amount paid up		3.51		3.51
<b>Total Equity Share Capital</b>	171,999,229	8,603.47	171,999,229	8,603.47

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

**a) Reconciliation of number of shares outstanding**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	171,999,229	8,603.47	171,999,229	8,603.47
Issued / Forfeited during the year	-	-	-	-
Outstanding at the end of the year	171,999,229	8,603.47	171,999,229	8,603.47

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Holding %	No. of shares	Holding %
<b>Fully paid equity shares</b>				
SIDD Life Sciences Private Limited	65,846,053	38.28	65,846,053	38.28
Tamilnadu Industrial Development Corporation Limited	11,212,500	6.52	11,212,500	6.52

**c) Terms / rights attached to equity shares**

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>16 Non-Current Provisions</b>		
<b>Employee Benefits</b>		
Post employment benefits	135.59	50.81
Compensated absences	91.58	80.87
<b>Total Non-Current Provisions</b>	<b>227.17</b>	<b>131.68</b>

**17 Deferred Tax Liability (Net)**

<b>Tax Effect of Items Constituting Liabilities</b>		
Property, Plant & Equipment (Difference between book balance and tax balance)	2,681.58	2,269.77
<b>Tax Effect of Items Constituting Assets</b>		
Provision for doubtful debts / advances	(9.35)	(8.22)
Provisions Disallowed u/s 43B of Income Tax Act, 1961	(567.19)	(773.54)
Provisions for Compensated absences, Gratuity and Other employee benefits	(88.25)	(74.33)
<b>Net Deferred Tax Liabilities</b>	<b>2,016.79</b>	<b>1,413.68</b>

**18 Other Non-Current Liabilities**

<b>Unsecured - at amortised cost</b>		
Deposits	115.02	130.35
Deferred Income	334.36	351.15
<b>Total Other Non-Current Liabilities</b>	<b>449.38</b>	<b>481.50</b>

**Deposits have been classified as under:**

As Non-Current Liabilities	115.02	130.35
As Current Liabilities	15.33	15.33
<b>Total Deposits</b>	<b>130.35</b>	<b>145.68</b>

**Interest free deposit movement:**

Opening Balance	145.68	161.01
Less: Refunded during the year	15.33	15.33
<b>Closing Balance</b>	<b>130.35</b>	<b>145.68</b>

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 refundable in fifteen equal annual installments commencing from April 2012.

**Deferred Income has been classified as under:**

As Non-Current Deferred Income	334.36	351.15
As Current Deferred Income	16.79	16.79
<b>Total Deferred Income</b>	<b>351.15</b>	<b>367.94</b>

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: 23

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19 Current Borrowings</b>		
<b>Secured - at amortised cost</b>		
<b>From Banks:</b>		
Cash Credit & Bills Discounted	<b>1,437.53</b>	1,111.91
<b>Unsecured - at amortised cost</b>		
<b>From Banks:</b>		
Short-Term Borrowings	-	600.00
<b>Total Current Borrowings</b>	<b>1,437.53</b>	1,711.91

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

## 20 Trade Payables

<b>Trade Payables</b>		
Dues to Micro and Small Enterprises	<b>10.98</b>	33.03
Dues to Related Parties	<b>1,270.19</b>	85.90
Dues to Others	<b>6,583.07</b>	4,400.81
<b>Total Trade Payables</b>	<b>7,864.24</b>	4,519.74

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

## 21 Other Financial Liabilities

Unpaid dividend	<b>417.97</b>	420.29
<b>Total Other Financial Liabilities</b>	<b>417.97</b>	420.29

## 22 Current Provisions

<b>Employee benefits</b>		
Gratuity	<b>7.50</b>	58.83
Compensated absences	<b>17.89</b>	22.19
<b>Others</b>		
Provision for wage arrears *	<b>469.19</b>	434.11
Other Provisions	<b>1,105.61</b>	1,101.48
<b>Total Current Provisions</b>	<b>1,600.19</b>	1,616.61

### \* 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 side, the Supreme Court gave directions to withdraw the SLP. Based on the Management's efforts most of the workmen opted for out of Court settlements to whom payments were made and adjusted against the earlier provisions. The provision is in respect of the remaining workmen, who have not yet come forward for out of Court settlement, the provision is carried pending the final outcome of the case.

Movement in the provision for wage arrears is given below:

Balance at the beginning of the year	<b>434.11</b>	792.35
Charge for the year	<b>199.81</b>	113.84
Payments made during the year	<b>(164.73)</b>	(472.08)
<b>Balance at the end of the year</b>	<b>469.19</b>	434.11

**23 Other Current Liabilities**

[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues (Contributions to PF and ESIC, Withholding taxes, GST, ED, VAT, Service Tax, etc)	56.69	300.27
Contractually reimbursable expenses	19.59	32.69
Deposits	15.33	15.33
Deferred Income	16.79	16.79
Other Current Liabilities	1,825.16	2,612.33
<b>Total Other Current Liabilities</b>	<b>1,933.56</b>	<b>2,977.41</b>

**24 Revenue from Operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sale of Products</b>		
Finished Goods *	69,972.99	64,998.80
<b>Sale of Services</b>	25.00	236.00
<b>Other Operating Revenues</b>		
Scrap Sales	125.84	151.65
Provisions no longer required written back	87.97	850.80
Unclaimed liabilities written back	-	53.23
<b>Total Revenue from Operations</b>	<b>70,211.80</b>	<b>66,290.48</b>

\* Consequent to the introduction of Goods and Service Tax (GST) w.e.f 01.07.2017, revenue from operation for the year ended 31.03.2019 and nine months ended 31.03.2018 are disclosed net of GST. Till 30.06.2017, Excise Duty recovered from sale of excisable goods was included in revenue from operations, excise duty remitted was included in expenditure and difference between excise duty on opening and closing inventories was included in Other Expenses. Hence, revenue from the operations and excise duty remitted are not comparable with earlier period figures.

Excise duty on increase/(decrease) in finished goods amounting to ₹ NIL (Previous Year - (₹ 408.80) lakh) has been considered as expense.

**Details of Sales (Net)**
**Manufactured Goods**

Propylene Oxide	1,508.81	730.00
Propylene Glycol	21,943.71	20,297.59
Polyol	40,605.21	39,361.20
Others	7,954.26	6,684.21
<b>Total Manufactured Goods</b>	<b>72,011.99</b>	<b>67,073.00</b>
<b>Less: Trade Discounts</b>	<b>2,039.00</b>	<b>2,074.20</b>
<b>Total Sale of Products</b>	<b>69,972.99</b>	<b>64,998.80</b>

[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>25 Other Income</b>		
<b>Interest income</b>		
On Bank deposits (at amortised cost)	140.93	10.44
From Customers	7.73	6.19
On Inter-corporate deposits	5.37	-
<b>Dividend income</b>		
Dividends from current investments in Mutual funds	229.15	86.58
<b>Other non-operating income</b> (Net of expenses directly attributable to such income)		
Insurance claims received	161.09	-
Miscellaneous Income	135.25	63.36
<b>Total Other Income</b>	<b>679.52</b>	<b>166.57</b>

**26 Cost of Materials Consumed**

Opening Stock	3,525.95	8,000.28
Add: Purchases	49,287.45	36,270.72
Less: Closing Stock	5,542.61	3,525.95
<b>Total Cost of Materials Consumed</b>	<b>47,270.79</b>	<b>40,745.05</b>

**27 Changes in inventories of finished goods and work-in-progress**

<b>Inventories at the end of the year</b>		
Finished Goods	4,009.33	1,858.76
Work-in-process	155.98	110.16
	<b>4,165.31</b>	<b>1,968.92</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,858.76	3,202.88
Work-in-process	110.16	195.18
	<b>1,968.92</b>	<b>3,398.06</b>
<b>Net Decrease / (Increase) in Inventories</b>	<b>(2,196.39)</b>	<b>1,429.14</b>

**28 Employee Benefits Expense**

Salaries and Wages *	1,864.58	1,648.95
Contribution to provident and other funds	101.48	97.13
Gratuity expense	8.38	56.45
Post-Employment benefits	114.39	29.12
Staff welfare expenses	409.77	398.85
<b>Total Employee Benefits Expense</b>	<b>2,498.60</b>	<b>2,230.50</b>

\* Salaries and Wages include ₹ 106.50 lakh (Previous Year ₹ 89.70 lakh) towards R &amp; D Expenses

[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>29 Finance Costs</b>		
Interest on working capital borrowings	81.24	172.57
Other Finance cost	92.47	109.03
<b>Total Finance Costs</b>	<b>173.71</b>	<b>281.60</b>

### 30 Depreciation Expenses

Depreciation of property, plant and equipment pertaining to continuing operations	1,032.44	824.74
<b>Total Depreciation Expenses</b>	<b>1,032.44</b>	<b>824.74</b>

### 31 Power & Fuel

Power	2,728.06	2,312.54
Fuel	5,133.52	3,848.12
<b>Total Power &amp; Fuel Expenses</b>	<b>7,861.58</b>	<b>6,160.66</b>

### 32 Other Expenses

Consumption of Stores and Spares	481.76	788.81
Increase / (Decrease) of excise duty on inventory *	-	(408.80)
Water charges	1,143.70	880.57
Repairs and Maintenance		
Building	164.53	157.24
Plant and machinery	1,061.27	991.10
Information Technology	37.78	29.78
Others	94.86	111.57
Legal and Professional	565.75	340.09
Directors sitting fees	14.00	13.00
Expenditure on Corporate Social responsibility	134.70	39.71
Loss on Property, Plant and Equipment sold/scrapped/written off	135.61	0.63
Provision for Bad and Doubtful Debts	3.23	16.18
Payments to Statutory auditors:		
For audit services	8.50	8.50
For taxation matters	1.50	1.50
For other services	2.25	2.25
Payments to other auditors	14.08	15.58
Rent	113.61	205.44
Insurance	128.06	173.23
Rates & Taxes	371.32	330.50
Agency Commission	255.41	254.85
Freight Outward	145.25	154.67
Net foreign exchange losses	134.33	81.00
Miscellaneous Expenses	578.28	488.42
<b>Total Other Expenses</b>	<b>5,589.78</b>	<b>4,675.82</b>

The above Other Expenses include R&D spend aggregating to ₹ 145.82 lakh (Previous Year ₹ 188.96 lakh) under various items comprised therein.

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



Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>33 Income Tax recognised in Statement of Profit and Loss</b>		
<b>Current Tax</b>		
In respect of current year	2,970.00	2,110.00
In respect of prior years	178.58	-
<b>Deferred Tax</b>		
In respect of current year	603.11	787.93
<b>Total Tax Expenses</b>	<b>3,751.69</b>	<b>2,897.93</b>

**Reconciliation of Effective Tax Rate:**

Applicable tax rate (%)	34.80%	34.56%
Effect of Tax on Exempt Income (%)	0.76%	-0.35%
Effect of Non-Deductible expenses (%)	<u>-1.01%</u>	<u>0.01%</u>
<b>Effective Tax Rate (%)</b>	<b><u>34.55%</u></b>	<b><u>34.22%</u></b>

**34 Earnings Per Share (EPS)**

<b>The following reflects the profit and shares related data used in the Basic EPS computations:</b>		
Total Comprehensive Income for the period	6,585.84	5,453.47
No. of Shares used in computing earnings per share	171,999,229	171,999,229
Earnings Per Share - Basic and Diluted (in Rupees)	3.83	3.17
Face Value Per share (in Rupees)	5.00	5.00

**35 Exceptional Item**

Exceptional item of ₹ 1677.00 lakh for the year ended March 31, 2019 (Previous Year: Nil) represents reversal of Lease Rent provision made during the financial year 2014-15 (Refer Note 37)

**36 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 or geographical segments applicable to the Company.

**37 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, 2019	As at March 31, 2018
Claim for arrears of lease rent by Thasildar, Tiruvottiyur	19,836.00	-

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

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

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

**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, 2019	As at March 31, 2018
Excise Duty	High Court of Madras	2007-08	<b>53.39</b>	53.39
	High Court of Madras	2012	<b>380.89</b>	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	<b>6.80</b>	6.80
	<b>Disputed Excise &amp; Customs Demand</b>		<b>441.08</b>	441.08
	Appellate Deputy Commissioner (CT)	2003-04	<b>21.62</b>	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	<b>10.74</b>	10.74
Sales Tax	Appellate Deputy Commissioner (CT)	2008-09	<b>6.06</b>	6.06
	Assistant Commissioner - Sales Tax	1994-95	<b>3.44</b>	3.44
	<b>Disputed Sales Tax Demand</b>		<b>41.86</b>	56.98

Nature of the Dues	Forum before which the dispute is pending	Assessment Year	As at March 31, 2019	As at March 31, 2018
	Commissioner of Income Tax (Appeals)	2008-09	<b>518.45</b>	518.45
	Commissioner of Income Tax (Appeals)	2009-10	<b>3.12</b>	3.12
	Commissioner of Income Tax (Appeals)	2010-11	<b>176.88</b>	176.88
	Commissioner of Income Tax (Appeals)	2012-13	<b>476.90</b>	476.90
Income Tax	Income Tax Appellate Tribunal	2013-14	<b>30.46</b>	30.46
	Commissioner of Income Tax (Appeals)	2014-15	<b>78.08</b>	78.08
	Commissioner of Income Tax (Appeals)	2015-16	<b>108.22</b>	108.22
	Commissioner of Income Tax (Appeals)	2016-17	<b>232.14</b>	-
	<b>Disputed Income Tax Demand **</b>		<b>1,624.25</b>	1,392.11

\*\* Against the above demands, the Company has not paid any amount (₹ 21.64 lakh in 2017-18).

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

**ii) Commitments**

[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed (net of advances):	1,645.43	836.88
<b>Total Commitments</b>	<b>1,645.43</b>	<b>836.88</b>

**38 Payable to MSME**

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

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

**39. 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 ₹ 86.74 lakh (year ended 31 March, 2018 - ₹ 82.05 lakh) for Provident Fund contributions and ₹ 114.39 lakh (year ended 31 March, 2018 - ₹ 29.12 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 28 : Employee Benefits Expense).
- ii) Post-employment benefits (included as part of Post-employment benefits as per Note 28 : Employee Benefits Expense).
- iii) Compensated absences (included as a part of Salaries & Wages as per Note 28 : Employee Benefits Expense).

**Gratuity- Plant 1**

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

**Inherent Risk:**

The Plan is Defined Benefit in nature which is sponsored by the Company and hence it underwrites all the risks 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 longevity risk.

**Gratuity- Plant 2:**

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

**Pension**

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

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

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount Rate (%)	7.70%	7.58%	7.75%	7.69%
Estimated Rate of Return on Plan Assets (%)	7.25%	7.25%	0.00%	0.00%
Expected rate of salary increase (%)	5.00%	5.00%	5.00%	5.00%
Attrition Rate (%)	3.00%	3.00%	3.00%	3.00%
Expected Average Remaining Service (years)	-	-	33.86	35.00
Weighted Average Duration of Defined Benefit Obligation (Years)	5.00	8.70	6.00	12.43

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018
<b>Expense recognised in Statement of Profit or Loss</b>				
Current service cost	12.76	4.96	27.88	19.58
Past service cost	-	-	-	5.27
Interest cost on benefit obligation	9.81	9.21	23.03	16.97
Expected return on plan assets	(32.61)	(12.58)	(24.19)	(16.36)
<b>Sub Total</b>	<b>(10.04)</b>	1.59	<b>26.72</b>	25.46
<b>Recognised in Other Comprehensive Income</b>				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	3.79	-	11.38	0.01
ii. Financial Assumptions on obligation	2.79	(6.64)	(0.50)	(10.20)
iii. Experience Adjustments on obligation	20.56	(14.46)	11.98	42.90
iv. Actual Return on Plan Assets Less Interest on Plan Assets	(1.43)	21.08	(42.07)	0.68
<b>Sub Total</b>	<b>25.70</b>	(0.02)	<b>(19.21)</b>	33.39
<b>Net benefit expense</b>	<b>15.66</b>	1.57	<b>7.51</b>	58.85

**Balance Sheet**

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Benefit asset / liability</b>				
Present value of defined benefit obligation	177.66	129.33	341.54	288.32
Fair value of plan assets	182.92	169.55	334.03	229.49
<b>Assets / (Liability) recognized in the balance sheet</b>	<b>5.26</b>	40.22	<b>(7.51)</b>	(58.83)
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation	129.33	127.07	288.32	254.23
Benefit transferred in	-	-	-	-
Benefit transferred Out	-	-	-	-
Benefits paid	(1.38)	9.19	(20.55)	(40.45)
<b>Expenses Recognised in Statement of Profit and Loss Account</b>				
Current service cost	12.76	4.96	27.88	24.85
Interest cost on benefit obligation	9.81	9.21	23.03	16.97
Recognised in Other Comprehensive Income	25.70	(0.02)	(19.21)	33.39
Actuarial (gain)/loss on obligation	1.44	(21.08)	42.07	(0.67)
<b>Closing defined benefit obligation</b>	<b>177.66</b>	129.33	<b>341.54</b>	288.32

**Movement in the fair value of plan assets**

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018
<b>Opening fair value of plan assets</b>	<b>169.55</b>	168.87	<b>229.49</b>	237.61
Contributions by employer	(19.30)	-	58.83	-
Contributions transfer in	-	-	-	15.76
Benefits paid	(1.38)	9.19	(20.55)	(40.45)
Expenses Recognised in Profit and Loss Account				
Expected return	32.61	13.88	24.19	16.57
Recognised in Other Comprehensive Income				
<b>Actuarial (gain) / loss on plan assets</b>	<b>1.44</b>	(22.39)	<b>42.07</b>	-
<b>Closing fair value of plan assets</b>	<b>182.92</b>	169.55	<b>334.03</b>	229.49

**Percentage allocation of plan assets by category:**

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Government Securities	42.96%	45.19%	54.90%	50.39%
Debentures / bonds	35.66%	42.30%	37.31%	39.91%
Equity instruments	3.93%	4.75%	4.21%	4.76%
Savings/Fixed deposits	17.45%	7.76%	3.58%	4.94%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Within next 12 Months	145.63	9.60	47.73	12.13
Between 1 and 5 years	14.25	46.80	151.48	89.48
5 years and above	17.78	72.93	142.33	186.71

**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 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Impact of the change in discount rate - 1%	(4.80)	6.59	5.80	12.49
Impact of the change in salary increase - 1%	(0.50)	0.37	(1.90)	(15.28)
Impact of the change in Mortality - 5%	(0.30)	4.19	0.30	15.29

**Gratuity**

Particulars	Increase		Decrease	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Impact of the change in discount rate - 1%	(3.10)	(21.83)	3.30	23.27
Impact of the change in salary increase - 1%	3.30	23.15	(3.20)	(21.93)
Impact of the change in Mortality - 5%	-	0.18	-	(0.20)

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, 2019 were ₹ 111.94 lakh and ₹ 99.50 lakh respectively. [March 31, 2018 - ₹ 110.70 lakh and ₹ 92.25 lakh].

**40 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 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Subsidiary Companies</b>			
a) AMCHEM Speciality Chemicals Private Limited (w.e.f. 1 <sup>st</sup> March, 2016) (AMCHEM, Singapore)	Singapore	100.00%	100.00%
b) AMCHEM Speciality Chemicals UK Limited (w.e.f. 29 <sup>th</sup> September, 2016) (AMCHEM, UK)*	UK	100.00%	100.00%
c) Notedome Limited (w.e.f. 1 <sup>st</sup> 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 Petrochemicals Industries Limited	Associate Company having significant Influence
Tamilnadu Industrial Development Corporation Limited	Associate Company having significant Influence
Tamilnadu Petroproducts Limited	Joint Venture of the entity to which the company is an Associate
CNGSN & Associates LLP	Firm in which a relative of director is a partner
MPL Employees Superannuation Trust	Post Employment Benefit Plan Entity
MPL Employees Gratuity Fund Trust	Post Employment Benefit Plan Entity

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

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1</b>	<b>Dividend paid:</b>		
	SIDD Life Sciences Private Limited	<b>329.23</b>	329.23
	Tamilnadu Industrial Development Corporation Limited	<b>56.06</b>	56.06
	Southern Petrochemicals Industries Corporation Limited	<b>0.05</b>	0.05
<b>2</b>	<b>Purchase of Goods:</b>		
	Tamilnadu Petroproducts Limited	<b>2,911.27</b>	<b>827.40</b>
	Notedome Limited	<b>2.29</b>	-
<b>3</b>	<b>Purchase of Services:</b>		
	Tamilnadu Petroproducts Limited	<b>13.45</b>	<b>33.24</b>
	CNGSN & Associates LLP	<b>7.38</b>	5.83
	AMCHEM Speciality Chemicals Private Limited	<b>335.69</b>	105.20
<b>4</b>	<b>Purchase of Fixed Assets/ Property, Plant and Equipment:</b>		
	Tamilnadu Petroproducts Limited	<b>23.50</b>	<b>0.31</b>
	Notedome Limited	-	12.92
<b>5</b>	<b>Rendering of Services:</b>		
	Tamilnadu Petroproducts Limited	<b>17.65</b>	<b>236.00</b>
<b>6</b>	<b>Sale of Goods:</b>		
	Tamilnadu Petroproducts Limited	<b>74.46</b>	-
<b>7</b>	<b>Sale of Fixed Assets/ Property, Plant and Equipments:</b>		
	Tamilnadu Petroproducts Limited	-	84.22
<b>8</b>	<b>Reimbursements of Expenses:</b>		
	Tamilnadu Petroproducts Limited	-	51.12
<b>9</b>	<b>Contributions to Post employment benefit plan trust:</b>		
	MPL Employees Superannuation Trust	<b>30.35</b>	28.55
	MPL Employees Gratuity Fund Trust	<b>58.83</b>	16.62
	Refund received from MPL Employees Superannuation Trust#	<b>(34.30)</b>	-

# Represents amount reclaimed from LIC by the Trust which are contributions made for employees who had opted out of the scheme and refunded to them.

**d) Outstanding Balances:**

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>Trade Payables</b>		
	Tamilnadu Petroproducts Limited	1,270.19	85.90
<b>2</b>	<b>Other Payables</b>		
	Tamilnadu Petroproducts Limited	100.03	113.36
<b>3</b>	<b>Trade Receivables</b>		
	Tamilnadu Petroproducts Limited	47.44	-

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



**41 Operating Leases (Ind AS 17)**
**Details of operating leasing arrangements - Non-cancellable leases:**
**Bulk storage facility at Ennore Port**

The lease is for a period of 15 years from 1<sup>st</sup> 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.

**Office premises**

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

**Future minimum lease payments**

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	581.08	605.17
Later than one year and not later than five years	2,486.70	2,553.95
Later than five years	3,191.50	3,775.13
<b>Total</b>	<b>6,259.28</b>	<b>6,934.25</b>

**42 Corporate Social Responsibility**

As per Section 135 of the companies act 2013, the Company needs to spend 2% of its average net profit of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies act, 2013, as below:

Gross amount required to be spent by the company during the year ₹ 144.29 lakh.

Amount spent during the year on:

1) Construction / acquisition of any property	134.70	39.21
2) On purpose other than above	-	0.50

**43 Research and Development expenditure incurred during the year is given below:**

1	Revenue Expenditure	252.32	278.65
2	Capital Expenditure (including capital work-in-progress)	-	28.53

**44 Distribution made and proposed (Ind AS 1)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Cash dividend on equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2018: ₹ 0.50 per share (March 31, 2017 : ₹ 0.50 per share)	860.00	860.00
Dividend Distribution Tax on Final Dividend	176.80	175.08
<b>Total Distribution Paid</b>	<b>1,036.80</b>	<b>1,035.08</b>
<b>Proposed Dividend on Equity Shares</b>		
Final dividend for the year ended on March 31, 2019: ₹ 0.75 per share (March 31 2018: ₹ 0.50 per share)	1,290.00	860.00
Dividend Distribution Tax on Proposed Dividend	265.16	176.80
<b>Total Distribution Proposed</b>	<b>1,555.16</b>	<b>1,036.80</b>

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31, 2019.

#### 45 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 2019.

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

Particulars	March 31, 2019	March 31, 2018
Net debt (Long term debt less Cash and Cash equivalent)	-	-
Total equity	44,155.54	38,606.50

#### 46 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, 2019	March 31, 2018
<b>Financial Liabilities - Borrowings</b>		
+1% (100 basis points)	9.35	11.14
-1% (100 basis points)	(9.35)	(11.14)
<b>Financial Assets - Loans</b>		
+1% (100 basis points)	23.02	0.39
-1% (100 basis points)	(23.02)	(0.39)

There are no hedging instruments to mitigate this risk.

### Foreign Currency Risk

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

### Company's Total Foreign Currency Exposure

Particulars	Currency	March 31, 2019		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.2263	52.70	3,648.09
		March 31, 2018		
Trade Receivables	USD	-	-	-
Trade Payables	USD	64.5018	23.77	1,533.05

### Company's Unhedged Foreign Currency Exposure

Particulars	Currency	March 31, 2019		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.1713	0.00	0.05
		March 31, 2018		
Trade Payables	USD	65.0441	8.26	536.97

### 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, 2019	March 31, 2018
<b>USD sensitivity</b>		
INR/USD- increase by 5%	1.09	(17.56)
INR/USD- decrease by 5%	(1.09)	17.56

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

**Trade Receivables:**

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

Total Trade receivable as on March 31, 2019 is ₹ 8,185.45 lakh (March 31, 2018 ₹ 7,646.28 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, Loans and Current Investments is considered to be minimal as the counterparties are all substantial banks and corporate with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2019.

**iii. Liquidity risk**

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

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

Particulars	At 31 March 2019			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	1,437.53	-	-	1,437.53
Bank Borrowings	-	-	-	-
Trade and other payables	9,464.43	-	-	9,464.43
<b>Total</b>	<b>10,901.96</b>	<b>-</b>	<b>-</b>	<b>10,901.96</b>
<b>Current Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**47 A) Classification of Financial Assets and Liabilities (Ind AS 107)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Fair Value Through Profit and Loss</b>		
Investments	-	5,676.29
<b>Fair Value Through Other Comprehensive Income</b>		
Equity Shares	11.07	12.54
<b>Amortised Cost</b>		
Trade receivables	8,185.45	7,646.28
Loans	3,538.40	60.19
Cash and cash equivalents	4,487.65	164.44
Bank Balances	745.49	554.71
Other Financial Assets	65.41	9.34
<b>Total</b>	<b>17,033.47</b>	<b>14,123.79</b>
<b>Financial liabilities</b>		
<b>Amortised Cost</b>		
Borrowings	1,437.53	1,711.91
Trade payables	7,864.24	4,519.74
Other Financial Liabilities	417.97	420.29
<b>Total</b>	<b>9,719.74</b>	<b>6,651.94</b>

**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.

<b>Financial Assets at Fair Value Through Profit or Loss</b>		
Investments- Level-1	-	5,676.29
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>		
Investments in listed equity Shares- Level-1	1.36	1.65
Investments in unlisted equity Shares- Level-2	9.71	10.89

#### 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
Investments in listed equity shares	Market Value	Closing price as at 31 <sup>st</sup> March in Stock Exchange.
Investments in unlisted equity shares	Market Approach	Based on information provided and considering the availability of information in the public domain.

#### 48 Note on Leasehold Land

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

#### 49 Regrouping

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

#### 50 Approval of Financial Statements

The Financial Statements of Manali Petrochemicals Limited were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 20, 2019.

As per our report of even date attached

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

N. Sri Krishna  
**Partner**  
Membership No. 026575

Place: Chennai  
Date: May 20, 2019

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**

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

### Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS 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, 2019, 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 Ind AS 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, 2019, 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 Ind AS 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 Ind AS 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

Attention is invited to Note No. 49 to the Consolidated Ind AS Financial Statements, which explains that the period of lease relating to the leasehold land on which one of the manufacturing units of the Holding Company is operating has since expired, on June 30, 2017 for which requests for renewal have been filed by the Holding Company with Govt. of Tamil Nadu, (the Lessor) and the decision for extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the Consolidated Ind AS Financial Statements for the year ended March 31, 2019 for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the Management is confident of obtaining the renewal of lease of land. Our opinion is not modified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS 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
<p>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.</p> <p>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</p>	<p>(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.</p> <p>(ii) We have tested the effectiveness of the entity's internal controls over calculation of discounts.</p> <p>(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.</p> <p>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.</p>

## 2) Evaluation of Contingent Liabilities

Key Audit Matter	Auditor's Response
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 Ind AS financial statements and hence considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) We have considered the list of various orders/notices/demands received with respect to various litigations from the management;</li> <li>(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.</li> <li>(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;</li> <li>(v) We assessed the objectivity and competence of the management and independence of the legal experts;</li> <li>(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; and</li> <li>(vii) Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.</li> </ul> <p>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.</p>

## 3) Evaluation of Carrying Value of Captive Power Plant (Property, Plant and Equipment):

Key Audit Matter	Auditor's Response
<p>The Management has suspended the operations of the Captive Power Plant (CPP) and is in the process of evaluating the future course of action and viability of the plant which is mainly dependent on the availability and pricing of fuel. The Management has estimated the recoverable value of the CPP plant as ₹ 23.13 crore, which is the carrying value as at 31<sup>st</sup> March 2019.</p> <p>Due to the multitude of factors, assumptions and significant judgments involved in estimating the recoverable values, any adverse changes to these assumptions could result in change in the recoverable value determined resulting in such recoverable value becoming lower than the carrying amount.</p> <p>Therefore, there is a risk of the carrying value being stated above to be different from the recoverable value and hence considered as a key audit matter.</p>	<p>Principal audit procedures performed:</p> <p>In evaluating this key audit matter, we considered the following procedures:</p> <ul style="list-style-type: none"> <li>(i) Completeness and accuracy of the data considered, reasonableness of assumptions considered in determining the recoverable value.</li> <li>(ii) The external valuation obtained by the management for the immediately preceding financial year which the management had confirmed that the valuation report is still be relevant for assessing the recoverable value of CPP as at 31<sup>st</sup> March 2019. The assessment associated with the determination of the recoverable value included the following procedures: <ul style="list-style-type: none"> <li>a. Discussions with key management persons to identify factors that have been taken into account in the analysis.</li> <li>b. Assessed the reasonableness of the valuation methodology considered by the external expert, appointed by the Management having specific regard to the management plans of putting the CPP into use with alternate fuels to make the operations viable</li> <li>c. Evaluation of the Management's assumptions used in determining the recoverable value insofar it relates to justification of carrying value</li> </ul> </li> </ul> <p>Based on the procedures stated above we found that the justification of the carrying value is appropriate considering the Management's future plans.</p>



#### 4) Valuation of Goodwill on Consolidation:

Key Audit Matter	Auditor's Response
<p>As at March 31, 2019, the Group's assets include goodwill aggregating to ₹ 85.48 crore arising on acquisition of businesses of Notedome Limited which is engaged in the business of Petrochemicals.</p> <p>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.</p>	<p>Our audit procedures in relation to testing of impairment of goodwill, are as follows</p> <ol style="list-style-type: none"> <li>Assessed and tested the design and operating effectiveness of the Company's controls over recognition of impairment assessment process.</li> <li>Obtained the impairment analyses and tested the appropriateness of the impairment model and reasonableness of the key assumptions used.</li> <li>Compared the prior year budgets with the actual results to determine the efficacy of the management's budgeting process.</li> <li>Obtained and evaluated sensitivity analysis performed by the Management on aforesaid key assumptions and</li> <li>Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian Accounting Standards.</li> </ol> <p>Based on the procedures stated above we found Management's key assumptions to be reasonable in determining the carrying value of the goodwill.</p>

#### Information Other than the Consolidated Ind AS 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 Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, Consolidated Changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### Auditors' Responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS 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 Ind AS Financial Statements, whose Financial Statements reflect total assets of ₹ 31,852 lakh and net assets of ₹ 26,250 lakh as at 31<sup>st</sup> March, 2019, total revenues (including other income) of ₹ 12,340 lakh, net cash flows of ₹ 1,697 lakh and net profit of ₹ 1,443 lakh for the year ended on that date as considered in the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Ind AS 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 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the holding Company none of the directors of the holding Company, is disqualified as on 31<sup>st</sup> March, 2019 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the group. Refer Note 37(i) to the Consolidated Ind AS 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

Place: Chennai  
Date: May 20, 2019

## 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 Ind AS Financial Statements of the Group as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Manali Petrochemicals Limited ("the Holding Company") as of that date. The Holding Company does not have any subsidiary companies incorporated in India.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 2019, 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**

Place: Chennai  
Date: May 20, 2019

Membership No: 026575

**Consolidated Balance Sheet as at March 31, 2019**

[₹ in lakh]

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. ASSETS</b>			
<b>I Non-Current Assets</b>			
a) Property, Plant and Equipment	3	19,716.08	18,586.44
b) Goodwill on Consolidation		8,549.59	8,720.48
c) Capital work-in-progress		634.62	1,221.10
d) Intangible Assets		-	-
e) Financial Assets:			
i) Investments	4	11.07	12.53
ii) Other Financial Assets	5	15.63	16.14
f) Other non-current assets	6	2,282.82	2,014.97
<b>Total Non-Current Assets</b>		<u>31,209.81</u>	<u>30,571.66</u>
<b>II Current assets</b>			
a) Inventories	7	11,791.05	7,247.04
b) Financial Assets:			
i) Current Investments	8	-	5,676.29
ii) Trade Receivables	9	11,412.49	10,110.32
iii) Cash and Cash equivalents	10	5,431.23	647.46
iv) Bank balances other than iii) above	11	745.49	554.71
v) Loans	12	3,538.39	60.19
vi) Other Financial Assets	13	65.41	9.34
c) Other Current assets	14	1,166.70	722.49
<b>Total Current Assets</b>		<u>34,150.76</u>	<u>25,027.84</u>
<b>TOTAL ASSETS</b>		<u>65,360.57</u>	<u>55,599.50</u>
<b>B. EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
a) Equity Share Capital	15	8,603.47	8,603.47
b) Other Equity		36,893.86	30,567.60
<b>Total Equity</b>		<u>45,497.33</u>	<u>39,171.07</u>
<b>II Liabilities</b>			
<b>A Non-Current Liabilities</b>			
a) Provisions	16	227.17	131.68
b) Deferred Tax Liabilities (net)	17	2,095.68	1,407.26
c) Other non-current Liabilities	18	682.73	964.25
<b>Total Non-Current Liabilities</b>		<u>3,005.58</u>	<u>2,503.19</u>
<b>B Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	19	3,381.61	2,307.14
ii) Trade Payables	20		
1. Total outstanding dues to Micro Enterprises and Small Enterprises		10.98	33.03
2. Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		9,320.87	6,422.57
iii) Other financial liabilities	21	417.97	420.29
b) Provisions	22	1,600.36	1,616.64
d) Other current liabilities	23	2,125.87	3,125.57
<b>Total Current Liabilities</b>		<u>16,857.66</u>	<u>13,925.24</u>
<b>Total Liabilities</b>		<u>19,863.24</u>	<u>16,428.43</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>65,360.57</u>	<u>55,599.50</u>

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 : May 20, 2019

 Anis Tyebali Hyderi  
**Chief Financial Officer**

 R Kothandaraman  
**Company Secretary**

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

[₹ in lakh]

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>1 Revenue</b>			
a) Revenue from Operations	24	<b>81,024.58</b>	76,536.23
b) Other Income	25	<b>1,150.89</b>	298.69
<b>Total Revenue [a+b]</b>		<b>82,175.47</b>	76,834.92
<b>2 Expenses</b>			
a) Cost of materials consumed	26	<b>55,043.06</b>	48,289.78
b) Excise duty on sale of goods		-	1,757.97
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	<b>(1,994.57)</b>	1,372.92
d) Employee benefits expense	28	<b>4,064.46</b>	3,649.48
e) Finance costs	29	<b>232.47</b>	325.59
f) Depreciation expense	30	<b>1,104.56</b>	892.06
g) Power & Fuel	31	<b>7,931.69</b>	6,219.46
h) Other expenses	32	<b>6,121.17</b>	5,547.76
<b>Total Expenses</b>		<b>72,502.84</b>	68,055.02
<b>3 Profit Before Exceptional Items and Tax [1-2]</b>		<b>9,672.63</b>	8,779.89
<b>4 Exceptional Items</b>		<b>1,677.00</b>	-
<b>5 Profit Before Tax [3-4]</b>		<b>11,349.63</b>	8,779.89
<b>6 Tax Expenses</b>	33		
a) Current Tax		<b>2,921.10</b>	2,207.73
b) Short/(Excess) Provision for tax relating to prior years		<b>178.58</b>	-
c) Deferred Tax		<b>614.85</b>	782.22
<b>Total Tax Expenses [a+b+c]</b>		<b>3,714.53</b>	2,989.95
<b>7 Profit for the period [5-6]</b>		<b>7,635.10</b>	5,789.94
<b>8 Other Comprehensive Income</b>			
Items that will not be classified to profit or loss			
Changes in Fair Value of Equity Investments		<b>(0.28)</b>	(0.17)
Remeasurement Cost of net defined benefits	28	<b>69.31</b>	(33.38)
<b>Items that will be classified to profit or (loss)</b>			
Changes in Foreign Currency Translation		<b>(341.07)</b>	1,418.81
<b>9 Total Comprehensive Income [7+8]</b>		<b>7,363.06</b>	7,175.20
<b>10 Earnings per Equity Share</b>	34		
a) Basic (in ₹)		<b>4.28</b>	4.17
b) Diluted (in ₹)		<b>4.28</b>	4.17

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 : May 20, 2019

**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 Statement of Changes in Equity

### A. Equity Share Capital

For the year ended 31<sup>st</sup> March 2019

Balance as at April 01, 2018	Balance as at March 31, 2019
8,603.47	8,603.47

For the year ended 31<sup>st</sup> March 2018

Balance as at April 01, 2017	Balance as at March 31, 2018
8,603.47	8,603.47

### B. Other Equity

#### Statement of Changes in Other Equity (2018-19)

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve				
Balance at the beginning of reporting Period (01.04.2018)	91.45	109.20	84.00	29,750.90	1.20	559.40	30,567.60
Profit for the year	-	-	-	7,635.10	(0.28)	(341.07)	7,363.06
Transfer within Other Equity	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	(1,036.80)	-	-	(1,036.80)
Any other Change	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2019)</b>	<b>91.45</b>	<b>109.20</b>	<b>84.00</b>	<b>36,349.20</b>	<b>0.92</b>	<b>218.34</b>	<b>36,893.86</b>

#### Statement of changes in Other Equity (2017-18)

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	Foreign Exchange Translation Reserve	Total
	Securities Premium Reserve	General Reserve	Capital Reserve				
Balance at the beginning of reporting Period (01.04.2017)	91.45	109.20	84.00	24,996.04	1.37	(859.41)	24,427.48
Profit for the year	-	-	-	5,789.94	(0.17)	1,418.81	7,175.20
Transfer within Other Equity	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	(1,035.08)	-	-	(1,035.08)
Any other Change	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2018)</b>	<b>91.45</b>	<b>109.20</b>	<b>84.00</b>	<b>29,750.90</b>	<b>1.20</b>	<b>559.40</b>	<b>30,567.60</b>

As per our report of even date attached

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

N. Sri Krishna

**Partner**

(Membership No. 026575)

Place: Chennai

Date : May 20, 2019

**For and on behalf of the Board of Directors**

Ashwin C Muthiah  
**Chairman**  
(DIN: 00255679)

Anis Tyejali Hyderi  
**Chief Financial Officer**

R Kothandaraman  
**Company Secretary**

## Consolidated Cash Flow Statement for the year ended 31 March, 2019

[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash Flow from operating activities</b>		
<b>Profit before Tax</b>	<b>11,349.63</b>	<b>8,779.89</b>
<b>Adjustments for</b>		
Depreciation	1,104.56	892.06
Provisions no longer required written back	(1,764.97)	(904.03)
Dividend income	(229.15)	(86.58)
Finance costs	232.47	325.59
Interest income	(154.61)	(17.55)
Provision for doubtful debts	3.23	16.18
Net unrealised exchange (gain) / loss	122.88	198.04
Loss on sale / write-off of assets	135.61	(0.83)
<b>Net Adjustments</b>	<b>(549.98)</b>	<b>422.88</b>
<b>Operating Profit</b>	<b>10,799.65</b>	<b>9,202.77</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for decrease / (Increase) in operating assets</b>		
Inventories	(4,544.01)	5,157.94
Trade Receivables	(1,305.40)	(1,342.91)
Other Financial Assets	(3,695.51)	26.14
Other Current Assets	(767.64)	1,334.01
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	2,642.38	(5,591.79)
Other financial liabilities	(283.84)	251.32
Other Current liabilities	733.57	236.63
Short-term provisions	999.83	(1,148.46)
Other non-current Liabilities	(281.52)	231.14
Long-term provisions	95.49	(1.42)
<b>Net Adjustments</b>	<b>(6,406.65)</b>	<b>(847.40)</b>
Net income tax paid	(3,003.64)	(2,542.00)
<b>Net cash from/(used in) operating activities [A]</b>	<b><u>1,389.36</u></b>	<b><u>5,813.37</u></b>
<b>B. Cash Flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(1,940.45)	(3,169.11)
Proceeds from sale of fixed assets		
Transition adjustment		
Investments in Equity shares	1.46	410.38
Interest income	154.61	17.55
Dividend income	229.15	86.58
Bank balances not considered as cash and cash equivalents	(190.78)	409.69
<b>Net cash from/(used in) Investing activities [B]</b>	<b><u>(1,746.01)</u></b>	<b><u>(2,244.91)</u></b>



[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C. Cash Flow from financing activities</b>		
(Repayment) / Proceeds from Short-term borrowings	1,074.47	(308.17)
Interest paid	(232.47)	(325.59)
Dividend paid	(860.00)	(860.00)
Tax on dividend	(176.80)	(175.08)
<b>Net cash from/(used in) Financing Activities [C]</b>	<b>(194.80)</b>	<b>(1,668.84)</b>
<b>Net (decrease) / increase in cash and cash equivalents = (A+B+C)</b>	<b>(551.45)</b>	<b>1,899.62</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,323.75</b>	<b>3,005.32</b>
<b>Effect of exchange differences on restatement of foreign currency Cash and cash equivalents</b>	<b>(341.07)</b>	<b>1,418.81</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,431.23</b>	<b>6,323.75</b>
<b>Components of Cash &amp; Cash Equivalents:</b>		

Cash and Cash Equivalents (Note:10)		
Cash on hand	2.35	2.98
Balance(s) in current accounts (including debit balance(s) in cash credit)	948.88	644.06
Balance(s) in EEFC accounts	-	0.42
Balances in Fixed deposit original maturity period less than 3 months	4,480.00	-
<b>Current Investments (Note: 8)</b>	-	5,676.29
<b>Total Cash and Cash Equivalents</b>	<b>5,431.23</b>	<b>6,323.75</b>

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

Particulars	As at March 31, 2018	Cash Flows	Fair Value Changes	As at March 31, 2019
Short term Borrowings	2,307.14	1,074.47	-	<b>3,381.61</b>
<b>Total Liabilities from Financing Activities</b>	2,307.14	1,074.47	-	<b>3,381.61</b>

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 : May 20, 2019

Anis Tyebali Hyderi  
**Chief Financial Officer**

R Kothandaraman  
**Company Secretary**

## Notes to Consolidated Financial Statements for the year ended March 31, 2019

### 1. General Information

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

### 2. Significant Accounting Policies

#### 2.1 Principles of Consolidation

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

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2019.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary company, at the date on which the investments in the subsidiary company was made, is recognised as 'Goodwill' being an asset in the consolidated financial statements.
- (iv) Goodwill arising on consolidation is not amortised but tested for impairment.
- (v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

#### 2.2 Statement of Compliance

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

#### 2.3 Basis of Preparation and Presentation

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

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

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

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

The principal accounting policies are set out below:

#### 2.4 REVENUE RECOGNITION:

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

#### **2.4 (a) Sale of goods**

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

#### **2.4 (b) Income from services**

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

#### **2.4 (c) Export Incentive**

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

#### **2.5 Other Income**

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

#### **2.5 (a) Government Grants**

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

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

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

#### **2.5 (b) Leases**

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

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

#### **2.5 (c) Finance Lease**

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

#### **2.6 Functional and presentation currency**

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

#### **2.7 Foreign currency transactions**

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

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

## 2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

## 2.9 Employee benefits

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

### 2.9 (a) Defined Contribution Plans

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

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

### 2.9 (b) Defined benefit plans

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

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

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

### 2.9 (c) Short-term employee benefits:

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

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

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

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

## 2.10 Earnings per share

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

## 2.11 Taxation

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

### Current tax

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

### Deferred tax

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

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

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

### Current and deferred tax for the year

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

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

## 2.12 Property, Plant and Equipment

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

### Componentization:

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

### Expenditure during the Construction period:

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

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

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

- i) Certain Plant and Machinery – 20 years
- ii) Software – 5 years

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

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

### 2.13 IMPAIRMENT OF TANGIBLE ASSETS:

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

### 2.14 Inventories

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

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

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

### 2.15 Provisions, Contingent Liabilities and Contingent Assets:

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

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

### 2.16 Financial Instruments

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

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

### 2.17 Financial assets

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

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

### 2.18 Classification of financial assets:

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

All other financial assets are subsequently measured at fair value.

### 2.19 Effective interest method

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

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

### 2.20 Investments in subsidiaries

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

### 2.21 Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a

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

### **2.23 Impairment of financial assets:**

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

### **2.24 De-recognition of financial assets:**

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

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

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

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

### **2.25 Foreign exchange gains and losses:**

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

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

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

### **2.26 Financial liabilities and equity instruments:**

#### **Classification as debt or equity**

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



### Equity Instruments

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

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

### Financial liabilities

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

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

### Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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

### Foreign Exchange Gains and Losses

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

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

### Derecognition of Financial Liabilities

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

## 2.27 Critical accounting judgements and Key sources of estimation uncertainty

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

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

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

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

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

#### b. Provision for doubtful receivables

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

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

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

#### d. Provision for employee benefits

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

#### e. Provision for taxes

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

## 2.28 Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019. 1. Ind AS 12, Income taxes-Appendix C on uncertainty over income tax treatment. 2. Ind AS 12, Income Taxes-Accounting for Dividend Distribution Taxes. 3. Ind AS 23, Borrowing costs. 4. Ind AS 28 - Investment in associates and joint ventures. 5. Ind AS 103 and Ind AS 111 - Business combinations and joint arrangements. 6. Ind AS 109-Financial instruments. 7. Ind AS 19-Employee benefits. The Company is in the process of evaluating the impact of such amendments.

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
<b>Deemed Cost</b>									
As At March 31, 2017	3,099.33	1.26	2,198.53	10,731.43	208.86	123.07	59.68	56.56	16,478.72
Additions	-	-	50.80	3,736.86	-	3.15	-	30.42	3,821.23
Disposals	-	-	-	-	(4.74)	-	-	(17.93)	(22.67)
Effect of foreign currency translation	-	-	131.39	113.22	-	-	-	3.44	248.05
As At March 31, 2018	3,099.33	1.26	2,380.72	14,581.51	204.12	126.22	59.68	72.49	20,525.33
Additions	-	-	59.80	2,335.50	-	3.36	7.68	9.95	2,416.29
Disposals	-	-	(0.19)	(166.36)	(4.44)	(0.58)	(7.55)	(1.71)	(180.83)
Effect of foreign currency translation	-	-	(20.84)	79.38	-	-	-	(0.55)	58.00
As At March 31, 2019	3,099.33	1.26	2,461.17	16,671.27	199.68	129.00	59.81	81.28	22,702.80
<b>Depreciation and Amortisation</b>									
As At March 31, 2017	-	1.22	91.78	823.90	5.16	11.03	14.98	6.31	954.38
Charged during the year	-	0.00	102.68	732.02	34.54	13.01	-	9.81	892.06
Disposals	-	-	-	-	(4.11)	-	-	-	(4.11)
Effect of foreign currency translation	-	-	5.47	87.82	-	-	-	3.26	96.56
As At March 31, 2018	-	1.22	199.93	1,643.74	35.59	24.04	14.98	19.38	1,938.89
Charged during the year	-	-	110.53	940.38	27.94	11.16	2.09	12.46	1,104.56
Disposals	-	-	(0.04)	(39.71)	(1.70)	(0.21)	(2.74)	(0.80)	(45.20)
Effect of foreign currency translation	-	-	(0.87)	(13.93)	-	-	-	3.26	(11.53)
As At March 31, 2019	-	1.22	309.55	2,530.48	61.83	34.99	14.33	34.31	2,986.71
<b>Net Book Value</b>									
As At March 31, 2017	3,099.33	0.04	2,106.75	9,907.53	203.70	112.04	44.70	50.25	15,524.34
As At March 31, 2018	3,099.33	0.04	2,180.78	12,937.77	168.53	102.18	44.70	53.11	18,586.44
As At March 31, 2019	3,099.33	0.04	2,151.61	14,140.79	137.85	94.01	45.48	46.97	19,716.08

The Addition includes those relating to R & D aggregating to ₹ NIL (Previous Year 2017-18 ₹ 28.53 lakh)

B. Goodwill on Consolidation

Opening Balance	As at March 31, 2019	As at March 31, 2018
Other adjustments	8,720.48	7,885.83
Closing Balance	(170.89)	834.65
	8,549.59	8,720.48

C. Other Intangible Assets - NIL

[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>4 Other Non-Current Investments</b>		
<b>Non-Current Investments</b>		
<b>Investments in equity instruments at FVTOCI</b>		
<b>Quoted Investments</b>		
Chennai Petroleum Corporation Limited (500 equity shares of ₹ 10 each fully paid)	1.36	1.64
<b>Total of Quoted Investments</b>	<b>1.36</b>	<b>1.64</b>
<b>Unquoted Investments</b>		
OPG Power Generation Private Limited (90,000 [100,600 in 2017-18] Equity shares of ₹ 10 each fully paid)	9.54	10.76
AM Foundation (1,700 [1,300 in 2017-18] Equity shares of ₹ 10 each fully paid)	0.17	0.13
<b>Total of Unquoted Investments</b>	<b>9.71</b>	<b>10.89</b>
<b>Total of Investments at FVTOCI</b>	<b>11.07</b>	<b>12.53</b>
<b>Total Other Non-Current Investments</b>	<b>11.07</b>	<b>12.53</b>
Aggregate book value of quoted investments	1.36	1.64
Aggregate market value of quoted investments	1.36	1.64
Aggregate carrying value of unquoted investments	9.71	10.89
Aggregate amount of impairment in value of investments	-	-
<b>5 Other Financial Assets</b>		
<b>Non-Current</b>		
Security deposits	15.63	16.14
<b>Total Other Financial Assets</b>	<b>15.63</b>	<b>16.14</b>
<b>6 Other Non-Current Assets</b>		
<b>Others</b>		
Capital advances	249.43	32.12
Advance tax (Net of provision for tax)	1,055.00	984.83
Other Advances	978.39	998.02
<b>Total Other Non-Current Assets</b>	<b>2,282.82</b>	<b>2,014.97</b>

[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7 Inventories</b>		
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	2,791.57	4,182.58
Raw materials in transit	2,812.40	524.95
Work-in-progress	155.98	195.18
Finished goods	5,750.41	2,171.13
Stores and spares	280.69	173.20
<b>Total Inventories</b>	<b>11,791.05</b>	<b>7,247.04</b>

**8 Current Investments**

<b>Quoted Investments</b>		
Investment in Mutual Funds	-	5,676.29
<b>Total Current Investments</b>	<b>-</b>	<b>5,676.29</b>
<b>Aggregate Book value of quoted Investments</b>	<b>-</b>	<b>5,676.29</b>
<b>Aggregate Market value of quoted Investments</b>	<b>-</b>	<b>5,676.29</b>

**9 Trade Receivables**

<b>Current:</b>		
Trade Receivables - considered good unsecured	11,412.49	10,110.32
Trade receivables - Credit impaired	26.75	23.52
Allowance for bad and doubtful debts	(26.75)	(23.52)
<b>Total Trade Receivables</b>	<b>11,412.49</b>	<b>10,110.32</b>

**10 Cash and Cash Equivalents**

<b>Balances with Banks:</b>		
In current accounts	948.88	644.06
In EEFC accounts	-	0.42
In Fixed deposit with original maturity period of less than 3 months	4,480.00	-
Cash on hand	2.35	2.98
<b>Total Cash and Cash Equivalents</b>	<b>5,431.23</b>	<b>647.46</b>

Cash on hand includes ₹ 1.19 lakh (2017-18 ₹ 1.38 lakh) held in various foreign currencies

**11 Bank balances other than Cash and Cash Equivalents**

Fixed Deposit with original maturity period more than 3 months	103.29	-
Margin money deposit Accounts	224.23	134.42
Unpaid dividend accounts	417.97	420.29
<b>Total Bank balances</b>	<b>745.49</b>	<b>554.71</b>

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12 Loans</b>		
<b>Current</b>		
Security deposits		
Considered Good - Unsecured	9.58	18.39
<b>Other loans:</b>		
<b>Considered Good - Unsecured:</b>		
Loans and advances to employees	28.81	41.80
Loans-Others*	3,500.00	-
<b>Total Loans</b>	<b>3,538.39</b>	60.19

\* Loans-Others represent 14% Inter-Corporate Deposit advanced during the year for working capital purposes.

### 13 Other Financial Assets

Interest accrued on Deposits	65.41	9.34
<b>Total Other Financial Assets</b>	<b>65.41</b>	9.34

### 14 Other Current Assets

Advances given to vendors	578.42	408.06
Prepaid expenses	473.48	207.70
Unamortised premium on forward contracts	23.45	4.11
<b>Balances with Government authorities</b>		
GST / CENVAT / VAT Credit receivable	91.35	102.62
<b>Total Other Current Assets</b>	<b>1,166.70</b>	722.49

**15 Equity share capital**

[₹ in lakh]

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
<b>Authorised share capital</b>				
Share capital at the beginning of the year (Face Value of ₹ 5 each)	240,000,000	12,000.00	240,000,000	12,000.00
Movements during the year	-	-	-	-
Share capital at the end of the year (Face Value of ₹ 5 each)	240,000,000	12,000.00	240,000,000	12,000.00

**Issued, Subscribed and paid up shares**

Fully paid up Equity Share capital (Face Value of ₹ 5 each)	171,999,229	8,599.96	171,999,229	8,599.96
Forfeited Share capital - Amount paid up		3.51		3.51
<b>Total Equity Share Capital</b>	171,999,229	8,603.47	171,999,229	8,603.47

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

**a) Reconciliation of number of shares outstanding**

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	171,999,229	8,603.47	171,999,229	8,603.47
Issued / Forfeited during the year	-	-	-	-
Outstanding at the end of the year	171,999,229	8,603.47	171,999,229	8,603.47

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Holding %	No of shares	Holding %
Fully paid equity shares	65,846,053	38.28	65,846,053	38.28
SIDD Life Sciences Private Limited				
Tamilnadu Industrial Development Corporation Ltd.	11,212,500	6.52	11,212,500	6.52

**c) Terms / rights attached to equity shares**

The company has 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 is entitled to one vote per share and carries right to dividends as may be declared by the Company.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>16 Non-Current Provisions</b>		
<b>Employee Benefits</b>		
Post employment benefits	135.59	50.81
Compensated absences	91.58	80.87
<b>Total Non-Current Provisions</b>	<b>227.17</b>	<b>131.68</b>

**17 Deferred Tax Liability (Net)**

<b>Tax Effect of Items Constituting Liabilities</b>		
Property, Plant & Equipment (Difference between book balance and tax balance)	1,313.49	2,269.77
Deferred Tax of Subsidiaries	(0.22)	(6.42)
<b>Tax Effect of Items Constituting Assets</b>		
Provision for doubtful debts / advances	(9.35)	(8.22)
Provisions Disallowed u/s 43B of Income Tax Act, 1961	880.01	(773.54)
Provisions for Compensated absences, Gratuity and Other employee benefits	(88.25)	(74.33)
<b>Net Deferred Tax Liabilities</b>	<b>2,095.68</b>	<b>1,407.26</b>

**18 Other Non-Current Liabilities**

<b>Unsecured - at amortised cost</b>		
Deposits	115.02	130.35
Deferred Income	334.36	351.15
Other Long-term Payables	233.35	482.75
<b>Total Other Non-Current Liabilities</b>	<b>682.73</b>	<b>964.25</b>

**Deposits have been classified as under:**

As Non-Current Liabilities	115.02	130.35
As Current Liabilities	15.33	15.33
<b>Total Deposits</b>	<b>130.35</b>	<b>145.68</b>

**Interest free deposit movement:**

Opening Balance	145.68	161.01
Less: Refunded during the year	15.33	15.33
<b>Closing Balance</b>	<b>130.35</b>	<b>145.68</b>

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 refundable in fifteen equal annual installments commencing from April 2012.

**Deferred Income has been classified as under:**

As Non-Current	334.36	351.15
As Current	16.79	16.79
<b>Total Deferred Income</b>	<b>351.15</b>	<b>367.94</b>

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: 23



[₹ in lakh]

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19 Current Borrowings</b>		
<b>Secured - at amortised cost</b>		
From Banks:		
Cash Credit and Bill Discounted	<b>3,381.61</b>	1,707.14
<b>Unsecured - at amortised cost</b>		
From Banks		
Short-Term Borrowings	-	600.00
<b>Total Current Borrowings</b>	<b>3,381.61</b>	2,307.14

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

**20 Trade Payables**

<b>Trade Payables</b>		
Dues to Micro and Small Enterprises	<b>10.98</b>	33.03
Dues to Related Parties	<b>1,270.19</b>	85.90
Dues to Others	<b>8,050.68</b>	6,336.67
<b>Total Trade Payables</b>	<b>9,331.85</b>	6,455.60

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

**21 Other Financial Liabilities**

Unpaid dividend	<b>417.97</b>	420.29
<b>Total Other Financial Liabilities</b>	<b>417.97</b>	420.29

**22 Current Provisions**

<b>Employee benefits</b>		
Gratuity	<b>7.50</b>	58.83
Compensated absences	<b>17.89</b>	22.19
<b>Others</b>		
Provision for wage arrears *	<b>469.19</b>	434.11
Other Provisions	<b>1,105.78</b>	1,101.51
<b>Total Current Provisions</b>	<b>1,600.36</b>	1,616.64

**\* 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. Based on the Management's efforts most of the workmen opted for out of courts settlement to whom payments were made and adjusted against the earlier provisions. The provision is in respect of the remaining workmen, who have not yet come forward for out of court settlement, the provision is carried pending the final outcome of the case.

Movement in the provision for wage arrears is given below:

<b>Balance at the beginning of the year</b>	<b>434.11</b>	792.35
Charge for the year	<b>199.81</b>	113.84
Payments made during the year	<b>(164.73)</b>	(472.08)
<b>Balance at the end of the year</b>	<b>469.19</b>	434.11

**23 Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues (Contributions to PF and ESIC, Withholding taxes, GST, ED, VAT, Service Tax, etc)	44.93	348.55
Contractually reimbursable expenses	19.59	32.69
Deposits	15.33	15.33
Deferred Income	16.79	16.79
Other Current Liabilities	2,029.23	2,712.21
<b>Total Other Current Liabilities</b>	<b>2,125.87</b>	<b>3,125.57</b>

**24 Revenue from Operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sale of Products</b>		
Finished Goods *	80,781.27	75,244.55
<b>Sale of Services</b>	25.00	236.00
<b>Other Operating Income</b>		
Scrap Sales	125.84	151.65
Provisions no longer required written back	87.97	850.80
Unclaimed liabilities written back	-	53.23
<b>Total Revenue from Operations</b>	<b>81,024.58</b>	<b>76,536.23</b>

\* Consequent to the introduction of Goods and Service Tax (GST) w.e.f 01.07.2017, revenue from operation for the year ended 31.03.2019 and nine months ended 31.03.2018 are disclosed net of GST. Till 30.06.2017, Excise Duty recovered from sale of excisable goods was included in revenue from operations, excise duty remitted was included in expenditure and difference between excise duty on opening and closing inventories was included in Other Expenses. Hence, revenue from the operations and excise duty remitted are not comparable with earlier period figures.

Excise duty on increase/(decrease) in finished goods amounting to ₹ NIL (Previous Year - (₹ 408.80) lakh) has been considered as expense.

**Details of Sales (Net)**
**Manufactured Goods**

Propylene Oxide	1,508.81	730.00
Propylene Glycol	21,943.71	20,297.59
Polyol	40,605.21	39,361.20
Others	18,762.54	16,929.96
<b>Total Manufactured Goods</b>	<b>82,820.27</b>	<b>77,318.75</b>
Less: Trade Discounts	2,039.00	2,074.20
<b>Total Sale of Products</b>	<b>80,781.27</b>	<b>75,244.55</b>

[₹ in lakh]

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>25 Other Income</b>		
<b>Interest income</b>		
Bank deposits (at amortised cost)	141.50	11.35
Interest from Customers	7.73	6.19
Inter-corporate deposits	5.37	-
<b>Dividend income</b>		
Dividends from current investments in Mutual funds	229.15	86.58
<b>Other non-operating income</b> (Net of expenses directly attributable to such income)		
Insurance claims received	161.09	-
Miscellaneous Income	606.05	194.56
<b>Total Other Income</b>	<b>1,150.89</b>	<b>298.69</b>

**26 Cost of Materials Consumed**

Opening Stock	5,737.68	8,421.32
Add: Purchases	54,909.35	44,575.99
Less: Closing Stock	5,603.97	4,707.53
<b>Cost of materials consumed</b>	<b>55,043.06</b>	<b>48,289.78</b>

**27 Changes in inventories of finished goods and work-in-progress.**

<b>Inventories at the end of the year</b>		
Finished Goods	5,750.41	2,171.13
Work-in-process	155.98	195.18
	<b>5,906.39</b>	<b>2,366.32</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	3,737.32	3,544.06
Work-in-process	174.50	195.18
	<b>3,911.82</b>	<b>3,739.24</b>
<b>Net Decrease / (Increase) in Inventories</b>	<b>(1,994.57)</b>	<b>1,372.92</b>

**28 Employee Benefits Expense**

Salaries and Wages *	3,317.77	3,046.78
Contribution to provident and other funds	101.48	97.13
Gratuity expense	8.38	56.45
Post-Employment benefits	142.85	63.49
Staff welfare expenses	424.67	419.02
<b>Total Employee Benefits Expense</b>	<b>3,995.15</b>	<b>3,682.86</b>

\* Salaries and Wages include ₹ 106.50 lakh (Previous Year ₹ 89.70 lakh) towards R &amp; D Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>29 Finance Costs</b>		
Interest on working capital borrowings	81.24	172.57
Other Finance cost	151.23	153.02
<b>Total Finance Costs</b>	<b>232.47</b>	<b>325.59</b>
<b>30 Depreciation expenses</b>		
Depreciation of property, plant and equipment pertaining to continuing operations	1,104.56	892.06
<b>Total Depreciation Expenses</b>	<b>1,104.56</b>	<b>892.06</b>
<b>31 Power &amp; Fuel</b>		
Power	2,798.17	2,371.34
Fuel	5,133.52	3,848.12
<b>Total Power &amp; Fuel Expenses</b>	<b>7,931.69</b>	<b>6,219.46</b>
<b>32 Other Expenses</b>		
Consumption of Stores and Spares	481.76	788.81
Increase / (Decrease) of excise duty on inventory *	-	(408.80)
Water charges	1,223.77	951.79
Repairs and Maintenance		
Building	164.53	157.24
Plant and machinery	1,161.60	1,070.28
Information Technology	37.78	29.78
Others	94.86	111.57
Legal and Professional	283.37	350.40
Directors sitting fees	14.00	13.00
Expenditure on Corporate Social responsibility	134.70	39.71
Loss on Property, Plant and Equipment sold/scrapped/written off	135.61	(0.83)
Provision for Bad and Doubtful Debts	3.23	16.18
Payments to Statutory auditors:		
For audit services	8.50	8.50
For taxation matters	1.50	1.50
For other services	2.25	2.25
Payments to Other auditors	27.49	27.78
Rent	167.86	243.82
Insurance	248.00	284.13
Rates & Taxes	292.25	345.17
Agency Commission	260.46	254.87
Freight Outward	539.86	490.77
Net foreign exchange losses	122.88	198.04
Miscellaneous Expenses	714.90	571.81
<b>Total Other Expenses</b>	<b>6,121.17</b>	<b>5,547.76</b>

The above Other Expenses include R&D spend aggregating to ₹ 145.82 lakh (Previous Year ₹ 188.96 lakh) under various items comprised therein.

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>33 Income Tax recognised in Statement of Profit &amp; Loss</b>		
<b>Current Tax</b>		
In respect of current year	2,921.10	2,207.73
In respect of prior year	178.58	-
<b>Deferred Tax</b>		
In respect of current year	614.85	782.22
<b>Total Tax Expenses</b>	<b>3,714.53</b>	<b>2,989.95</b>

**Reconciliation of Effective Tax Rate:**

Applicable tax rate (%)	31.15%	34.05%
Effect of Tax on Exempt Income (%)	0.76%	-0.35%
Effect of Non-Deductible expenses (%)	<u>-1.01%</u>	<u>0.01%</u>
<b>Effective Tax Rate (%)</b>	<b><u>30.91%</u></b>	<b><u>33.72%</u></b>

**34 Earnings Per Share (EPS)**

<b>The following reflects the profit and shares related data used in the Basic EPS computations:</b>		
Total Comprehensive Income for the period	7,363.06	7,175.20
No. of Shares used in computing earnings per share	171,999,229	171,999,229
Earnings Per Share - Basic and Diluted (in Rupees)	4.28	4.17
Face Value Per share (in Rupees)	5.00	5.00

**35 Exceptional Item**

Exceptional item of ₹ 1,677.00 lakh for the year ended March 31, 2019 [Previous Year- NIL] represents reversal of Lease Rent provision made during the financial year 2014-15 (Refer to Note: 37)

**36 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 or geographical segments applicable to the Company.

**37 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, 2019	As at March 31, 2018
Claim for arrears of lease rent by Thasildar, Tiruvottiyur	19,836.00	-

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

[₹ in lakh]

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

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

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

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at March 31, 2019	As at March 31, 2018
Excise Duty	High Court of Madras	2007-08	53.39	53.39
	High Court of Madras	2012	380.89	380.89
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
	<b>Disputed Excise &amp; Customs Demand</b>		<b>441.08</b>	441.08
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	21.62	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	10.74	10.74
	Appellate Deputy Commissioner (CT)	2008-09	6.06	6.06
	Assistant Commissioner, Sales Tax	1994-95	3.44	3.44
<b>Disputed Sales Tax Demand</b>			<b>41.86</b>	56.98

Nature of the Dues	Forum before which the dispute is pending	Assessment Year	As at March 31, 2019	As at March 31, 2018
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	-
<b>Disputed Income Tax Demand **</b>			<b>1,624.25</b>	1,392.11

\*\* Against the above demands, the Company has paid Nil (₹ 21.64 lakh in 2017-18)

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

**ii) Commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed (net of advances):	1,645.43	836.88
<b>Total Commitments</b>	<b>1,645.43</b>	<b>836.88</b>

**38 Payable to MSME**

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

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

**39. 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 ₹ 86.74 lakh (year ended 31 March, 2018 - ₹ 82.05 lakh) for Provident Fund contributions and ₹ 114.39 lakh (year ended 31 March, 2018 - ₹ 29.12 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 28 : Employee Benefits Expense).
- ii) Post-employment benefits (included as part of Post-employment benefits as per Note 28 : Employee Benefits Expense)
- iii) Compensated absences (included as a part of Salaries & Wages as per Note 28 : Employee Benefits Expense).

**Gratuity- Plant 1**

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

**Inherent Risk**

The Plan is Defined Benefit in nature which is sponsored by the Company and hence it underwrites all the risks 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 longevity risk.

**Gratuity- Plant 2**

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

**Pension**

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

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

Assumptions	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount Rate (%)	7.70%	7.58%	7.75%	7.69%
Estimated Rate of Return on Plan Assets (%)	7.25%	7.25%	0.00%	0.00%
Expected rate of salary increase (%)	5.00%	5.00%	5.00%	5.00%
Attrition Rate (%)	3.00%	3.00%	3.00%	3.00%
Expected Average Remaining Service (years)	-	-	33.86	35.00
Weighted Average Duration of Defined Benefit Obligation (Years)	5.00	8.70	6.00	12.43

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018
<b>Expense recognised in Statement of Profit or Loss</b>				
Current service cost	12.76	4.96	27.88	19.58
Past service cost	-	-	-	5.27
Interest cost on benefit obligation	9.81	9.21	23.03	16.97
Expected return on plan assets	(32.61)	(12.58)	(24.19)	(16.36)
<b>Sub Total</b>	<b>(10.04)</b>	1.59	<b>26.72</b>	25.46
<b>Recognised in Other Comprehensive Income</b>				
Net actuarial (gain)/loss recognized in the year				
i. Demographic Assumptions on obligation	3.79	-	11.38	0.01
ii. Financial Assumptions on obligation	2.79	(6.64)	(0.50)	(10.20)
iii. Experience Adjustments on obligation	20.56	(14.46)	11.98	42.90
iv. Actual Return on Plan Assets Less Interest on Plan Assets	(1.44)	21.08	(42.07)	0.68
<b>Sub Total</b>	<b>25.70</b>	(0.02)	<b>(19.21)</b>	33.39
<b>Net benefit expense</b>	<b>15.66</b>	1.57	<b>7.51</b>	58.85



**Balance Sheet**

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Benefit asset / liability</b>				
Present value of defined benefit obligation	177.66	129.33	341.54	288.32
Fair value of plan assets	182.92	169.55	334.03	229.49
<b>Assets / (Liability) recognized in the balance sheet</b>	<b>40.22</b>	<b>40.22</b>	<b>(7.51)</b>	<b>(58.83)</b>
<b>Change in the present value of the defined benefit obligation</b>				
Opening defined benefit obligation	129.33	127.07	288.32	254.23
Benefit transferred in	-	-	-	-
Benefit transferred Out	-	-	-	-
Benefits paid	(1.38)	9.19	(20.55)	(40.45)
<b>Expenses Recognised in Statement of Profit and Loss Account</b>				
Current service cost	12.76	4.96	27.88	24.85
Interest cost on benefit obligation	9.81	9.21	23.03	16.97
Recognised in Other Comprehensive Income	25.70	(0.02)	(19.21)	33.39
Actuarial (gain)/loss on obligation	1.44	(21.08)	42.07	(0.67)
<b>Closing defined benefit obligation</b>	<b>177.66</b>	<b>129.33</b>	<b>341.54</b>	<b>288.32</b>

**Movement in the fair value of plan assets**

Particulars	Pension (Funded)		Gratuity (Funded)	
	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018	For the Period Ended March 31, 2019	For the Period Ended March 31, 2018
<b>Opening fair value of plan assets</b>	<b>169.55</b>	<b>168.87</b>	<b>229.49</b>	<b>237.61</b>
Contributions by employer	(19.30)	-	58.83	-
Contributions transfer in	-	-	-	15.76
Benefits paid	(1.38)	9.19	(20.55)	(40.45)
<b>Expenses Recognised in Profit and Loss Account</b>				
Expected return	32.61	13.88	24.19	16.57
<b>Recognised in Other Comprehensive Income</b>				
Actuarial (gain) / loss on plan assets	1.44	(22.39)	42.07	-
<b>Closing fair value of plan assets</b>	<b>182.92</b>	<b>169.55</b>	<b>334.03</b>	<b>229.49</b>

**Percentage allocation of plan assets by category:**

Particulars	Pension (Funded)		Gratuity (Funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Government Securities	42.96%	45.19%	54.90%	50.39%
Debentures / bonds	35.66%	42.30%	37.31%	39.91%
Equity instruments	3.93%	4.75%	4.21%	4.76%
Savings/Fixed deposits	17.45%	7.76%	3.58%	4.94%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

Particulars	Pension (Funded)		Gratuity (Funded)	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Within next 12 Months	145.63	9.60	47.73	12.13
Between 1 and 5 years	14.25	46.80	151.48	89.48
5 years and above	17.78	72.93	142.33	186.71

**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 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Impact of the change in discount rate - 1%	(4.80)	6.59	5.80	12.49
Impact of the change in salary increase - 1%	(0.50)	0.37	(1.90)	(15.28)
Impact of the change in Mortality - 5%	(0.30)	4.19	0.30	15.29

**Gratuity**

Particulars	Increase		Decrease	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Impact of the change in discount rate - 1%	(3.10)	(21.83)	3.30	23.27
Impact of the change in salary increase - 1%	3.30	23.15	(3.20)	(21.93)
Impact of the change in Mortality - 5%	-	0.18	-	(0.20)

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 at the end of March 31, 2019 were ₹ 111.94 lakh and ₹ 99.50 lakh respectively. [March 31, 2018 - ₹ 110.70 lakh and ₹ 92.25 lakh]

**40 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 Petrochemicals Industries Limited	Associate Company having significant Influence
Tamilnadu Industrial Development Corporation Limited	Associate Company having significant Influence
Tamilnadu Petroproducts Limited	Joint Venture of the entity to which the company is an Associate
CNGSN & Associates LLP	Firm in which a relative of director is a partner
MPL Employees Superannuation Trust	Post Employment Benefit Plan Entity
MPL Employees Gratuity Fund Trust	Post Employment Benefit Plan Entity

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

S. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1</b>	<b>Dividend paid:</b>		
	SIDD Life Sciences Private Limited	<b>329.23</b>	329.23
	Tamilnadu Industrial Development Corporation Limited	<b>56.06</b>	56.06
	Southern Petrochemicals Industries Corporation Limited	<b>0.05</b>	0.05
<b>2</b>	<b>Purchase of Goods:</b>		
	Tamilnadu Petroproducts Limited	<b>2,911.27</b>	827.40
<b>3</b>	<b>Purchase of Services:</b>		
	Tamilnadu Petroproducts Limited	<b>13.45</b>	33.24
	CNGSN & Associates LLP	<b>7.38</b>	5.83
<b>4</b>	<b>Purchase of Fixed Assets/ Property, Plant and Equipment:</b>		
	Tamilnadu Petroproducts Limited	<b>23.50</b>	0.31
<b>5</b>	<b>Rendering of Services:</b>		
	Tamilnadu Petroproducts Limited	<b>17.65</b>	236.00
<b>6</b>	<b>Sale of Goods:</b>		
	Tamilnadu Petroproducts Limited	<b>74.46</b>	-
<b>7</b>	<b>Sale of Fixed Assets/ Property, Plant and Equipments:</b>		
	Tamilnadu Petroproducts Limited	-	84.22
<b>8</b>	<b>Reimbursements of Expenses:</b>		
	Tamilnadu Petroproducts Limited	-	51.12
<b>9</b>	<b>Contributions to Post employment benefit plan trust:</b>		
	MPL Employees Superannuation Trust	<b>30.35</b>	28.55
	MPL Employees Gratuity Fund Trust	<b>58.83</b>	16.62
	Refund received from M/s MPL Employees Superannuation Trust #	<b>(34.30)</b>	-

# Represents amount reclaimed from LIC by the Trust which are contributions made for employees who had opted out of the scheme and refunded to them.

**c) Outstanding Balances:**

SI No	Particulars	As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>Trade Payables</b>		
	Tamilnadu Petroproducts Limited	<b>1,270.19</b>	85.90
<b>2</b>	<b>Other Payables</b>		
	Tamilnadu Petroproducts Limited	<b>100.03</b>	113.36
<b>3</b>	<b>Trade Advances</b>		
	Tamilnadu Petroproducts Limited	<b>47.44</b>	-

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

**41 Operating Leases (Ind AS 17)**
**Details of operating leasing arrangements - Non cancellable leases:**
**Bulk storage facility at Ennore Port**

The lease is for a period of 15 years from 1<sup>st</sup> 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.

**Office premises**

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

**Future minimum lease payments**

Not later than one year	<b>581.08</b>	605.17
Later than one year and not later than five years	<b>2,486.70</b>	2,553.95
Later than five years	<b>3,191.50</b>	3,775.13
<b>Total</b>	<b>6,259.28</b>	6,934.25

**42 Corporate Social Responsibility**

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

Gross amount required to be spent by the company during the year ₹ 144.29 lakh.

Amount spent during the year on:

1) Construction / acquisition of any property	<b>134.70</b>	39.21
2) On purpose other than above	-	0.50

**43 Research and Development expenditure incurred during the year is given below.**

1	Revenue Expenditure	<b>252.32</b>	278.65
2	Capital Expenditure (including capital work-in-progress)	-	28.53

**44 Distribution Made and Proposed (Ind AS 1)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2018: ₹ 0.50 per share (March 31, 2017: ₹ 0.50 per share)	<b>860.00</b>	860.00
Dividend Distribution Tax on Final Dividend	<b>176.80</b>	175.08
<b>Total Dividend Paid</b>	<b>1,036.80</b>	<b>1,035.08</b>
<b>Proposed Dividend on Equity Shares</b>		
Final dividend for the year ended on March 31, 2019: ₹ 0.75 per share (March 31, 2018: ₹ 0.50 per share)	<b>1,290.00</b>	860.00
DDT of Proposed Dividend	<b>265.16</b>	176.81
<b>Total Dividend Proposed</b>	<b>1,555.16</b>	<b>1,036.81</b>

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31, 2019

**45 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 2019

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

Particulars	March 31, 2019	March 31, 2018
Net debt (Long term debt less Cash and Cash equivalent)	-	-
Total equity	<b>45,497.33</b>	39,171.07

**46 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.

[₹ in lakh]

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, 2019	March 31, 2018
<b>Financial Liabilities - Borrowings</b>		
+1% (100 basis points)	22.00	15.01
-1% (100 basis points)	(22.00)	(15.01)

There are no hedging instruments to mitigate this risk.

#### Foreign Currency Risk

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

#### Company's Total Foreign currency exposure:

Particulars	Currency	March 31, 2019		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.1713	52.70	3,648.09
		March 31, 2018		
Trade Payables	USD	64.5018	23.77	1,533.21

#### Company's Unhedged Foreign currency exposure:

Particulars	Currency	March 31, 2019		
		Exchange Rate	Amount in Foreign Currency	Amount
Trade Receivables	USD	69.1713	0.49	33.58
	GBP	90.4750	0.01	0.72
Trade Payables	USD	69.1713	0.00	0.05
		March 31, 2018		
Trade Payables	USD	65.0441	8.26	536.97

#### 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, 2019	March 31, 2018
USD sensitivity		
INR/USD- increase by 5%	1.09	(17.56)
INR/USD- decrease by 5%	(1.09)	17.56

### Commodity Risk

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

### ii. Credit risk management

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

#### Trade Receivables:

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

Total Trade receivable as on March 31, 2019 is ₹ 11,412.49 lakh (March 31, 2018 ₹ 10,110.32 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 counter parties are all substantial banks with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2018.

### iii. Liquidity risk

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

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

Particulars	At 31 March 2019			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	3,381.61	-	-	3,381.61
Bank Borrowings	-	-	-	-
Trade and other payables	13,058.08	-	-	13,058.08
Investments	-	-	-	-
<b>Total</b>	<b>16,439.69</b>	<b>-</b>	<b>-</b>	<b>16,439.69</b>

Particulars	At 31 March 2018			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Cash Credits	1,707.14	-	-	1,707.14
Bank Borrowings	600.00	-	-	600.00
Trade and other payables	11,197.81	-	-	11,197.81
Investments	5,676.29	-	-	5,676.29
<b>Total</b>	<b>19,181.24</b>	<b>-</b>	<b>-</b>	<b>19,181.24</b>

**47 A) Classification of Financial Assets and Liabilities (Ind AS 107):**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Fair Value through Profit and Loss</b>		
Investments	-	5,676.29
<b>Fair Value through Other Comprehensive Income</b>		
Equity Shares	11.07	12.53
<b>Amortised Cost</b>		
Trade receivables	11,412.49	10,110.32
Loans	3,538.39	60.19
Cash and cash equivalents	5,431.23	647.46
Bank Balances	745.49	554.71
<b>Total</b>	<b>21,138.67</b>	<b>17,061.51</b>
<b>Financial liabilities</b>		
<b>Amortised Cost</b>		
Borrowings	3,381.61	2,307.14
Trade payables	9,331.85	6,455.60
Other Financial Liabilities	417.97	420.29
<b>Total</b>	<b>13,131.43</b>	<b>9,183.04</b>

**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.



[₹ in lakh]

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, 2019	As at March 31, 2018
<b>Financial Assets at Fair Value Through Profit or Loss</b>		
Investments- Level-1	-	5,676.29
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>		
Investments in listed equity Shares- Level-1	1.36	1.64
Investments in unlisted equity Shares- Level-2	9.71	10.89

**Valuation Techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are as shown below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investments in listed equity shares	Market Value	Closing price as at 31 <sup>st</sup> March in Stock Exchange
Investments in unlisted equity shares	Market Approach	Based on information provided and considering the availability of information in the public domain.

**48 Additional information on Consolidated Net Assets, Share of Profit or Loss, Other Comprehensive Income and Total Comprehensive Income as required under Schedule III to the Companies Act, 2013**

Name of the Entity in the Group	Net Assets*		Share of Profit or Loss		Share in OCI <sup>#</sup>		Share in TCI <sup>@</sup>	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI <sup>#</sup>	Amount	As % of Consolidated TCI <sup>@</sup>	Amount
<b>Parent</b>								
Manali Petrochemicals Limited	93.28	42,439.07	81.34	6,210.32	100.00	(272.04)	80.65	5,938.28
<b>Subsidiaries - Foreign</b>								
1. AMCHEM Speciality Chemicals Private Limited, Singapore	(2.01)	(915.13)	7.89	602.41	-	-	8.18	602.41
2. AMCHEM Speciality Chemicals UK Limited, UK	(0.49)	(225.08)	3.88	296.38	-	-	4.03	296.38
3. Notedome Limited, UK	9.23	4,198.47	6.89	525.99	-	-	7.14	525.99
<b>Total</b>	<b>100.00</b>	<b>45,497.33</b>	<b>100.00</b>	<b>7,635.10</b>	<b>100.00</b>	<b>(272.04)</b>	<b>100.00</b>	<b>7,363.06</b>

\* Total Assets - Total Liabilities

# OCI means Other Comprehensive Income

@ TCI means Total Comprehensive Income

**49 Note on Leasehold Land**

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

**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 the Audit Committee and approved by the Board of Directors at its meeting held on May 20, 2019.

---

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

N. Sri Krishna  
**Partner**  
(Membership No. 026575)

Place: Chennai  
Date : May 20, 2019

**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-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the Financial Statement of Subsidiaries

## Part 'A'- Subsidiary

Particulars	AMCHEM Speciality Chemicals Private Limited, Singapore		AMCHEM Speciality Chemicals UK Limited, UK		Notedome Limited, UK	
	31 <sup>st</sup> March 2019	In USD	31 <sup>st</sup> March 2019	In GBP	31 <sup>st</sup> March 2019	In GBP
Capital	₹ in lakh*	1,64,21,208	₹ in lakh*	1,15,00,000	₹ in lakh*	3,916
Reserves		(13,22,989)		51,230		46,40,447
Total Assets		1,60,17,815		1,34,56,417		95,02,271
Total Liabilities		636.10		1,723.73		4,395.22
Investments		10,493.70		1,33,27,165		-
Turnover (inc other income)		1,123.11		108.57		10,659.50
Profit/(Loss) before Tax		673.38		302.24		584.87
Provision for Taxation		70.97		5.86		58.87
Profit/(Loss) after Tax		602.41		296.38		525.99
% of shareholding		100%		100%@		100%#

\* Translated at exchange rate prevailing as on 31.3.2019

1 USD = ₹ 69.1713

1 GBP = ₹ 90.4756

@ 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 : May 20, 2019

For and on behalf of the Board of Directors

Ashwin C Muthiah

Chairman

(DIN: 00255679)

Anis Tyejali Hyderi

Chief Financial Officer

R Kothandaraman

Company Secretary





## **Manali Petrochemicals Limited**

***Registered Office:***

***SPIC House, 88 Mount Road Guindy, Chennai 600 032***

CIN: L24294TN1986PLC013087

Telefax: 044-2235 1098

Email: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com)

Website: [www.manalipetro.com](http://www.manalipetro.com)



**NOTICE OF THE ANNUAL  
GENERAL MEETING**

**5<sup>th</sup> AUGUST 2019**

**Manali Petrochemicals Limited**

## Financial Highlights

All amounts ₹ in crore unless stated otherwise

Details	Ind AS			Previous GAAP						
	2018-19	2017-18	2016-17 \$	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Net Revenue from operations	<b>702.12</b>	645.33	582.79	579.04	733.13	554.44	522.15	573.96	451.90	388.70
Other income	<b>6.80</b>	1.67	12.35	10.74	7.37	6.30	7.08	6.83	4.75	4.71
Total Revenue	<b>708.92</b>	647.00	595.14	589.78	740.50	560.74	529.23	580.79	456.65	393.41
EBIDTA	<b>97.98</b>	94.91	73.52	77.66	77.55	53.21	43.84	66.70	40.76	35.55
PBT	<b>102.69</b>	83.85	62.47	69.26	69.53	44.76	35.34	58.89	34.31	30.00
PAT	<b>65.17</b>	54.87	42.27	48.21	43.99	29.05	27.32	43.68	25.28	21.06
Total Comprehensive Income	<b>65.86</b>	54.53	42.33							
Equity Capital	<b>86.03</b>	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03	86.03
Reserves & Surplus	<b>355.52</b>	300.03	255.85	196.67	158.80	125.42	106.43	88.34	56.65	41.37
Net Worth	<b>441.55</b>	386.06	341.88	282.70	244.83	211.45	192.46	174.37	142.68	127.40
Net Fixed Assets	<b>189.18</b>	183.46	170.21	120.89	110.99	106.22	106.29	103.71	99.89	79.03
Face Value of share ₹	<b>5.00</b>	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Earnings per share ₹	<b>3.83</b>	3.17	2.46	2.80	2.56	1.69	1.59	2.54	1.47	1.22
Dividend	<b>15% #</b>	10%	10%	10%	10%	10%	10%	12%	10%	7.5%
Book value per share ₹	<b>25.67</b>	22.45	19.88	16.44	14.23	12.29	11.19	10.14	8.30	7.41
EBIDTA/Net Revenue	<b>13.95%</b>	14.71%	12.62%	13.41%	10.58%	9.60%	8.40%	11.62%	9.02%	9.15%
PBT/Net Revenue	<b>14.63%</b>	12.99%	10.72%	11.96%	9.48%	8.07%	6.77%	10.26%	7.59%	7.72%
PAT /Net Revenue	<b>9.28%</b>	8.50%	7.25%	8.33%	6.00%	5.24%	5.23%	7.61%	5.59%	5.42%
Return on Networkth	<b>14.76%</b>	14.21%	12.36%	17.05%	17.97%	13.74%	14.19%	25.05%	17.72%	16.53%
Return on Capital Employed	<b>22.29%</b>	21.33%	18.33%	24.96%	28.71%	20.31%	17.82%	31.93%	22.17%	21.72%

\$ Restated as per Ind AS

# Subject to declaration at the AGM

## Notice to Shareholders

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Company will be held at 10:00 AM on Monday, the 5<sup>th</sup> August 2019 at Rajah Annamalai Mandram, No. 5 Esplanade Road (Near High Court) Chennai – 600 108 to transact the following business:

### ORDINARY BUSINESS

**1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.

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

RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of seventy five paise per equity share on 17,19,99,229 Equity Shares of ₹ 5/- each, absorbing ₹ 12.90 crore (Rupees twelve crore ninety lakh only), subject to rounding off, be and is hereby declared out of the profits for the year ended March 31, 2019 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 5<sup>th</sup> August 2019 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 31<sup>st</sup> July 2019.

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

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

**4. To fix remuneration of Auditors by passing the following as an Ordinary Resolution:**

RESOLVED THAT pursuant to Section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s Brahmayya & Co., Chartered Accountants, Chennai, (ICAI Registration Number 000511S), the Auditors of the Company for the years 2019-20 and 2020-21 is fixed as ₹ 14.75 lakh (Rupees fourteen lakh seventy five thousand only) per year for audit and related services plus reimbursement of out of pocket expenses and applicable taxes.

### SPECIAL BUSINESS

**5. To ratify the remuneration to the Cost Auditor for the year 2018-19 by passing the following as an Ordinary Resolution:**

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of ₹ 4,00,000 (Rupees four lakh only) to M/s Gopalan & Associates, Cost Accountants, Chennai, the Cost Auditor of the Company for the year 2018-19 is ratified.

**6. To approve the appointment of Dr. Aneesh Sekhar S, IAS (DIN: 07887010) 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, Dr. Aneesh Sekhar S, [DIN: 07887010] is appointed as a Director of the Company, liable to retire by rotation.



**7. To approve the appointment of Lt. Col. (Retd.) Chatapuram Swaminathan Shankar (DIN: 08397818) as an Independent Director of the Company 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, Lt. Col. (Retd.) Chatapuram Swaminathan Shankar (DIN: 08397818) is appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, the appointment of Lt. Col. (Retd.) Chatapuram Swaminathan Shankar (DIN: 08397818) as an Independent Director of the Company for a period of five years from 20<sup>th</sup> May 2019 is approved.

**8. To approve the appointment of Dr. N Sundaradevan, IAS, (Retd.) (DIN: 00223399) as an Independent Director of the Company 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, Dr. N Sundaradevan, IAS, (Retd.) (DIN: 00223399) is appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, the appointment of Dr. N Sundaradevan, IAS, (Retd.) (DIN: 00223399) as an Independent Director of the Company for a period of five years from 12<sup>th</sup> June 2019 is approved.

**9. To appoint Mr. G Chellakrishna (DIN 01036398) as an Independent Director for a second term by passing the following as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. G Chellakrishna (DIN 01036398) who would be completing his first term of five years as an Independent Director of the Company on 12<sup>th</sup> August 2019, is reappointed as an Independent Director for a further period of five years from 13<sup>th</sup> August 2019.

**10. To appoint Ms. Sashikala Srikanth (DIN 01678374) as an Independent Director for a second term by passing the following as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder and the Articles of Association of the Company, Ms. Sashikala Srikanth (DIN 01678374) who would be completing her first term of five years as an Independent Director of the Company on 12<sup>th</sup> August 2019, is reappointed as an Independent Director for a further period of five years from 13<sup>th</sup> August 2019.

Date: 12<sup>th</sup> June, 2019

**Registered Office:**  
SPIC HOUSE,  
88 Mount Road, Guindy,  
Chennai – 600 032

By Order of the Board  
for Manali Petrochemicals Limited

R Kothandaraman  
Company Secretary

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from 1<sup>st</sup> August 2019 to 5<sup>th</sup> August 2019 (both days inclusive) in connection with the Annual General Meeting (AGM) & payment of dividend.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to the Special Business of the meeting, is annexed hereto which may also be regarded as the disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations).
3. Particulars of the Directors seeking appointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their reappointment.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF SELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. Member holding more than 10% is entitled to appoint a single proxy, and such proxy cannot be a proxy of any other Member. ***The proxy holder shall prove his/her identity at the time of attending the meeting and shall not be entitled to speak at the meeting, but only vote on poll, if the Member has not exercised e-voting.***
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
6. Electronic copy of the full version of the Annual Report for the year 2018-19 and the Notice of the 33<sup>rd</sup> AGM are being sent to all the Members whose E-mail IDs are registered with the Company/Depository Participant(s) unless any Member has requested for a hard copy of the same. For Members who have no registered email address, physical copies of the Abridged Annual Report for the year are being sent in the permitted mode. These Members are requested to register their e-mail ids with the DP/RTA.
7. Full version of the Annual Report and the Notice of the AGM are available in the Company's website viz., [www.manalipetro.com](http://www.manalipetro.com). Members desirous of receiving printed copy of the complete annual report may send a request in writing to the Registrar or the Company by post/courier or email with a scanned copy of the request.
8. Pursuant to Regulation 44 of the Regulations, read with Section 108 of the Companies Act, 2013 and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means. The detailed process for participating in e-voting is furnished in the Annexure to the Notice in Page No 13.
9. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote at the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. However, as per Rule 20 of the Companies (Management & Administration) Rules, 2014, facility for voting shall also be made available at the meeting by polling paper and Members who have not cast their vote by e-voting shall be able to exercise their right at the meeting.
10. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any request for deletion or change of such bank details.

11. 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 ₹ 51,94,815/- being the unpaid and unclaimed dividend amount pertaining to the year 2010-11 to the IEPF on 19.09.2018. The details of such transfer are available in the website of the Company.
12. Pursuant to Section 124 (6) of the Act, during the year 2018-19, 3,62,796 equity shares relating to the unpaid/unclaimed dividends for the year 2010-11 were also transferred to the IEPF. The total number of shares transferred to the IEPF up to the year 2010-11 is 59,18,602.
13. The details of unpaid dividend relating to the years 2011-12 to 2016-17 as on 6<sup>th</sup> August 2018 being the date of the last AGM is available in the website of the Company [www.manalipetro.com](http://www.manalipetro.com). The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2011-12 to 2017-18 will be uploaded in the Website of the Company in due course.
14. Dividend for the year 2011-12 remaining unclaimed and unpaid will be transferred to IEPF during September 2019. 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.
15. In addition to the above the related shares would also be transferred to the IEPF, if the shareholder has not encashed any dividend during a period of seven consecutive years, for which notices have been sent to the concerned individuals. They are also requested to lodge their claims for unpaid dividend with the RTA immediately to avoid transfer of the dividend and the shares.
16. 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.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holdings should be verified.
18. 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.
19. SEBI vide Circular dated 20-04-2018 mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly in July 2018 individual letters were sent to those shareholders whose PAN and Bank account details were not available with the Company, followed by two reminders. The Company has not received the information from many of such shareholders. As per the Circular, the shareholders who have not furnished the information have been placed under "enhanced watch" and so their requests would be processed subject to enhanced due diligence.
20. ***Pursuant to proviso to Regulation 40(1) of the Regulations, effective 1<sup>st</sup> April 2019, the Company is not permitted to process requests for transfer of securities, other than transmission or transposition of names in physical form. So, persons holding shares in physical form are requested to take actions for dematerialisation of their holdings to ensure hassle free transactions in the shares.***
21. Members who have registered for e-communication are also entitled to receive communication in physical form by post, free of cost upon making a request for the same. For any information, the shareholders may also send requests to the RTA.

22. 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.
23. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except on holidays, up to and including the date of the AGM.
24. Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.
25. **Members may note that as per the Secretarial Standard – 2 notified by the Government, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting and hence there will be no distribution of packaged items in connection with the meeting.**

---

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

**Item No. 5**

At the Board Meeting held on 10<sup>th</sup> August 2018 M/s. S. Gopalan & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditor of the Company for the year 2018-19 on a remuneration of ₹ 4.00 lakh as recommended by the Audit Committee. As per Section 148 of the Act, read with the relevant Rules, the remuneration to the Cost Auditor is to be approved by the Members. Accordingly, Board recommends the same for consideration and approval of the Members.

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

**Item No. 6**

**Dr. Aneesh Sekhar S, IAS, (DIN: 07887010)** Executive Director, Tamilnadu Industrial Development Corporation Limited, (TIDCO) was appointed as an Additional Director of the Company through Circular Resolution on 2<sup>nd</sup> April 2019 and he holds office till the Annual General Meeting.

Proposal has been received from TIDCO for his appointment as a Director of the Company under S. 160 of the Act which has been recommended by the Nomination and Remuneration Committee. Accordingly there is no requirement of any deposit for considering the proposal. A brief profile of the appointee is given in the Annexure.

In terms of the Associate Sector Agreement entered between the promoters, TIDCO is entitled to have a nominee on the Board of MPL. Accordingly, the Board recommends the resolution for the consideration of the Members as an Ordinary Resolution.

Except Dr. Aneesh Sekhar S, IAS, 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. 7**

**Lt. Col. (Retd.) Chatapuram Swaminathan Shankar (DIN: 08397818)** was appointed as an Additional Director of the Company at the meeting held on 20<sup>th</sup> May 2019. In terms of the relevant provisions of the Act and the Articles of Association of the Company, he has been appointed by the Board as an Independent Director under Section 149 of the Act read with the other provisions, Rules and Schedule IV to the Act. As per Section 150 his appointment is to be approved by the shareholders and hence the same is placed for consideration and approval at the AGM. Pursuant to Section 149(13) he will not be liable to retirement by rotation.

A brief profile of the above appointee is given in the Annexure. Considering his previous experience with one of the largest oil marketing companies in various functions and capacities, the Board is of the view that the proposed appointee has good knowledge about the Petrochemicals business and industry and so would be able to understand the issues specific to the Company and guide in finding solutions for

the same. He can provide guidance for development of policies and other parameters within which the Company should operate for better control and management, has the ability to guide crisis management and provide leadership in hours of need and also would be able to help in operational risk compliances. It has also been viewed that he will be able to analyze issues and contribute at board level to solutions for Management & Leadership matters. He also has good qualification and experience and other personal qualities required of an Independent Director. Therefore the Board recommends the resolution for the consideration of the Members as an Ordinary Resolution.

Except, Lt. Col. Shankar, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

#### **Items 8**

**Dr. N Sundaradevan IAS, (Retd.) (DIN: 00223399)** was appointed as an Additional Director of the Company at the meeting held on 12<sup>th</sup> June 2019. In terms of the relevant provisions of the Act and the Articles of Association of the Company, he has been appointed by the Board as an Independent Director under Section 149 of the Act read with the other provisions, Rules and Schedule IV to the Act for a period of five years from the said date. As per Section 150, his appointment is to be approved by the shareholders and hence the same is placed for consideration approval at the AGM. Pursuant to Section 152(6) he will not be liable to retirement by rotation.

A brief profile of Dr. Sundaradevan is given in the Annexure. Considering his previous experience with the Government in various capacities and his present position as a Director of various companies, Board is of the view that the proposed appointee has the ability to identify and critically assess strategic opportunities and threats to the business. He can also guide development of strategies to achieve the overall goals and provide guidance for development of policies and other parameters within which the Company should operate for better control and management. He also would have the ability to guide crisis management and provide leadership in hours of need and monitor the risks and compliances with his knowledge of regulatory requirements. He would be able to help in making decisions and take necessary actions for implementation thereof in the best interest of the organization. He would also be able to analyze issues and contribute at board level to solutions, participate actively in the matters discussed and contribute effectively at the meetings. He is well qualified to possess the skills and competencies outlined above and also has the previous experience in Board and senior management positions in reputed companies/ organizations/ government. It is also viewed that he has the other personal qualities and traits required of an Independent Director. Therefore the Board recommends the resolution for the consideration of the Members as an Ordinary Resolution.

Except, Dr. Sundaradeven, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

#### **Items 9 & 10**

**Mr. G Chellakrishna, [DIN 01036398] and Ms. Sashikala Srikanth [DIN 01678374]** were appointed as the Independent Directors for a period of five years from 13<sup>th</sup> August 2014 and would be completing their first term of office on 12<sup>th</sup> August 2019. As per Section 149(10) of the Act, they shall be eligible for reappointment on passing of a Special Resolution by the Members and disclosure of the same in the Board's Report. Further as per Para 4 of Schedule IV to the Act, such reappointment shall be on the basis of report of performance evaluation.

In this connection, Board at the meeting held on 20<sup>th</sup> May 2019 based on the evaluation of the performance of the above two directors, concluded that they be reappointed for a further term of five years, subject to approval of the Members as stated above. The proposals have also been considered by the Nomination and Remuneration Committee and duly recommended to the Board.

The profile of the appointees are given in the Annexure from which it could be seen that they are Chartered Accountants with rich experience in various fields. They are also serving on the Boards of other listed companies and their committees. Since their performance has been found to be good their continued association with the Company would be beneficial to the Company and so the Directors recommend the proposals for consideration and approval of the Members by Special Resolutions.

Except for the aforesaid appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions.

Date: 12<sup>th</sup> June, 2019

By Order of the Board  
for Manali Petrochemicals Limited

**Registered Office:**  
SPIC HOUSE,  
88 Mount Road, Guindy,  
Chennai – 600 032

R Kothandaraman  
Company Secretary

---

## INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 33<sup>RD</sup> AGM

### Brief Profile of the proposed appointees under Items 3 and 6 to 10 of the Notice:

**Mr. Ashwin C Muthiah [DIN: 00255679]**, 53, is a graduate in Commerce from Loyola College, Chennai and has a Master's Degree in Business Administration from Philadelphia University. He has more than two decades of international business exposure and expertise in managing, revival and sustainable growth of companies and is instrumental for MPL's global footprints and strategies.

He was appointed as an Additional Director on 27<sup>th</sup> April 2007 and took over as Chairman on 24<sup>th</sup> February 2009. He is Chairman of Southern Petrochemical and Industries Corporation Limited, SICAGEN India Limited, Vice Chairman of Tamilnadu Petroproducts Limited 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 the Stakeholders Relationship Committee (SRC) of MPL and a Member of SRC of TPL. He is also Chairman of Corporate Social Responsibility Committee (CSR) of SPIC, MPL, TPL and SICAGEN and a member of Nomination & Remuneration Committee of SPIC, MPL and TPL.

**Dr. Aneesh Sekhar S, IAS, [DIN: 07887010]**, 33, holds M.B.B.S degree. A 2011 batch IAS Officer, he has held many key positions in the Government of Tamil Nadu such as the Commissioner, Corporation of Madurai, Managing Director, Madurai Smart City Limited, Director, Tamilnadu State Transport Corporation (Madurai) Limited and Joint Commissioner (Enforcement) Commercial Taxes Coimbatore.

At present he serves as Executive Director of Tamilnadu Industrial Development Corporation Limited and State Industries Promotion Corporation of Tamilnadu Limited and Managing Director of Tamilnadu Polymer Industries Park Limited.

He is Chairman of Tanflora Infrastructure Park Limited and Director of TIDEL Park Coimbatore Limited, TICEL Bio Park Limited, Southern Petrochemical Industries Corporation Limited, Tamilnadu Petroproducts Limited and Tamilnadu Trade Promotion Organisation.

**Lt. Col. (Retd.) Chatapuram Swaminathan Shankar [DIN: 08397818]**, 60, is a Chemical Engineer and served Indian Oil Corporation Limited for 37 years. He retired as its Executive Director and during his tenure had headed various verticals within the organization, viz., Aviation, LPG, Director Secretariat, Petrochemicals, Corporate Training & Development, Planning and Co-ordination, Law and Quality control.

Concurrently, Mr. Shankar was commissioned in the Indian Territorial Army as an Officer in 1983 and had been an active soldier for over 30 years. He had headed Battalion in relief and rescue operations during the Gujarat earthquake, Odisha super cyclone, Andaman's tsunami and various other critical operations of national importance.

A passionate trainer and motivational speaker Lt. Col. Shankar has presented technical papers at various National and International forums.

Lt. Col. Shankar is a director of Tamilnadu Petroproducts Limited and a Member of its Nomination and Remuneration Committee.

**Dr. N Sundaradevan, IAS, (Retd.), [DIN: 00223399]**, aged 65, holds a Master's degree in Chemistry and also a Ph. D in Sociology (Applied Demography). He was in Indian Revenue Service as an Income Tax Officer from July 1977 to July 1979 and later joined the Indian Administrative Service.

Dr. Sundaradevan IAS has more than three decades of experience in administrative services in various departments like District Administration, Civil Supplies, Revenue, Health & Family Welfare, Environment & Pollution control, Industries and retired in September 2012.

During his services to the Government, Dr. Sundaradevan had held various offices such as Sub-Collector, Regional Manager of Tamilnadu Civil Supplies Corporation, Chairman and Managing Director of State Industries Corporation (SIPCOT), District Collector of Kanniyakumari and Tiruchirapalli, Managing Director of Tamilnadu Text Book Society, Director of Handlooms & Textiles, Secretary of State Election Commission, Officer on Special Duty in Chief Minister's Office, Secretary to the Chief Minister, Secretary of Health & Family Welfare Department, Director of Guidance Bureau, Secretary of Revenue Department, Chairman of Tamilnadu Pollution Control Board, Secretary of Forests and Environment Department, Commissioner of Revenue Administration, Principal / Additional Chief Secretary of Industries Department, CMD of TIDCO, Tamilnadu Mineral Ltd. (TAMIN), Tamilnadu Industrial Explosives Ltd., Chairman of Tamilnadu Cements Corporation Ltd., and Director of Chennai Metro Rail and TANGEDCO.

Dr. Sundaradevan is at present director of The State Trading Corporation of India Limited, Jansons Industries Limited, Ascendas IT Park (Chennai) Limited, TIDEL Park Coimbatore Limited, Tamil Nadu Water Investment Company Limited, Tamilnadu Petroproducts Limited and Information Technology Park Limited.

**Mr. Chellakrishna (DIN: 01036398)**, 41, is a Post Graduate in Commerce and a Fellow Member of the ICAI and has also completed a Post Graduate Programme on Business Management from the Indian School of Business (ISB)/Kellogg Graduate School of Management, Hyderabad. At present he is a Partner of SRSV & Associates, Chartered Accountants, Chennai who provide Assurance, Tax and Advisory services to a varied client base.

Mr. Krishna is an expert in the fields of business valuation and structuring of big corporates. He is also well versed in raising funds through off-shore equity markets/FCCBs, mergers and acquisitions, taxation and similar areas. His clientele include major companies in Sugar, Mining, Software Services, NBFCs / Banks/ Financial Institutions, Packaging & Paper, Trading, Hospitals, Real Estate, Ports, Media, Hotels & Resorts and FMCG.

Mr. Krishna is a Director of Banyan Consultancy Services Private Limited, APN Ventures & Consultancy Private Limited, Banyan Corporate Advisors Private Limited, Southern India Chamber of Commerce & Industry, ELNET Technologies Limited, Banyan Ventures and Investment Private Limited, The Indian and Eastern Engineer Company Private Limited, Goolestan Investments Private Limited, EPIC Television Networks Private Limited and Script Stories Media Private Limited. He is the Chairman of the Audit Committee of MPL and ELNET Technologies Limited and Member of Stakeholders Relationship Committee in ELNET Technologies Limited and Nomination and Remuneration Committee of MPL.

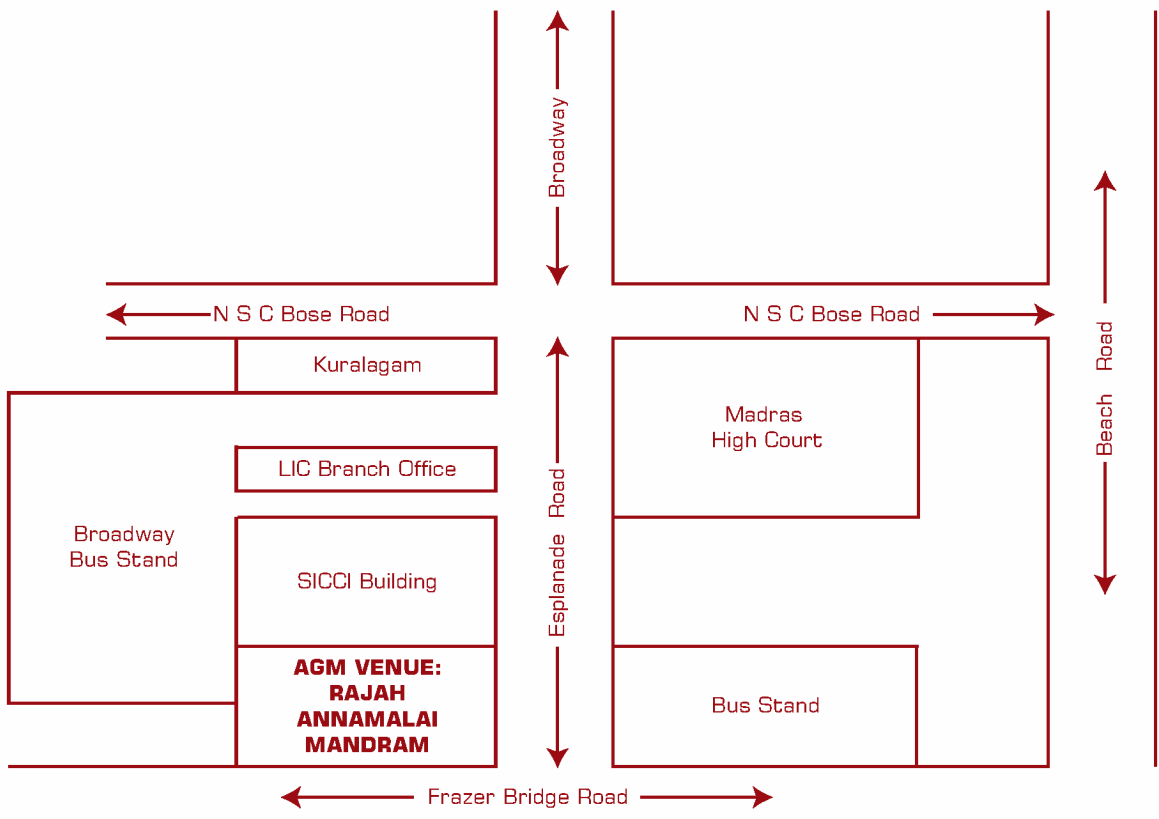
**Ms. Sashikala Srikanth (DIN: 01678374)**, 62, is a graduate in Economics and a Chartered Accountant. At present she is providing consultancy services to various corporates including in the area of CSR. Prior to this she was Senior General Manager – Resources of IAL Group and Group Financial Controller of Shattaff Group, in Dubai from 2003 to 2005 and held various positions in MAC Group of Companies from 1995 to 2003. She was associated with A F Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995 where she had also done her articles during 1984 -87.

Ms. Sashikala is a Director of Southern Petrochemical Industries Corporation Limited, Tamilnadu Petroproducts Limited, SICAGEN India Limited, Greenstar Fertilisers Limited, EDAC Engineering Limited, Mercantile Ventures Limited, Trust Properties Development Co Private Limited and AM Foundation. She is also Director of AMCHEM Speciality Chemicals UK Limited, UK and AMCHEM Speciality Chemicals Private Limited, Singapore, subsidiaries of MPL.

She is the Chairperson of the Audit Committees of Southern Petrochemical Industries Corporation Limited (SPIC), Greenstar Fertilizers Limited (GFL), SICAGEN India Limited (SICAGEN) and Tamilnadu Petroproducts Limited (TPL), and Member of Audit Committees of EDAC Engineering Limited (EDAC) and MPL and Member of the Audit Committee and Stakeholders Relationship Committee of Mercantile Ventures Limited. Her other Committee positions are: Chairperson - Risk Management Committees of TPL, MPL and MVL, Chairperson - CSR Committee of MVL, Member - Nomination and Remuneration Committees of MVL, GFL, EDAC and SICAGEN. Member – CSR Committee of SICAGEN, MPL, TPL and GFL.

None of the above directors are related to any other directors of the Company. Except Mr. Ashwin C Muthiah, who holds 13,648 equity shares, none of the other directors hold any shares in the Company.

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





## INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

- (i) The voting period begins on **2<sup>nd</sup> August 2019 at 9.00 AM and ends on 4<sup>th</sup> August 2019 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, 29<sup>th</sup> July 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter their Folio Number allotted by the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Manali Petrochemicals Limited and you will be directed to the E-Voting Screen.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**Manali Petrochemicals Limited**  
CIN: L24294TN1986PLC013087

**ATTENDANCE SLIP**

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

Telefax: 22351098 E-mail: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com) Website: [www.manalipetro.com](http://www.manalipetro.com)

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING. REPRESENTATIVES OF CORPORATE MEMBERS ARE REQUIRED TO PROVIDE CERTIFIED COPY OF THE RELEVANT BOARD RESOLUTION TO ATTEND AND VOTE AT THE MEETING.

Name of the Member(s)		Folio/DP ID-Client ID No.	
No. of Shares held			

I hereby record my presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 at 10.00 AM on Monday, the 5<sup>th</sup> August, 2019.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY\*

\* Strike out whichever is not applicable



**Manali Petrochemicals Limited**  
CIN: L24294TN1986PLC013087

**PROXY FORM**

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

Telefax: 22351098 E-mail: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com) Website: [www.manalipetro.com](http://www.manalipetro.com)

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, to be held on Monday, the 5<sup>th</sup> August, 2019 at 10.00 AM at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108, and at any adjournment thereof in respect of such resolutions as are indicated below:

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

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

**Notes:**

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



**REQUEST TO SHAREHOLDERS FOR INFORMATION UNDER SECTION 88 OF  
THE COMPANIES ACT, 2013 AND TO REGISTER THEIR E-MAIL IDs**

1. As per Section 88 of the Companies Act, 2013 (the Act) the Register of Members is required to be updated with certain additional particulars, such as PAN, CIN/UIN etc. Persons holding shares in physical form are requested to furnish the relevant information to enable the Company to comply with the said requirements of the Act.
2. The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report, notices and other communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein. Accordingly for receiving the annual report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents in the format appended. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

The information may be filled in the below form duly signed and sent to the Registrar and Share Transfer Agents through post, courier or by e-mail with the scanned copy of the duly signed form or handed over at the AGM Venue.

**Cameo Corporate Services Limited,**  
**Unit: Manali Petrochemicals Limited**  
Subramanian Building  
1 Club House Road, Chennai 600 002  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)

Dear Sirs,

As requested I am furnishing the additional particulars relating to my holding in the above Company, which may kindly be registered.

Name of the Sole/First Holder	
Folio No.	
E-mail id	
PAN	
CIN/UIN	

I also hereby register for receipt of communication including notices and annual reports electronically to the above e-mail address.

Thanking you

Yours faithfully

Place:

Date:

Signature





## **Manali Petrochemicals Limited**

***Registered Office:***

***SPIC House, 88 Mount Road Guindy, Chennai 600 032***

CIN: L24294TN1986PLC013087

Telefax: 044-2235 1098

Email: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com)

Website: [www.manalipetro.com](http://www.manalipetro.com)