ANNUAL REPORT

2015 - 16

Manali Petrochemicals Limited

MANALI PETROCHEMICALS

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 in the scanned copy of the duly signed form.

Cameo Corporate Services Limited,
Unit: Manali Petrochemicals Limited
Subramanian Building
1 Club House Road, Chennai 600 002
E-mail: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

Board of Directors

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

Company Secretary
R. Kothandaraman

Chief Financial Officer
Anis Tyebali Hyderi

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

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

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

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

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

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

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Please Refer to Page No. 8 & 9 for important information on E-voting.

Notice to Shareholders

NOTICE is hereby given that the 30th Annual General Meeting of the Company will be held at 9.30 a.m. on Wednesday, the 21st September 2016 at Rajah Annamalai Mandram, No. 5 Esplanade Road (Near High Court) Chennai – 600 108 to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March 2016 by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any, of the Companies Act, 2013, the Stand Alone and Consolidated Financial Statements of the Company for the year ended 31st March 2016 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.

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

   RESOLVED THAT pursuant to the recommendation of the Board of Directors, a dividend of fifty paise per equity share on 17,19,99,229 Equity Shares of Rs. 5/- each, absorbing Rs. 860 lakh (Rupees eight hundred and sixty lakh only), subject to rounding off, be and is hereby declared out of the profits for the year ended 31st March, 2016 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 21st September 2016 and

   ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the close of business hours on 10th September 2016.

3. **To appoint a Director in the place of Mr. T K Arun [DIN 02163427], 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. T K Arun [DIN 02163427], a Director retiring by rotation being eligible and offering for re-election, be and is hereby re-appointed as a Director of the Company.

4. **To appoint the Auditors of the Company and fix their remuneration by passing the following as an Ordinary Resolution:**

   RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, other applicable provisions, if any and the Rules made thereunder, M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai, with ICAI Registration Number 008072S are appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 17,00,000 (Rupees seventeen lakh only) plus reimbursement of out of pocket expenses and applicable taxes, for the audit of the accounts and all the other related services as the Auditors of the Company for the year 2016-17.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass the following as an Ordinary Resolution to ratify the remuneration to the Cost Auditors for the year 2016-17:**

   RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, the remuneration of Rs. 3,50,000 (Rupees three lakh fifty thousand only) to M/s. S. Gopalan & Associates, Cost Accountants, Chennai, the Cost Auditor of the Company for the year 2016-17 be and is hereby ratified.

Date: August 4, 2016
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 12th September 2016 to 21st September 2016 (both days inclusive) in connection with the Annual General Meeting (AGM) & payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to Special Business of the meeting, is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote instead of 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.***
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred Rs. 51,05,249 being the unpaid and unclaimed dividend amount pertaining to the year 2007-08 to the IEPF on 24.11.2015. As per the applicable regulations, no claim shall lie against the Company or the IEPF in relation to the amount remitted.
6. The details of unpaid dividend relating to the years 2008-09 to 2013-14 as on 23rd September 2015 being the date of the last AGM is available in the website of the Company www.manalipetro.com. The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2008-09 to 2014-15 will be uploaded in the Website of the Company in due course.
7. Dividend for the year 2008-09 remaining unclaimed and unpaid will be transferred to IEPF during October 2016. 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. Since the new provisions of the Companies Act, 2013 relating to remittance of unpaid dividend to the IEPF have not been notified yet, the transfer will be made under Section 205A of the Companies Act, 1956 unless the new provisions are notified prior to the transfer. Accordingly, no claim shall lie against the Fund or the Company for refund of the amount so remitted and so it will not be possible for the Shareholders to make any further claims in this regard after the said transfer.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holdings should be verified.
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
10. Particulars of the Director seeking reappointment at the Annual General Meeting is enclosed and form an integral part of the Notice. The Director has furnished the requisite declarations for his re-appointment.
11. Electronic copy of the full version of the Annual Report for the year 2015-16 and the Notice of the 30th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have no registered email address, physical copies of the Abridged Annual Report for the year are being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/Registrar.

12. Full version of the Annual Report and the Notice of the AGM are available in the Company's website viz., 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.

13. Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 8.

14. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote 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 venue by polling paper and Members who have not cast their vote by e-voting shall be able to exercise their right at the meeting.

15. 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 Registrar.

16. 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.

17. 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.

18. ***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 at the meeting venue.***

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

Item No. 5

At the Board Meeting held on 4th August 2016, M/s. S. Gopalan & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditor of the Company for the year 2016-17 on a remuneration of Rs. 3.50 lakh as recommended by the Audit Committee. As per Section 148 of the Companies Act, 2013, read with the relevant Rules, the remuneration to the Cost Auditor is to be approved by the members. Accordingly the same is placed before the Members for consideration and approval.

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.

Date: August 4, 2016
Registered Office:
SPIC HOUSE
88 Mount Road
Guindy, Chennai – 600 032

By Order of the Board
for Manali Petrochemicals Limited

R. Kothandaraman
Company Secretary

BRIEF PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 30TH AGM.

Item No. 3

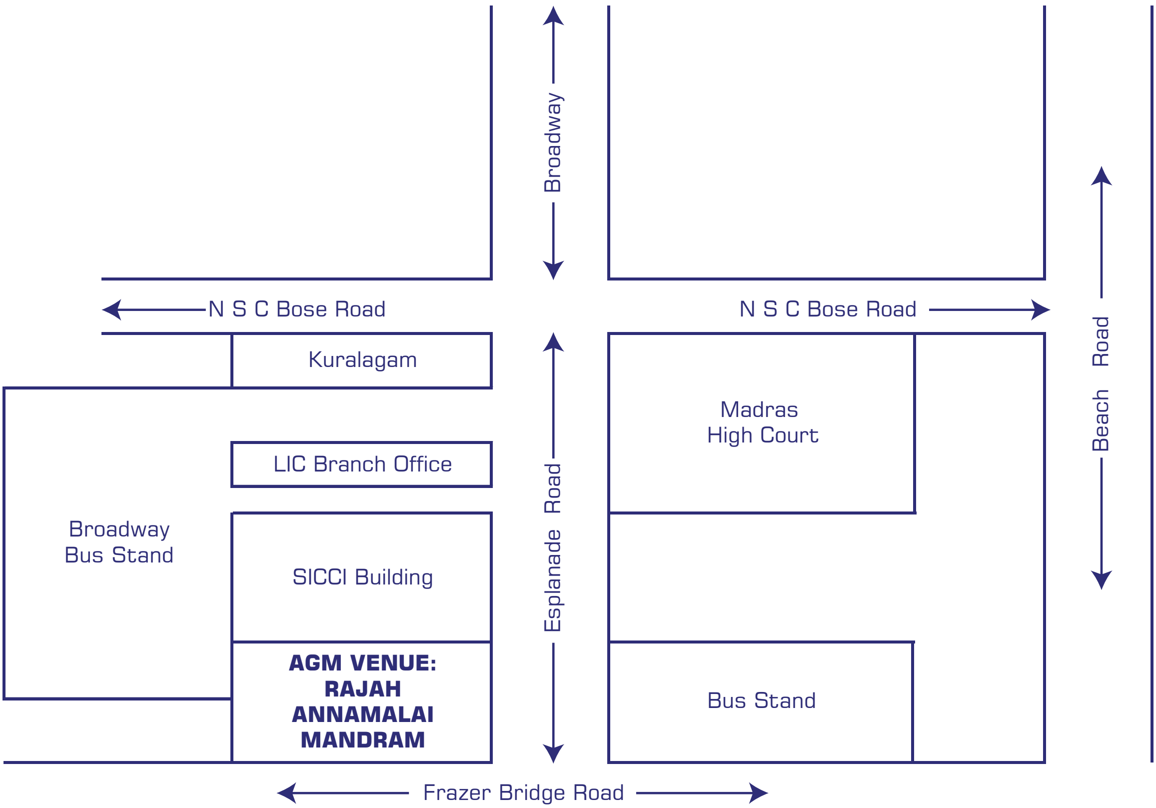
Mr. T K Arun, 56, (DIN: 02163427), nominee of Tamilnadu Industrial Development Corporation Limited (TIDCO) and Director of the Company since 7th October 2009, holds a Bachelor's Degree in Commerce and is an Associate Member of the Institute of Company Secretaries of India, New Delhi. He is the Senior General Manager and Secretary of TIDCO, wholly owned by the Government of Tamilnadu. He also serves as the Nominee Director in companies assisted by TIDCO.

Mr. Arun's expertise includes structuring of Public Private Partnerships (PPPs) for Infrastructure Projects including Water, Ports and Roads, PPP documentation viz., Concession Agreements and related Contracts, Bid Process Structuring, Bid Process Management; Contract drafting / negotiation, Contract Management and Arbitration.

Mr. Arun does not hold any shares in the Company. He has attended all the Board and the Committee Meetings of the Company held during the year. He is a Director of Tamilnadu Petroproducts Limited (TPL), Southern Petrochemical Industries Corporation Limited (SPIC), Ascendas IT Park Chennai Limited (Ascendas), Tanflora Infrastructure Park Limited (Tanflora), TIDEL Park Limited (TIDEL), Titan Company Limited (TCL), Titan Time Products Ltd. (TTPL), TRIL Info Park Limited (TRIL) and Tamil Nadu Road Development Company Limited (TNRDCL). The following are the details of his committee positions in other companies:

Audit Committee: Tanflora (Chairman), TPL, SPIC, Ascendas, TNRDCL, TCL, and TRIL (Member). **Nomination & Remuneration Committee:** SPIC, TPL and TNRDCL (Member). **CSR Committee:** SPIC, TPL, Ascendas, TNRDCL and TCL(Member). **Risk Management Committee:** SPIC, TPL and TCL (Member). He is also a Member of **Stakeholders Relationship Committee** of TCL.

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 **17th September 2016 at 9.00 AM and ends on 20th September 2016 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 14th September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted electronically prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

c. Members holding shares in Physical Form should enter their Folio Number allotted by the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Manali Petrochemicals Limited and you will be directed to the E-Voting Screen.

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

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

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

The Directors present their 30th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2016.

Financial Results

(Rs. in crore)

Description	2015-16	2014-15
Profit before interest & depreciation	**77.66**	77.56
Finance cost	**2.52**	2.48
Depreciation	**5.88**	5.55
Profit Before Tax	**69.26**	69.53
Provision for Taxation	**21.05**	25.54
Profit After Tax	**48.21**	43.99

Operational Highlights

Gross revenue from operations during the year was Rs. 642.47 crore against Rs. 814.13 crore during the year 2014-15. The lower sales was primarily on account of the fall in prices of polyol and other products due to drop in the crude prices, flooding of the plant during November/ December 2015 and also restrictions on utilizing the augmented capacity. It may be noted that in spite of the lower sales, net profit for the year at Rs. 48.21 crore was about 10% higher than the previous year. The restrictions have since been removed and hence your Company expects to restore the capacity utilization to the optimum level in the current year and improve the performance.

With the oil prices remaining low and the fire wood prices ruling high, the bio mass Captive Power Plant was not operated during the year. Besides TANGEDCO power, the Company also entered into arrangements for third party power. Through the various cost cutting measures the overall expenses were brought down, enabling higher margins.

Financial Review

During the year 2015-16, no changes were made to the Cash Reserve Ratio or the Statutory Liquid Ratio. The Bank rate came down from 8.50% in March 2015 to 7.75% in March 2016. No visible changes were noticed in lending rates, but the rupee depreciated by about 6% against the Dollar as at the year end vis-a-vis the previous year. Growth of credit offtake by industries touched the lowest in twenty years in the June 2015 quarter, but signs of improvement could be seen towards the year-end. The year-on-year inflation in March'15 – March'16 was 5.51%, attributed to higher food prices during the year.

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

Dividend

The Company continues with the capital expenditure plans to improve the domestic sales and profitability. Also, plans are afoot to enter the global business arena in the coming years and so the Company needs to plough back the profits to meet the funding needs of these proposals. In the light of this and as per the policy to sustain the dividend track record, your Directors recommend a dividend of 10% i.e. fifty paise for every equity share of Rs. 5/- each fully paid-up, for the year 2015-16, aggregating to Rs. 8.60 crore, excluding dividend distribution tax. The Board is happy to highlight that your Company has been declaring dividend continuously for the past eleven years, in spite of the economic slowdown during some of the earlier years. It could be seen that the ratio of distribution has also been maintained at reasonable levels.

Industry structure and development

Your company operates in the Polyurethanes (PU) industry and specializes in manufacture of propylene glycol and polyether polyol. Your Company is the only Indian manufacturer of Propylene Oxide, the input material for the aforesaid derivative products.

Polyols are made in four grades, viz., Flexible Slabstock (FSP), Flexible Cold Cure, Rigids and Elastomers. These find application in the automobile, refrigeration and temperature control, adhesive, sealant, coatings, furniture and textile industries.

Propylene Glycol is widely used 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.

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

Indian PU market has been infiltrated by huge imports and world-over, new Polyol capacities have come up in the past few years especially in Thailand and Singapore without corresponding demand for the product in their region. This, coupled with the slowdown in China has further pushed the imports into India over the past few quarters. The resultant pricing war is unprecedented and the margins are bound to be impacted further in the coming years. Thus, the import of polyol into India continues to be a major concern for domestic manufacturers.

Opportunities and threats

Polyurethane materials, due to their versatility, perform extremely well as part of any application that is subject to dynamic stress. They provide many advantages including: resilience, high tear resistance, low viscosity and low heat build-up. Polyurethane can be used for varied applications like building insulations, refrigeration, furniture, footwear, automotive, coatings and adhesives, sealants etc. The development of polyurethane materials is still evolving and new applications are regularly being created.

Various reports suggest that the global Polyol and PU consumption would grow to 15.50 million MT by 2019, from 6 million MT in 2012. In India the consumption is expected to grow from 5 lakh MTPA in 2015 to 7.5 lakh MTPA, signifying CAGR of about 10-12%. With the Indian GDP growth pegged at 7.5% in 2015-16 and expected to continue in the coming years, the potential for higher demand for the products of your Company appear bright. The various other initiatives of the Government such as Make in India, Skill Development, Rural Development, etc. are expected to bring in better purchasing power to the common man, stimulating higher demand for goods and services, which augurs well for the Company in the near future.

However, as mentioned earlier, the unabated imports of Polyol and PG dampen the outlook and the margins are bound to decline further. The Company continues its efforts to ward off the threat through the available avenues in law and also through product development and concentrating on value added products such as water proofing, foot-wear applications, etc. The global investment plans are also aimed at improving the earnings of the Company.

Market Scenario

The Indian Polyol and PG markets continued to be dominated by imports. The FSP imports went up to about 75,000 MT against 70,000 MT in the previous year. There has been no letup in the inbound volumes of Polyols in spite of levy of Anti-Dumping Duty by the Government on imports of FSP from Singapore, Australia and EU. This could be attributable to the new Polyol facilities set up in Thailand and Singapore. With the ADD on imports from China and Korea having expired in August 2015, the imports are expected to go up further in the coming years. The imports of PG also went up from 54,000 MT to 65,000 MT, inspite of one of the major facilities in Singapore remaining non-functional for a couple of months during the year.

Risk Management

The Company has in place 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, Mr. T K Arun, Director and Mr. Muthukrishnan Ravi, Managing Director as the other Members.

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

As required under S. 177 of the Companies Act, 2013 (the Act), the Audit Committee also reviews the risk management process periodically.

Risks and Concerns

The duty concessions for import of polyols and other products under the free trade agreements with many countries continue to encourage cheaper imports into India, denying level playing field to the local manufacturers. The new facilities set up by major players such as DOW, BASF elsewhere with high capacities have pumped in Polyols into India instigating fresh bouts of price wars.

A Petition has been filled in the Southern Bench of National Green Tribunal, Chennai against the marine disposal of the treated effluent by the Company. The Company has taken appropriate actions for defending the case.

Outlook

The World Economic Outlook released by the World Bank in January 2016 is not very optimistic globally, but the growth projections for India look positive. While China's slowdown is expected to continue and become 6% in 2017, it has been stated that the robust growth of India and the rest of Asia is expected to be maintained during this period. Indian GDP growth is projected at 7.5% for 2016 and 2017. The impact of exit of the United Kingdom from the European Union (Brexit) on the Indian economy is not expected to be severe and it has been reported that India could still be the fastest growing economy, though the GDP growth could be lower than the earlier estimates.

The WTO has forecast that the aggregate trade growth for 2016 would be 2.8%, same as in the year 2015. However, the forecast for 2017 is 3.6%, though below the average of 5% in 1990 shows some sign of hope for global recovery.

With the Indian economy predicted to do well despite the adverse global scenario, your Company looks to capitalize the advantage. On the other hand, the rest of the world demand remaining flat the imports into India could be very high with inevitable lower margins for the Company.

As stated earlier, your Company continues its efforts to develop new applications for its products like footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc. Some of these have been completed and commercialized during the year under review. The development of product for medical application is progressing and is expected to be completed shortly.

With the removal of the restrictions on the capacity utilization at both the Plants, scale up of the production to optimum levels and achieving of lower cost per unit would be possible.

With the in-house PO capacity remaining static, the bulk storage facilities for imported raw materials in Ennore Port helps the Company to increase the capacity of the derivative plants and go for more of value added products. However, the prices have been going up and as an alternative the PO capacity will also be increased through an arrangement with another Company who have obtained Environmental Clearance for converting their existing facilities to make PO. Your Company would provide technical support for the implementation and also post commissioning. This has paved way for considering further capacity additions for the derivative products.

As a way forward, the Company is focusing on strategic business development and has in place a strong team of professionals to look at the various opportunities available for growth.

Subsidiary

During the year the Company has set up a Wholly Owned Subsidiary (WOS), AMCHEM Speciality Chemicals Private Limited, Singapore to expand its global footprint which will hold all the foreign assets of the Company. An investment of US$ 745,000 has been made in the equity shares of the subsidiary. The financial and other information on the subsidiary have been furnished in the Consolidated Financial Statement attached to this Report. The Subsidiary is in the process of identifying investment opportunities across the globe.

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 including first aid and mock drills are conducted to ensure that the systems and processes are in place to meet any eventualities.

Audit Committee

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

Vigil Mechanism

As required under S. 177 of 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 abilities of its workforce to convert the plans into actions. Therefore, every effort is taken to retain the talents and also introduce newer ideas from the younger generation, for the success story to continue. Various HR initiatives are also taken to enhance the competency of the employees through inclusive decision making process by delegation, recognition, leadership development, etc. Your Company imparts need based training to its employees with special focus on youngsters, stimulating them to play an important role in shaping the Company's future. The industrial relations have generally been cordial, except in relation to a wage dispute with the workmen from 2001, being contested earlier in the Supreme Court and now in the Madras High Court. The Management's efforts to settle the issue through dialogues are continued.

As on 31st March 2016, your company had 358 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

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

Board of Directors and related disclosures

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

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

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

There has been no change in the composition of the Board or the Key Managerial Personnel since the last Annual General Meeting. Mr. T K Arun, (DIN 02163427) Director retires by rotation and being eligible offers himself for re-election.

Annual Evaluation of the Board, Committees and Directors

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

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

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

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

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

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

(d) the Directors had prepared the accounts for the financial year ended 31st March, 2016 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 16,02,351 shares which remained unclaimed by 6,612 shareholders at the beginning of the year, 9,150 shares were released to 40 shareholders during the year. As at the end of the year 15,93,201 shares remained unclaimed by 6,572 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 28th Annual General Meeting held on 13th August 2014 to hold office till the conclusion of 30th Annual General Meeting.

In this connection, the Act has brought in provisions for rotation of auditors and your Company is also required to comply with the same. As per Section 139 (2) of the Act, in the case of Auditors, being a Firm, the tenor can be 2 terms of five years each. Initially a transition period of 3 years from the date of commencement of the Act had been provided for changing the Auditors who have been in office for periods exceeding the limits and accordingly the Company at the 28th AGM appointed the existing Auditors to hold office till the ensuing AGM. However, the transition period has been extended and the change of Auditors could now be considered at the first AGM to be held three years after the commencement of the Act. Accordingly, the existing Auditors can continue till the conclusion of the next AGM to be held in the year 2017.

In the light of the above, the Audit Committee has recommended the reappointment of M/s. Deloitte Haskins & Sells as the Auditors to hold office from the conclusion of the 30th AGM till the conclusion of the 31st AGM on a fee of Rs. 17 lakh plus applicable taxes and reimbursement of out of pocket expenses, for approval by the Members at the ensuing AGM.

Cost Audit

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai was appointed as the Cost Auditor of the Company for the financial year 2015-16 on a remuneration of Rs. 3 lakh plus applicable taxes and reimbursement of out of pocket expenses which was ratified by the Members at the 29th Annual General Meeting held on 23rd September 2015.

Mr. S Gopalan has been re-appointed as the Cost Auditor for the year 2016-17 on a remuneration of Rs. 3.50 lakh. As required under S. 148 of the Act, read with the relevant Rules, ratification of the members for the remuneration to the Cost Auditor for the year 2016-17 will be considered at the ensuing AGM of the Company.

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 audits and management reviews 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. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Corporate Governance

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

Secretarial Audit Report

As required under Section 204 of the Act, the Secretarial Audit Report issued by Mrs. B Chandra, Company Secretary in practice is given in **Annexure B**.

Disclosure of the CSR obligation amount in the Annual Report for 2014-15 was based on Profit After Tax, in line with Rule 2 (f) of the Companies (CSR) Policy Rules, 2014. The same has since been recomputed as per the clarifications issued by Ministry of Corporate Affiars during the year.

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 C**.

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

c. The disclosures prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in **Annexure E** to this Report. It is hereby affirmed that the remuneration to the employees are as per the Remuneration Policy of the company.

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

e. 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.

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

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

Acknowledgement

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

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

Disclaimer

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

For and on behalf of the Board

Ashwin C Muthiah
DIN: 00255679
Chairman

Chennai
August 4, 2016

Annexure A

Report on Corporate Governance

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

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

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2016.

2. Board of Directors:

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

As on 31st March 2016, the Board comprised of eight directors, as detailed below:

Name	Category	Membership	
		Other Boards	Other Board Committees
Mr.Ashwin C Muthiah, Chairman	Non Executive, Non Independent	3(2)	1
Brig (Retd.) Harish Chandra Chawla	Non Executive, Independent	2	1
Mr. Kulbir Singh	Non-Executive, Independent	2	1(1)
Mr. G. Chellakrishna	Non-Executive, Independent	1	2(1)
Ms. Sashikala Srikanth	Non-Executive, Independent	6	5(1)
Mr. T K Arun, Nominee of TIDCO	Non Executive, Non Independent	9	8
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	-	-
Mr. G. Balasubramanian, Whole-time Director (Works)	Executive, Non Independent	-	-

Notes:

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

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

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

d. The details of familiarization programmes imparted to the Independent Directors are disclosed in the website of the Company at http://manalipetro.com/famaliar_polici.html

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

The Board of Directors met four times during the year 2015-16 viz., on 20th May 2015, 5th August 2015, 4th November 2015 and 2nd February 2016. All the Directors attended all the meetings and the 29th AGM held on 23rd September 2015.

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. The terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations)

ii. Composition

As on 31st March 2016, the Committee comprised of Mr. G. Chellakrishna as Chairman, Brig. (Retd.) Harish Chandra Chawla, Mr. Kulbir Singh and Mr. T K Arun as the other Members. The Company Secretary is the Secretary to the Committee.

iii. Meetings and attendance

The Committee met four times during the year 2015-16 viz., on 20th May 2015, 5th August 2015, 4th November 2015 and 2nd February 2016 and the meetings were attended by all the Members.

4. Nomination and Remuneration Committee:

(a) Composition, terms of reference and meeting

The Committee comprises of Mr. Kulbir Singh, as the Chairman, Brig. (Retd) Harish Chandra Chawla and Mr. T K Arun 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 Agreements.

The Committee met on 2nd February 2016 and all the Members attended the meeting.

(b) Criteria for evaluation of the performance of the Independent Directors:

The criteria for evaluation of the performance of Independent Directors, include qualification and experience of the Director, clarify about the respective roles and responsibilities, knowledge about the Company's operations and goals/mission, attendance and participation at meetings, adherence to the Code of Conduct and ethics, conduct and degree of participation in the matters discussed.

5. Remuneration of Directors

(a) 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 :

i. For Executive Directors

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

ii. For Non-Executive Directors

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

In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General

Meeting may by special resolution sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

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

(c) Details of remuneration paid to the Directors

i. Remuneration paid to Executive Directors during the year 2015-16 are as shown below:

(Rs. In lakh)

Sl. No	Description	Mr. Muthukrishnan Ravi, Managing Director	Mr. G. Balasubramanian, Whole-time Director (Works)
01	Salary and Allowances	45.39	25.32
02	Performance Linked Pay	30.00	7.35
03	Perquisites	3.01	1.76
	Total	**78.40**	**34.43**

Note:

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

(2) The performance linked pay is determined as per the appraisal system in vogue.

(3) Mr. Ravi was also the Managing Director of Tamilnadu Petroproducts Limited (TPL) till 3rd February 2016. His remuneration during the period was shared between the Company and TPL. The amount shown above is net of reimbursement from TPL.

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

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

ii. Remuneration paid to the Non-Executive Directors:

During the year each of the Non-Executive Director was paid sitting fees of Rs. 2 lakh aggregating to Rs. 12 lakh.

6. Stakeholders' Relationship Committee

i. Chairman and Compliance Officer

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

ii. Details of complaints received and pending

During the year, 52 complaints were received. All the complaints including the 2 pending at the beginning of the year were redressed by the Company/RTA to the satisfaction of the complainants. There were no pending complaints as at the year-end.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
27th	2013	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	02.08.2013	10.15 a.m.
28th	2014	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	13.08.2014	10.30 a.m.
29th	2015	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	23.09.2015	10.30 a.m.

ii. Special Resolutions:

No Special Resolution was passed at the AGM held on 2nd August, 2013.

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

Date of AGM	Subject
13.08.2014	(a) Borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage and/or create charge on the assets of the Company to secure the amount borrowed/to be borrowed by the Company. (b) Re-appointment and remuneration payable to Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years from 29th July 2014 to 28th July 2017. (c) Appointment and remuneration payable to Mr. G. Balasubramanian as Whole-time Director (Works) for a period of 3 years from 28th May 2014 to 27th May 2017.
23.09.2015	(a) Approving the increase in remuneration to Mr. Muthukrishnan Ravi, Managing Director with effect from 1st April 2014. (b) Approving the increase in remuneration to Mr. G. Balasubramanian, Whole-time Director (Works) with effect from 1st April 2015.

During the year no special resolution was passed through postal ballot. At present there is no proposal to pass any special resolution through postal ballot. The procedure for postal ballot, if and when conducted, would be as prescribed under the Act.

8. Means of communication

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

9. General Shareholder Information

i. Annual General Meeting

The thirtieth AGM of the Company is scheduled to be held on 21st September 2016 at 9.30 AM at Rajah Annamalai Mandram Esplanade, Chennai 600 108

ii. Financial year

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

iii. Dividend payment date

The dividend for the year 2015-16 will be paid on 14th October 2016 subject to declaration at the ensuing AGM.

iv. Listing Details and Stock Code

Name and Address of Exchange	Stock Code
BSE Limited 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 2016-17 have been paid to the aforesaid exchanges.

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

Month & Year	NSE				BSE			
	Share Price (Rs.)		Nifty 50		Share Price (Rs.)		Sensex	
	High	Low	High	Low	High	Low	High	Low
April 2015	16.85	14.65	8,844.80	8,144.75	16.80	14.60	29,094.61	26,897.54
May	17.35	14.75	8,489.55	7,997.15	17.35	14.60	28,071.16	26,423.99
June	22.10	14.15	8,467.15	7,940.30	22.00	14.15	27,968.75	26,307.07
July	31.90	19.60	8,654.75	8,315.40	31.80	19.75	28,578.33	27,416.39
August	37.20	23.10	8,621.55	7,667.25	37.20	23.00	28,417.59	25,298.42
September	25.35	20.90	8,055.00	7,539.50	26.20	20.95	26,471.82	24,833.54
October	34.80	24.25	8,336.30	7,930.65	34.80	24.20	27,618.14	26,168.71
November	34.15	27.55	8,116.10	7,714.15	34.20	27.50	26,824.30	25,451.42
December	35.50	27.95	7,979.30	7,551.05	35.50	28.00	26,256.42	24,867.73
January 2016	32.50	22.50	7,972.55	7,241.50	32.45	22.50	26,197.27	23,839.76
February	27.90	20.00	7,600.45	6,825.80	27.90	21.10	25,002.32	22,494.61
March	26.50	23.10	7,777.60	7,035.10	26.45	23.25	25,479.62	23,133.18

vi. Registrar and Share Transfer Agent:

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

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

viii. Distribution of shareholding as on March 31, 2016:

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	19,542	14.65	9,86,410	0.57
101	500	91,134	68.30	2,07,29,842	12.05
501	1000	12,405	9.30	98,45,429	5.73
1001	2000	5,181	3.88	79,45,662	4.62
2001	3000	1,726	1.29	45,35,151	2.64
3001	4000	683	0.51	24,99,002	1.45
4001	5000	723	0.54	34,61,839	2.01
5001	10000	1,053	0.79	80,01,188	4.65
10001	& above	985	0.74	11,39,94,706	66.28
Total		**1,33,432**	**100.00**	**17,19,99,229**	**100.00**

ix. Dematerialization of shares and liquidity

The shares, listed in BSE and NSE are to be traded only in dematerialized form. The ISIN of the shares is INE201A01024. As at March 31, 2016, 15,73,83,163 shares were held in dematerialized form, representing about 91.50% of the total shares. The shares are traded regularly on BSE and NSE.

x. The Company has not issued any convertible instruments.

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

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

xii. Address for correspondence

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

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

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

10. Other Disclosures

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

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

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

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

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

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

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

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

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

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

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

Declaration by CEO

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

Muthukrishnan Ravi
DIN: 0360522
Managing Director

Chennai
August 4, 2016

Report of the Auditors on Corporate Governance

1. We Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Manali Petrochemicals Limited ("the Company"), having its Registered Office at SPIC House, 88, Old no. 97, Mount Road, Guindy Chennai – 600 032, have examined the compliance of conditions of Corporate Governance, for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
   - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016, and
   - Regulations 17 to 27 (excluding regulation 23(4))and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place : Chennai
Date : August 4, 2016

Annexure B

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To

The Members
M/s. 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 31.03.2016, 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 31.03.2016, according to the provisions of:

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

(ii) The Companies Act 1956 (to the extent applicable)

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

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

(v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) 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 (with effect from 15th May 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 (with effect from 1st December 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 thereunder:

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

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

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

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

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

(vii) 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 and

(3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, I report that the Company has complied with the provisions of the following statutes and the Rules made thereunder to the extent it is applicable to them:

Factories Act, 1948, Explosives Act, 1884; The Public Liability Insurance Act, 1991; The Environment (Protection) Act, 1986; The Water (Prevention and Control of Pollution) Act, 1974; The Air (Prevention and Control of Pollution) Act, 1981; The Insecticides Act, 1968; Drugs and Cosmetics Act, 1940; The Fertiliser (Control) Order, 1985; 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; Workmens' 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 and Regulation) Act, 1951; Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003; The Electricity Act, 2003; The Energy Conservation Act, 2001; The Sexual Harrassment 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 (Old agreements upto 30th November 2015 and new agreement with effect from 1st December 2015) 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 including the operation of its plants within the consented quantity. Disclosure of a lower amount as CSR obligation in the Annual Report for the year 2014-15 which had no implication in the compliance requirements has since been rectified in the report for the current year. Further, the Company has voluntarily carried forward the unspent amount for spending in forthcoming years.

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. There were no changes in the composition of Board of Directors during the period under review.
- 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.

For B. CHANDRA
Company Secretaries

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

Place: Chennai
Date: August 4, 2016

All the other Annexures are available in the full version of the Annual Report, which has been uploaded in the website of the Company viz: www.manalipetro.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

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

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

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

Opinion

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

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 have been kept by the Company so far as it appears from our examination of those books.

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note no. 27 b & c to the financial statements)

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note no. 27 d to the financial statements)

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

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 whether a risk of a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

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

b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that the title deeds comprising the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of Land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(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) According to the information and explanations given to us, the Company has not granted any unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(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) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

c) Details of dues of income tax, sales tax, Service tax and excise duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the Amount Relates	Amount involved (Rs.) In Lakhs	Amount unpaid (Rs.) In Lakhs
Central Excise Act, 1944	Excise Duty	High Court of Madras	2007-08	53.39	53.39
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
Central Sales Tax Act, 1956	Sales Tax	High Court of Madras	Various Years	3.44	3.44
		Sales tax Tribunal	2000-01	10.74	10.74
		Appellate Deputy Commissioner	2003-04	36.74	36.74
		High Court of Madras	2008-09	6.06	6.06
		Appellate Dy.Commissioner, Chennai	2007-08 2008-09 2009-10	12.58	12.58
		Appellate Dy.Commissioner, Chennai	2008-09	7.17	7.17
			Assessment year		
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2006-07	1,080.74	1,080.74
			2007-08	1,192.08	1,192.08
			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)	2011-12	247.87	-
		Assistant Commissioner of Income Tax	2012-13	476.90	476.90

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(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) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

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

(xii) The Company is not a Nidhi Company and hence the reporting under Clause (xii) of the CARO, 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

INDEPENDENT AUDITORS' REPORT ON ABRIDGED STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

The accompanying abridged stand-alone financial statements, which comprise the abridged Balance Sheet as at March 31, 2016, the abridged Statement of Profit and Loss and the abridged Cash Flow Statement for the year then ended and related Notes, are derived from the audited stand-alone financial statements of **MANALI PETROCHEMICALS LIMITED** ("the Company") for the year ended March 31, 2016. We expressed an unmodified opinion on those financial statements in our report dated May 23, 2016.

The abridged stand-alone financial statements do not contain all the disclosures required by the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') which were applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged standalone Financial Statements

Management is responsible for the preparation of the abridged stand-alone financial statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (as amended), based on the audited financial statements of the Company for the year ended March 31, 2016, which were prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, and in accordance with the accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged stand-alone financial statements prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (as amended), derived from the audited financial statements of the Company for the year ended March 31, 2016 prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act and in accordance with the accounting principles generally accepted in India, are a fair summary of those stand-alone financial statements.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

Abridged Standalone Balance Sheet as at March 31, 2016

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
A. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Paid-up Share Capital		
(i) Equity	**8,603.47**	8,603.47
(b) Reserves and Surplus		
(i) Securities Premium Reserve	**91.45**	91.45
(ii) General Reserve	**109.20**	109.20
(iii) Capital Reserves	**84.00**	84.00
(iv) Surplus	**19,382.01**	15,595.84
Total Shareholders' Funds	**28,270.13**	24,483.96
2 Non-current Liabilities		
Deferred tax liabilities (net)	**199.08**	313.92
Other long-term liabilities	**145.68**	161.01
Long-term provisions	**136.06**	122.29
Total Non-current Liabilities	**480.82**	597.22
3 Current Liabilities		
Short-term borrowings	**225.74**	67.04
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	**43.87**	20.71
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**13,416.47**	9,999.60
Other current liabilities	**5,585.54**	3,247.46
Short-term provisions	**1,936.51**	2,375.66
Total Current Liabilities	**21,208.13**	15,710.47
TOTAL EQUITY AND LIABILITIES	**49,959.08**	40,791.65
B. ASSETS		
1 Non-current assets		
Fixed assets		
Tangible Assets (Original cost less depreciation)	**10,508.82**	10,533.50
Capital Work-in-progress	**1,580.34**	565.91
Total - Fixed assets	**12,089.16**	11,099.41
Non-current Investment	**915.92**	417.60
Long-term loans and advances	**1,916.54**	1,742.47
Total Non-current assets	**14,921.62**	13,259.48
2 Current assets		
Current investments	**6,439.81**	7,774.44
Inventories	**10,447.03**	7,564.89
Trade receivables	**9,003.13**	7,961.73
Cash and cash equivalents	**627.33**	2,234.98
Short-term loans and advances	**8,385.58**	1,925.54
Other current assets	**134.58**	70.59
Total Current Assets	**35,037.46**	27,532.17
TOTAL - ASSETS	**49,959.08**	40,791.65

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available in the Company's website www.manalipetro.com

This is the Abridged Balance Sheet referred to in our Report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Abridged Standalone Statement of Profit and Loss for the year ended March 31, 2016

[Rs. in lakh]

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
I.	**Revenue from Operations**		
	Sale of products manufactured	**58,958.41**	79,564.16
	Sale of goods Traded	**5,203.76**	1,758.02
	Other Operating Revenue		
	Scrap sales	**84.59**	91.26
	Less: Excise Duty	**(6,342.56)**	(8,100.45)
	Revenue from Operations (Net)	**57,904.20**	73,312.99
II.	**Other Income**	**1,074.32**	736.56
III.	**Total Income (I+II)**	**58,978.52**	74,049.55
IV.	**Expenses**		
	Cost of raw materials and packing materials consumed	**33,329.38**	47,156.21
	Purchase of Traded Goods	**5,268.96**	1,670.48
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**983.62**	608.09
	Employee Benefits expense	**2,111.90**	2,696.90
	Finance Costs	**252.34**	247.62
	Depreciation	**587.57**	554.72
	Other Expenses	**9,518.34**	14,162.66
	Total Expenses	**52,052.11**	67,096.68
V.	**Profit Before Tax (III-IV)**	**6,926.41**	6,952.87
VI.	**Tax Expense**		
	Current Income tax	**2,220.00**	3,520.00
	Short/(Excess) provision for tax relating to prior years	**-**	247.00
	Deferred tax	**(114.84)**	(1,213.25)
VII.	**Profit After Tax for the year (V-VI)**	**4,821.25**	4,399.12
VIII.	**Earnings Per Share (Basic and Diluted)**	**2.80**	2.56

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website www.manalipetro.com

This is the Abridged Statement of Profit and Loss referred to in our Report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 23, 2016

For and on behalf of the Board of Directors

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2016

i) 27 - Contingent Liabilities

[Rs. in lakh]

Particulars	As at March 31, 2016	As at 31 March, 2015
a) Bills discounted	**541.67**	-

b) The details of disputed demands are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at 31 March, 2016	As at 31 March, 2015
Excise Duty	High Court of Madras	2007-08	**53.39**	53.39
Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**	
	Disputed Excise & Customs demand		**60.19**	53.39
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**36.74**	36.74
	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**	10.74
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**	6.06
	High Court of Madras	Various Years	**3.44**	3.44
	Disputed Sales Tax demand		**56.98**	56.98
	Disputed Sales Tax demand			
		Assessment Year		
Income Tax	Commissioner of Income Tax (Appeals)	2006-07	**1,080.74**	1,080.74
	Commissioner of Income Tax (Appeals)	2007-08	**1,192.08**	1,192.08
	Commissioner of Income Tax (Appeals)	2008-09	**518.45**	518.45
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**	3.12
	Deputy Commissioner of Income Tax	2010-11	**176.88**	176.88
	Assistant Commissioner of Income Tax	2012-13	**476.90**	476.90
	Disputed Income Tax demand **		**3,448.17**	3,448.17

** Against the above demands, the Company has paid Rs. 100 Lakh (Previous year - Rs. 250.99 Lakh)

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.

c) During the year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 Lakh in favour of the Company. There is a probability that the Department may go on appeal.

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

ii) 26 - Capital and other Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances) and not provided for as on 31 March, 2016 is Rs. 3,239.75 Lakh (previous year Rs.4,015.54 Lakh).

iii) 22 - Cost of Raw Materials and Packing Materials consumed

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening Stock	**4,042.82**	2,005.71
Add: Purchases	**37,124.67**	49,193.32
	41,167.49	51,199.03
Less: Closing Stock	**7,838.11**	4,042.82
Cost of raw materials and packing materials consumed	**33,329.38**	47,156.21

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

Materials consumed comprises:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Propylene	**10,169.49**	20,198.78
Methyloxirane Propylene Oxide	**6,674.64**	9,249.48
Chlorine	**789.13**	1,742.32
Others (Individually less than 10% of consumption)	**15,696.12**	15,965.63
Total	**33,329.38**	47,156.21

iv) 12 - Non-current Investments

Particulars	As at March 31, 2016	As at 31 March, 2015
Non-Trade - Quoted		
Investments in Equity shares		
500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited	**0.45**	0.45
16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Ventures Limited (*)	**412.00**	412.00
Non-Trade - Unquoted		
Investments in Equity shares		
84,999 Equity Shares (46,799 Equity shares in Previous year) of Rs.10 each fully paid-up in OPG Power Generation Private Limited	**8.97**	5.15
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	**0.13**	-
Investment in equity shares of wholly owned subsidiary		
745,000 Equity shares of US$ 1 each fully paid-up in AMCHEM Speciality Chemicals Private Limited, Singapore	**494.37**	-
Total	**915.92**	417.60
Aggregate amount of quoted investments	**412.45**	412.45
Aggregate market value of listed and quoted investments	**142.89**	406.75
Aggregate value of unquoted investments	**503.47**	5.15

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

v) 34 - Related Party Disclosures

List of Related Parties:

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

Associate Company : SIDD Life Sciences Private Limited

Wholly owned Subsidiary: AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016)

Key Management Person [KMP]:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Person exercises significant influence:

Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

Related Party Transactions:

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

Nature of Transaction	Related Party	FY 2015-16	FY 2014-15
Purchase of goods	Tamilnadu Petroproducts Limited	**669.49**	1,514.63
Sale of goods		**-**	0.21
Purchase of services		**11.10**	14.53
Sale of services		**15.26**	14.98
Purchase of fixed assets		**26.39**	13.26
Sale of fixed assets		**0.33**	0.53
Discounts received		**2.18**	137.15
Reimbursement of expenses		**33.72**	-
Trade advance given		**-**	100.00
Reimbursements received		**34.05**	36.30
Remuneration paid	Mr Muthukrishnan Ravi	**80.42**	62.21
Remuneration outstanding		**-**	16.50
Amounts outstanding - Net Amounts Receivable	Tamilnadu Petroproducts Limited	**-**	304.74
Amounts outstanding - Net Amount payable		**-**	360.51
Investment in Equity Shares	AMCHEM Speciality Chemicals Private Limited, Singapore	**494.37**	-

vi 17 - Cash and Cash equivalents

Particulars	**As at March 31, 2016**	As at 31 March, 2015
Cash on hand	**1.88**	3.47
Cheques on hand *	**2.57**	1,539.30
Bank Balances		
In Current Accounts	**33.28**	51.85
In EEFC Accounts	**27.52**	-
Margin Money Deposit Accounts [Refer Note below]	**186.97**	273.44
Unpaid Dividend Accounts	**375.11**	366.92
Total	**627.33**	2,234.98

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

* Cheques on hand as at 31st March, 2015 includes Intercorporate Deposits of Rs. 1,500 Lakh refunded which was subsequently realised.

vii) Insurance Claim Submitted during the year :

During December 2015, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and Plant I and Plant II were shut down for 27 days and 18 days respectively. An adhoc advance of Rs. 600 Lakh was received during the year and the final assessment is pending. The claim will be recorded in the books, upon completion of assessment by the Insurance company.

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

viii) 20 - Revenue from Operations

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Products		
Sale of products manufactured	**58,958.41**	79,564.16
Sale of goods Traded	**5,203.76**	1,758.02
Other Operating Revenue		
Scrap sales	**84.59**	91.26
Revenue from Operations (Gross)	**64,246.76**	81,413.44
Less: Excise Duty	**6,342.56**	8,100.45
Revenue from Operations (Net)	**57,904.20**	73,312.98

Details of Sales (Gross)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Manufactured Goods:		
Propylene Oxide	**1,239.66**	2,008.07
Propylene Glycol	**18,013.45**	20,775.62
Polyol	**37,085.75**	54,204.69
Others	**3,834.87**	3,952.70
Total Manufactured Goods (A)	**60,173.73**	80,941.08
Traded Goods:		
Isocyanates	**795.75**	1,758.02
Polyol	**631.98**	
Others	**3,776.03**	
Total Traded Goods (B)	**5,203.76**	1,758.02
Trade Discounts (C)	**(1,215.32)**	(1,376.92)
Total (A+B+C)	**64,162.17**	81,322.18

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

ix) Abridged Standalone Cash Flow Statement for the year ended March 31, 2016

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net Cash flow from operating activities [A]	**(550.31)**	7,843.32
Net Cash flow from Investing activities [B]	**(1,184.54)**	(594.65)
Net Cash (used in) / from Financing Activities [C]	**(1,128.72)**	(1,415.75)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**(2,863.57)**	5,832.92
Cash and Cash Equivalents at the beginning of the year	**9,369.06**	3,536.14
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**(0.43)**	-
Cash and Cash Equivalents at the end of the year	**6,505.06**	9,369.06

Comprises:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash on hand	**1.88**	3.47
Cheques on hand	**2.57**	1,539.30
Balance with Banks		
In current accounts (including debit balance in cash credit accounts)	**33.28**	51.85
In demand deposit accounts		
In other deposit accounts	**27.52**	-
Current investments	**6,439.81**	7,774.44
Cash and Cash equivalents	**6,505.06**	9,369.06

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash equivalents	**627.33**	2,234.98
Less: Margin Money Deposit Accounts	**186.97**	273.44
Less: Unpaid Dividend Accounts	**375.11**	366.92
Net Cash and Cash equivalents	**65.25**	1,594.62
Add: Current Investments	**6,439.81**	7,774.44
Cash and Cash equivalents as shown above	**6,505.06**	9,369.06

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 23, 2016

For and on behalf of the Board of Directors

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

Opinion

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

Other Matters

a) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 472.68 Lacs as at March 31, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs. 448.60 Lacs for the one month period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

c) **Report on Other Legal and Regulatory Requirements**

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

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

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting only, since the subsidiary consolidated is incorporated outside India.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

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

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Manali Petrochemicals Limited** (hereinafter referred to as "the Holding Company") as of that date. The Holding Company does not have any subsidiary companies, associates and jointly controlled entities incorporated in India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company 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 the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 whether a risk of material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

INDEPENDENT AUDITORS' REPORT ON ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

The accompanying abridged consolidated financial statements, which comprise the Abridged Consolidated Balance Sheet as at March 31, 2016, the Abridged Consolidated Statement of Profit and Loss and the Abridged Consolidated Cash Flow Statement for the year then ended March 31, 2016, and related Notes, are derived from the audited consolidated financial statements ("the audited consolidated financial statements') of **MANALI PETROCHEMICALS LIMITED** ('the company'), its subsidiary (the company, its subsidiary constitute "the Group") for the year ended March 31, 2016. We expressed an unmodified opinion on those financial statements in our report dated May 23, 2016.

The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') which were applied in the presentation of audited consolidated financial statements of the company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the company.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of the abridged consolidated financial statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (as amended), based on the audited consolidated financial statements of the Company for the year ended March 31, 2016, which were prepared in accordance with the Accounting Standards Prescribed to in Section 133 of the Act and accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures conducted in accordance with the Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements, derived from the audited consolidated financial statements of the company for the year ended March 31, 2016, are a fair summary of those consolidated financial statements.

Other Matter

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 472.68 Lakh as at March 31, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs. 448.60 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 23, 2016

Abridged Consolidated Balance Sheet as at March 31, 2016

[Rs. in lakh]

	Particulars	As at 31 March, 2016
A.	**EQUITY AND LIABILITIES**	
1.	**Shareholders' Funds**	
	(a) Paid-up Share Capital	
	(i) Equity	**8,603.47**
	(b) Reserves and Surplus	
	(i) Securities Premium Reserves	**91.45**
	(ii) General Reserve	**109.20**
	(iii) Capital Reserves	**84.00**
	(iv) Surplus	**19,356.21**
	Total - Shareholders' Funds	**28,244.33**
2	**Non-current Liabilities**	
	Deferred tax liabilities (net)	**199.08**
	Other long-term liabilities	**145.68**
	Long-term provisions	**136.06**
	Total - non-current liabilities	**480.82**
3	**Current liabilities**	
	Short-term borrowings	**225.74**
	Trade payables	
	(a) total outstanding dues of micro enterprises and small enterprises	**43.87**
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**13,416.47**
	Other current liabilities	**5,592.17**
	Short-term provisions	**1,936.50**
	Total - current liabilities	**21,214.75**
	TOTAL - EQUITY AND LIABILITIES	**49,939.90**
B.	**ASSETS**	
1	**Non-current assets**	
	Fixed assets	
	Tangible Assets (Original cost less depreciation)	**10,508.82**
	Capital Work-in-progress	**1,580.34**
	Total - Fixed assets	**12,089.16**
	Goodwill on Consolidation	**2.50**
	Non-current Investments	**421.55**
	Long-term loans and advances	**1,916.54**
	Total - Non-current assets	**14,429.75**
2	**Current assets**	
	Current investments	**6,439.81**
	Inventories	**10,447.03**
	Trade receivables	**9,003.13**
	Cash and cash equivalents	**1,075.93**
	Short-term loans and advances	**8,409.67**
	Other current assets	**134.58**
	Total - Current Assets	**35,510.15**
	TOTAL ASSETS	**49,939.90**

Note: Complete Consolidated Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website www.manalipetro.com

This is the Abridged Consolidated Balance Sheet referred to in our Report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2016

[Rs. in lakh]

	Particulars	Year ended March 31, 2016
I.	**Revenue from Operations**	
	Sale of products manufactured	58,958.41
	Sale of goods Traded	5,203.76
	Other Operating Revenue	
	Scrap sales	84.59
	Less: Excise Duty	(6,342.56)
	Revenue from Operations (Net)	57,904.20
II.	**Other Income**	1,074.32
III.	**Total Income (I+II)**	58,978.52
IV.	**Expenses**	
	Cost of raw materials and packing materials consumed	33,329.38
	Purchase of Traded Goods	5,268.96
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	983.62
	Employee Benefits expense	2,111.90
	Finance Costs	252.34
	Depreciation	587.57
	Other Expenses	9,544.29
	Total Expenses	52,078.06
V.	**Profit Before Tax (III-IV)**	6,900.46
VI.	**Tax Expense**	
	Current tax expense	2,220.00
	Deferred tax	(114.84)
VII.	**Profit After Tax for the year (V-VI)**	4,795.30
VIII.	**Earnings Per Share (Basic and Diluted)**	2.79

Note: Complete Consolidated Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website www.manalipetro.com

This is the Abridged Statement of Profit and Loss referred to in our Report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 23, 2016

For and on behalf of the Board of Directors

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

i) 27 - Contingent Liabilities

Particulars	As at March 31, 2016
a) Bills discounted	**541.67**

b) The details of disputed demands are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at 31 March, 2016
Service Tax	High Court of Madras	2007-08	**53.39**
	Customs, Excise and Service Tax Appellate Tribunal	Various Years	**6.80**
	Disputed Excise & Customs demand		**60.19**
Sales Tax	Appellate Deputy Commissioner (CT)	2003-04	**36.74**
	Sales Tax Tribunal under Sales Tax Act	2000-01	**10.74**
	Appellate Deputy Commissioner (CT)	2008-09	**6.06**
	High Court of Madras	Various Years	**3.44**
	Disputed Sales Tax demand		**56.98**
Income Tax		Assessment Year	
	Commissioner of Income Tax (Appeals)	2006-07	**1,080.74**
	Commissioner of Income Tax (Appeals)	2007-08	**1,192.08**
	Commissioner of Income Tax (Appeals)	2008-09	**518.45**
	Commissioner of Income Tax (Appeals)	2009-10	**3.12**
	Deputy Commissioner of Income Tax	2010-11	**176.88**
	Assistant Commissioner of Income Tax	2012-13	**476.90**
	Disputed Income Tax demand **		**3,448.17**

** Against the above demands, the Company has paid/refund Rs. 100 Lakh

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.

c) During the year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 Lakh in favour of the Company. There is a probability that the Department may go on appeal.

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

ii) 26 - Capital and other Commitments

Estimated value of contracts in capital account remaining to be executed (net of advances) and not provided for as on 31 March, 2016 is Rs. 3,239.75 Lakh.

iii) 22 - Cost of Raw Materials and Packing Materials consumed

Particulars	Year ended March 31, 2016
Opening Stock	**4,042.82**
Add: Purchases	**37,124.67**
	41,167.49
Less: Closing Stock	**7,838.11**
Cost of raw materials and packing materials consumed	**33,329.38**

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

Materials consumed comprises:

Particulars	Year ended March 31, 2016
Propylene	**10,169.49**
Methyloxirane Propylene Oxide	**6,674.64**
Chlorine	**789.13**
Others (Individually less than 10% of consumption)	**15,696.12**
Total	**33,329.38**

iv) 12 - Non-current Investments

Particulars	As at March 31, 2016
Non-Trade - Quoted	
Investments in Equity shares	
500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited	**0.45**
16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Ventures Limited (*)	**412.00**
Non-Trade - Unquoted	
Investments in Equity shares	
84,999 Equity Shares (46,799 Equity shares in Previous year) of Rs.10 each fully paid-up in OPG Power Generation Private Limited	**8.97**
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	**0.13**
	421.55
Aggregate amount of quoted investments	**412.45**
Aggregate market value of listed and quoted investments	**142.89**
Aggregate value of unquoted investments	**9.10**

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

v) 34 - Related Party Disclosures

List of Related Parties:

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

Associate Company : SIDD Life Sciences Private Limited

Key Management Person [KMP]:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Person exercises significant influence:

Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

Related Party Transactions:

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

Nature of Transaction	Related Party	FY 2015-16
Purchase of goods	Tamilnadu Petroproducts Limited	**669.49**
Purchase of services		**11.10**
Sale of services		**15.26**
Purchase of fixed assets		**26.39**
Sale of fixed assets		**0.33**
Discounts received		**2.18**
Reimbursement of expenses		**33.72**
Reimbursements received		**34.05**
Remuneration paid	Mr Muthukrishnan Ravi	**80.42**

vi) 17 - Cash and Cash equivalents

Particulars	As at March 31, 2016
Cash on hand	**1.88**
Cheques on hand	**2.57**
Bank Balances	
In Current Accounts	**33.28**
Bank accounts	**448.60**
In EEFC Accounts	**27.52**
Margin Money Deposit Accounts [Refer Note below]	**186.97**
Unpaid Dividend Accounts	**375.11**
Total	**1,075.93**

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

vii) 38. Insurance claims submitted during the year:

During December 2015, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and Plant I and Plant II were shut down for 27 days and 18 days respectively. An ad hoc advance of Rs. 600 Lakh was received during the year and the final assessment is pending.The claim will be recorded in the books, upon completion of assessment by the Insurance company.

viii) 39.

This is the first year in which the Company has prepared consolidated financial statements and hence presenting previous year figures does not arise.

ix) 20 - Revenue from Operations

Particulars	Year ended March 31, 2016
Sale of Products	
Sale of products manufactured	**58,958.41**
Sale of goods Traded	**5,203.76**
Other Operating Revenue	
Scrap sales	**84.59**
Revenue from Operations (Gross)	**64,246.76**
Less: Excise Duty	**6,342.56**
Revenue from Operations (Net)	**57,904.20**

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

Details of Sales

Manufactured Goods:	
Propylene Oxide	**1,239.66**
Propylene Glycol	**18,013.45**
Polyol	**37,085.75**
Others	**3,834.87**
Total Manufactured Goods (A)	**60,173.73**
Traded Goods:	
Isocyanates	**795.75**
Polyol	**631.98**
Others	**3,776.03**
Total Traded Goods (B)	**5,203.76**
Trade Discounts (C)	**(1,215.32)**
Total (A+B+C)	**64,162.17**

ix) Abridged Consolidated Cash Flow Statement for the year ended March 31, 2016

Particulars	Year ended March 31, 2016
Net Cash flow used in operating activities [A]	**(593.58)**
Net Cash flow used in Investing activities [B]	**(692.67)**
Net Cash used in Financing Activities [C]	**(1,128.72)**
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	**(2,414.97)**
Cash and Cash Equivalents at the beginning of the year	**9,369.06**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	**(0.43)**
Cash and Cash Equivalents at the end of the year	**6,953.66**

Particulars	Year ended March 31, 2016
Comprises:	
Cash on hand	**1.88**
Cheques on hand	**2.57**
Balance with Banks	
In current accounts (including debit balance in cash credit accounts)	**481.88**
In demand deposit accounts	
In other deposit accounts	**27.52**
Current investments	**6,439.81**
Cash and Cash equivalents	**6,953.66**

Particulars	Year ended March 31, 2016
Reconciliation of Cash and Cash Equivalents:	
Cash and Cash equivalents	**1,075.93**
Less: Margin Money Deposit Accounts	**186.97**
Less: Unpaid Dividend Accounts	**375.11**
Net Cash and Cash equivalents	**513.85**
Add: Current Investments	**6,439.81**
Cash and Cash equivalents as shown above	**6,953.66**

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2016

[Rs. in lakh]

xi) 32 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity in the	Particulars			
	Net Assets, i.e., total assets minus total liabilities		Share of Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount
Parent Manali Petrochemicals Limited	99.91	28,270.13	100.54	4,821.25
Subsidiary - Foreign 1. AMCHEM Speciality Chemicals Private Limited, Singapore	0.09	25.80	(0.54)	(25.95)
Total	**100.00**	**28,295.93**	**100.00**	**4,795.30**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part'A'- Subsidiary

Particulars	AMCHEM Speciality Chemicals Private Limited , Singapore	
	31st March 2016	
	Rupees in Lakh*	In USD
Capital	494.16	745,000.00
Reserves	(28.12)	(42,396.00)
Total Assets	472.66	712,592.00
Total Liabilities	472.66	712,592.00
Investments	-	-
Turnover (inc other income)	-	-
Loss before Tax	25.68	38721.91
Provision for Taxation	-	-
Loss after Tax	25.68	38721.91
% of shareholding	100	100

* Translated at exchange rate prevailing as on 31.3.2016: 1 USD= Rs. 66.33

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Ashwin C Muthiah
(DIN: 00255679)
Chairman

Place: Chennai
Date : May 23, 2016

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Manali Petrochemicals Limited

ATTENDANCE SLIP

CIN: L24294TN1986PLC013087

Registered Office: "SPIC House", 88, Mount Road, Guindy, Chennai - 600 032.
Telefax: 22351098 E-mail: companysecretary@manalipetro.com Website: 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.

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

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 at 9.30 A.M. on Wednesday, the 21st September, 2016.

NAME OF PROXY IN BLOCK LETTERS	SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

Manali Petrochemicals Limited

PROXY FORM

CIN: L24294TN1986PLC013087

Registered Office: "SPIC House", 88, Mount Road, Guindy, Chennai - 600 032.
Telefax: 22351098 E-mail: companysecretary@manalipetro.com Website: 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 30th Annual General Meeting of the Company, to be held on Wednesday, the 21st September, 2016 at 9:30 A.M. at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108, and at any adjournment thereof in respect of such resolutions as are indicated below:

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

1	2	3	4	5

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

Signed this _________ day of _____________________ 2016.

Affix Revenue Stamp

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.

REGISTERED BOOK POST / COURIER

To:

MANALI PETROCHEMICALS

If undelivered, please return to:

Manali Petrochemicals Limited

Ponneri High Road, Manali,

Chennai - 600 068.