

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2017

27th June 2017

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

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

Dear Sir,

Sub: Notice of Annual General Meeting

Please find enclosed the abridged version of the Annual Report containing the notice of the Annual General Meeting (AGM) to be held on 25th July 2017. Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we will submit the unabridged Annual Report separately after the AGM. It may be noted that the Notice of the AGM and the Unabridged Annual Reports have been uploaded in our website.

We request you to take the above on record.

Thanking you,

Yours faithfully

For Manali Petrochemicals Limited



R Kothandaraman
Company Secretary

Encl.: as stated



ANNUAL REPORT

2016 - 17

Manali Petrochemicals Limited

**REQUEST TO SHAREHOLDERS FOR INFORMATION UNDER SECTION 88 OF
THE COMPANIES ACT, 2013 AND TO REGISTER THEIR E-MAIL IDs**

1. As per Section 88 of the Companies Act, 2013 (the Act) the Register of Members is required to be updated with certain additional particulars, such as PAN, CIN/UIN etc. Persons holding shares in physical form are requested to furnish the relevant information to enable the Company to comply with the said requirements of the Act.
2. The Ministry of Corporate Affairs and the Securities Exchange Board of India have, as part of their Green Initiative permitted the companies to send the annual report, notices and other communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the Company shall provide an advance opportunity at least once in a financial year, to the member to register his e-mail address and changes therein. Accordingly for receiving the annual report and other communication from the Company electronically, all the members who hold shares in physical form are requested to register their e-mail ids with the Registrar and Share Transfer Agents in the format appended. Members holding shares in demat form may kindly furnish their details to their Depository Participant.

The information may be filled in the below form duly signed and sent to the Registrar and Share Transfer Agents through post, courier or by e-mail with the scanned copy of the duly signed form or handed over at the AGM Venue.

Cameo Corporate Services Limited,

Unit: Manali Petrochemicals Limited

Subramanian Building

1 Club House Road, Chennai 600 002

E-mail: investor@cameoindia.com

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
C Subash Chandra Bose	DIN: 06586982	Whole-Time Director (Works)

Company Secretary

R Kothandaraman

Chief Financial Officer

Anis Tyebali Hyderi

Registered Office

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

Factories:
Plant - 1

Ponneri High Road, Manali, Chennai 600 068

Plant - 2

Sathangadu Village, Manali, Chennai 600 068

Registrar and Share Transfer Agent (RTA)

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

Auditors

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

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

Bankers

State Bank of India
 Indian Bank
 Punjab National Bank
 Corporation Bank
 HDFC Bank Limited

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Please Refer to Page No. 11 & 12 for important information on E-voting.

Notice to Shareholders

NOTICE is hereby given that the 31st Annual General Meeting of the Company will be held at 10.30 a.m. on Tuesday, the 25th July 2017 at Rajah Annamalai Mandram, No. 5 Esplanade Road (Opp. to 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 2017 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 2017 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 March 31, 2017 and the same be paid:

- In respect of shares held in physical form, to those members whose names appear on the Register of Members on 25th July 2017 and
- In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 8th July 2017.

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

RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the Company, Mr. Ashwin C Muthiah [DIN: 00255679], 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 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, and the Rules made thereunder and as recommended by the Audit Committee of the Board of Directors, M/s. Brahmayya & Co., Chartered Accountants, Chennai with ICAI Registration Number 000511S be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company to be held during the year 2022.
- The Auditors be paid a remuneration of Rs. 10,75,000/- (Rupees ten lakh seventy five thousand only) plus reimbursement of out of pocket expenses and applicable taxes for the year 2017-18, for the audit and related services.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass the following as an Ordinary Resolution to appoint Mr. C Subhash Chandra Bose [DIN: 06586982] as a Director:**

RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013 the Rules made thereunder and the Articles of Association of the Company, Mr. C. Subash Chandra Bose, (DIN: 06586982] be and is hereby appointed as a Director of the Company liable to retire by rotation.

6. To consider and if thought fit, to pass the following as a Special Resolution to approve the reappointment of Mr. Muthukrishnan Ravi as the Managing Director:

RESOLVED THAT pursuant to Sections 196, 197, 203 of the Companies Act, 2013 ("the Act"), Schedule V thereto, the applicable Rules and Article 93 of the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles, as may be applicable, the service rules of the Company and also subject to the approval of the Central Government and such other approvals as may be required consent of the Members is accorded for the reappointment of Mr. Muthukrishnan Ravi (DIN: 03605222) as the Managing Director of the Company on the following terms and conditions:

- A PERIOD OF APPOINTMENT : 3 YEARS (29.07.2017 to 28.07.2020)
- B NATURE OF APPOINTMENT : CONTRACTUAL
- C REMUNERATION :

Mr. Muthukrishnan Ravi (DIN: 03605222) shall not draw any remuneration from the Company but shall be eligible for the following, which shall not be deemed to be his remuneration:

- ✓ Provision of car with driver for use while in India.
- ✓ Provision of telephone, computer and other communication facilities and devices.
- ✓ Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- ✓ Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

7. To consider and if thought fit, to pass the following as a Special Resolution to approve the appointment and remuneration of Mr. C. Subash Chandra Bose, as the Whole-time Director (Works):

RESOLVED THAT pursuant to Sections 196 and 197 of the Companies Act, 2013 ("the Act"), Schedule V thereto, the applicable Rules and Article 146 of the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles, as may be applicable, the service rules of the Company and also subject to such other approvals as may be required consent of the Members is accorded for the appointment of Mr. C. Subash Chandra Bose (DIN: 06586982) as the Whole-time Director (Works) of the Company on the following terms and conditions:

- A PERIOD OF APPOINTMENT : 3 YEARS (28.05.2017 to 27.05.2020)
- B NATURE OF APPOINTMENT : CONTRACTUAL
- C REMUNERATION :

Mr. C. Subash Chandra Bose [DIN: 06586982] shall be paid remuneration as detailed below:

- a. Total annual remuneration shall be Rs. 24.32 lakh, including annual performance pay of Rs. 6.87 lakh and all other allowances but excluding leave encashment as per the service rules of the Company
- b. Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/service rules of the Company.
- c. The following shall not be deemed to be remuneration to Mr. C. Subash Chandra Bose [DIN: 06586982]
 - ✓ Provision of local travel facilities, telephone at residence and mobile phone and other communication facilities.
 - ✓ Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Managing Director from time to time.
 - ✓ Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

D PAYMENT OF MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the above shall be the minimum remuneration payable to the appointee. The contribution to provident fund and other funds, gratuity and leave encashment at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

Date: 16th May, 2017

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 10th July 2017 to 25th July 2017 (both days inclusive) in connection with the Annual General Meeting (AGM) and payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out details relating to Special Business of the meeting, 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, if the Member has not exercised e-voting.***
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. As per Section 125 of the Companies Act, 2013, 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. 28,89,664/- being the unpaid and unclaimed dividend amount pertaining to the year 2008-09 to the IEPF on 10-11-2016. The details of such transfer are available in the website of the Company.
6. The details of unpaid dividend relating to the years 2009-10 to 2014-15 as on 21st September 2016 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 2009-10 to 2015-16 will be uploaded in the Website of the Company in due course.
7. Dividend for the year 2009-10 remaining unclaimed and unpaid will be transferred to IEPF during November 2017. 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.
8. As per the extant law, investors are entitled to claim the unpaid dividends transferred to the IEPF for which they are required to submit the request online in Form IEPF-5. The procedure for making the claims is available in the websites of the Company and also the IEPF.

9. 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.
10. 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.
11. Particulars of the Directors seeking appointment/reappointment at the Annual General Meeting are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
12. Electronic copy of the full version of the Annual Report for the year 2016-17 and the Notice of the 31st 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 and receive the full version of the Annual Report and other communications in electronic form to contribute their mite to green environment.
13. 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.
14. 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 11.
15. 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.
16. 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.
17. 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.
18. 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.
19. ***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 & 7

At the Board Meeting held on 16th May 2017, **Mr. C. Subash Chandra Bose [DIN: 06586982]** has been appointed as an Additional Director from 28th May 2017. As per Section 161 of the Act, he holds office till the ensuing AGM and it is proposed to appoint him as a Director under Section 160.

Mr. C. Subash Chandra Bose, aged about 45 is a B. Tech Chemical Engineering from Coimbatore Institute of Technology. He joined the Company in the year 1993 as an Engineering Management Service Trainee. Over the years he has gained rich experience in the operations of MPL and currently heads the Research and Development (R&D), Quality Assurance, Technical Services, Materials Management and HR functions. He drives pilot projects for manufacturing and scale up of new base polyols and polyurethane applications related to slab polyols, automotive systems, rigid foam systems and microcellular applications.

At the meeting held on 16th May 2017, Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, appointed Mr. C. Subash Chandra Bose as the Whole-time Director (Works) for a period of 3 years on the terms and conditions as set out in the resolution.

Mr. C. Subash Chandra Bose does not hold any shares in MPL and he is a director of Manali Petrochemical Executives Welfare Private Limited and Manali Petrochemical Officers and Staff Welfare Private Limited. He is a Member of the Stakeholders Relationship Committee of MPL.

Statement pursuant to Clause (iv) of second proviso to Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolutions for the consideration of the members, as ordinary and special resolutions respectively.

Except Mr. C. Subash Chandra Bose, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the above proposal.

Item No. 6

Mr. Muthukrishnan Ravi [DIN: 03605222] a B.Tech. and MBA from XLRI, started his career as an Assistant Engineer in Indian Organic Chemicals Ltd., Chennai in 1982. He was associated with reputed organizations like Madras Refineries Ltd. (now CPCL), SADAF, Saudi Arabia, ESSO Singapore. He was the Commercial Head for Asia Pacific and Country Head for Indian Sub-Continent, DOW Chemicals from 1997 to 2009, and took over as Executive Vice President for Strategy and Global Sourcing of Sanmar Chemplast in 2009.

Mr. Ravi joined Manali Petrochemicals as the Chief Operating Officer from 1st April 2011. He was appointed as an Additional Director and Whole-time Director of the Company at the Board Meeting held on 29th July 2011. Mr. Ravi took over as a Managing Director of the Company from 1st October 2011, held office till 28th July 2014 and was reappointed for a further period of 3 years. He was also the MD of Tamilnadu Petroproducts Limited from 4th February 2013 till 3rd February 2016.

With MPL taking up overseas projects, Mr. Ravi relocated to Singapore from 1st April 2016 as the CEO of AMCHEM Speciality Chemicals Private Limited, the Wholly Owned Subsidiary of MPL, pursuant to the approval of the Members through Postal Ballot and he has been the MD of MPL without remuneration then on.

At the meeting held on 31st January 2017, Board has, based on the recommendation of the Nomination and Remuneration Committee, reappointed Mr. Ravi as the MD for a further period of 3 years on the terms and conditions as set out in the resolution subject to the approval of the Members and also the Central Government. Since Mr. Ravi, being a Singapore Citizen, has not been an Indian resident since 1st April 2016 within the meaning of Schedule V to the Act. Hence application has been made to the Central Government, seeking approval for his reappointment.

Mr. Ravi does not hold any shares in MPL and is not a Director of any other Company. He is a member of the Stakeholders' Relationship Committee of MPL.

Statement pursuant to Clause (iv) of second proviso to Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolution for the consideration of the members as a special resolution.

Except Mr. Muthukrishnan Ravi, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the above proposal.

Date: 16th May, 2017

Registered Office:

SPIC HOUSE,
 88 Mount Road,
 Guindy, Chennai – 600 032

By Order of the Board
for Manali Petrochemicals Limited

R. Kothandaraman
Company Secretary

STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISOR TO PARAGRAPH B OF SECTION II OF PART II OF SCHEDULE V TO THE ACT

I. GENERAL INFORMATION

(1)	Nature of Industry	Petrochemicals – Manufacture of Propylene Oxide, Propylene Glycol and Polyols, intermediates with applications across a spectrum of industries including Pharmaceuticals, Polyurethane, Resin, Fragrances, Food, Refrigeration, Oil Drilling, etc.				
(2)	Year of Commencement of Commercial Production	1990				
(3)	Financial performance and Export data	Year	Sales	PAT	Exports	Dividend %
		Rs. in lakh				
		2016-17	64,207.64	4,042.43	2,492.58	10
		2015-16	64,162.17	4,821.25	2,078.12	10
		2014-15	81,322.18	4,399.12	3,366.73	10
(4)	Foreign investments or collaborations, if any	NIL				

II. INFORMATION ABOUT THE APPOINTEES

a. Mr. Muthukrishnan Ravi

(1)	Name	Mr. Muthukrishnan Ravi (DIN: 03605222)
(2)	Background details	Furnished in the Explanatory statement
(3)	Past remuneration	Rs. 110 lakh per annum including Rs. 30 lakh as annual Performance Pay and all other allowances excluding contribution to Provident and Other Funds, leave gratuity and other benefits in accordance with applicable law/service rules of the Company till 31.03.2016 and no remuneration from 01.04.2016. The remuneration was shared with Tamilnadu Petroproducts Limited during his tenure as the MD from 4 th February 2013 to 3 rd February 2016.
(4)	Job profile and his suitability	As the Managing Director of the Company, he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry, past performance in MPL and the nature and size of operations of the Company, he is a fit and proper person to be re-appointed as the Managing Director of the Company.
(5)	Remuneration proposed	NIL
(6)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

b. Mr. C. Subash Chandra Bose

(1)	Name	Mr. C. Subash Chandra Bose (DIN: 06586982)
(2)	Background details	Furnished in the Explanatory statement
(3)	Past remuneration	This is his first appointment as Director.
(4)	Job profile and his suitability	As the Whole-time Director (Works) Mr. C. Subash Chandra Bose will be responsible for the Plant operations, and other matters as may be delegated by the Managing Director from time to time. He will report to the Managing Director. Taking into account his previous experience with the Company, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person to be appointed as the Whole-time Director (Works) of the Company.
(5)	Remuneration proposed	As given in the Special Resolution
(6)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

III. DISCLOSURES

(1)	Information on remuneration package	Details furnished in the relevant resolution.
(2)	Other disclosures	Information on elements of remuneration, components, terms of service and stock option are furnished in the resolution/Corporate Governance Report annexed to the Report of the Board of Directors.

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 31ST AGM.

Mr. Ashwin C Muthiah [DIN: 00255679], appointed as a Director of the Company on 27th April 2007 is aged about 51 years and is a graduate in Commerce from University of Madras and has a Master's Degree in Business Administration from Philadelphia University. He heads the operations of the business house founded by Dr. M.A. Chidambaram with interests in fertilizers, petrochemicals, trading, shipping and offshore activities.

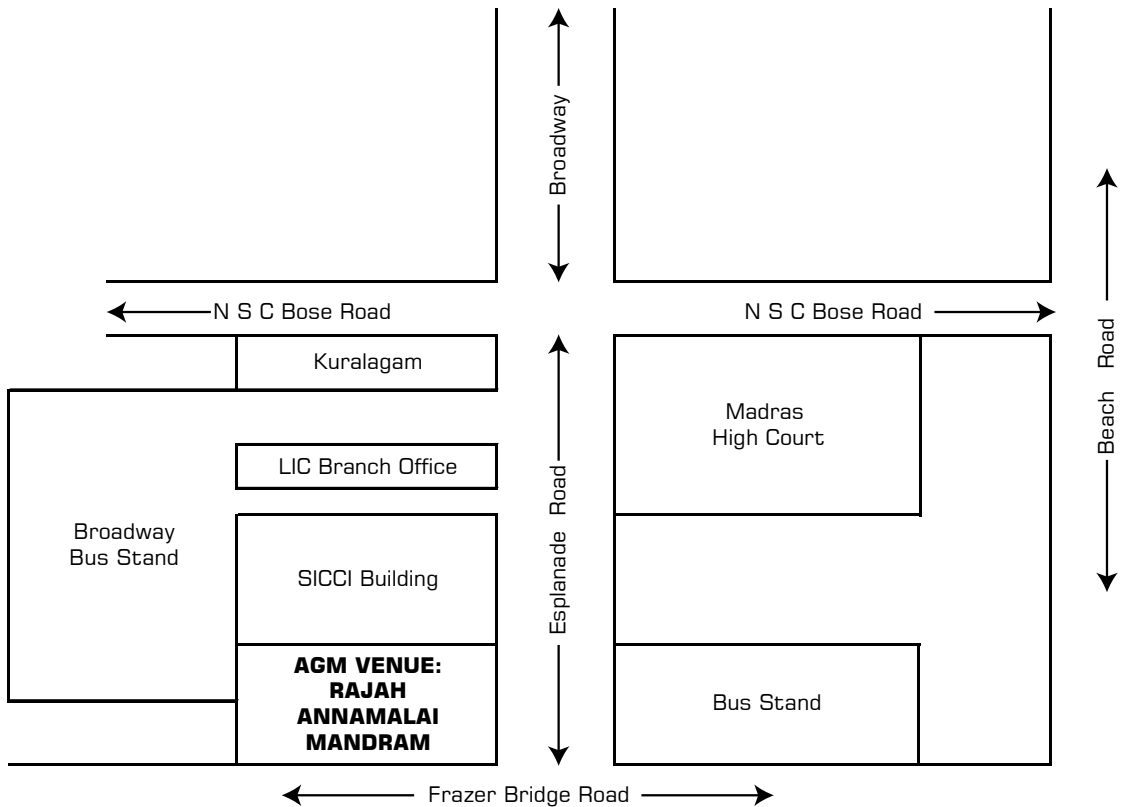
Mr. Ashwin C Muthiah does not hold any shares in the Company. He is the Chairman of Southern Petrochemical Industries Corporation Limited (SPIC) and Sicagen India Limited (SIL); Vice Chairman of Tamilnadu Petroproducts Limited (TPL) and Director in ACM Educational Foundation, ACM Medical Foundation, AMI Holdings Private Limited, Bengal Auto Parts Private Limited, MAC Spin Foundation, Mitsuba Sical India Private Limited, SPIC Group Companies Employees Welfare Foundation and AM Foundation.

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of MPL, TPL and SIL. Also he is the Chairman of Stakeholders' Relationship Committee (SRC) of MPL and a member of SRC of TPL and Nomination and Remuneration Committee (NRC) of TPL and SPIC.

Profiles of **Mr. Muthukrishnan Ravi** and **Mr. C. Subash Chandra Bose** have been furnished in the Explanatory Statement.

None of the above appointees have any relationship with other Directors or other Key Managerial Personnel of the Company. The details of meetings attended by Mr. Ashwin C Muthiah and Mr. Muthukrishnan Ravi during the year 2016-17 are furnished in the Corporate Governance Report.

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 **21st July 2017 at 9.00 AM** and ends on **24th July 2017 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 18th July 2017 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 31st Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2017.

Financial Results

(Rs. in crore)

DESCRIPTION	2016-17	2015-16
Profit Before interest & depreciation	70.79	77.66
Interest	1.86	2.52
Depreciation	7.84	5.88
Profit Before Tax	61.09	69.26
Provision for Taxation	20.66	21.05
Profit After Tax	40.43	48.21

Operational Highlights

Gross revenue from operations during the year was Rs. 643.35 crore against Rs. 642.46 crore during the year 2015-16. Unlike in the previous year, there were no major production cuts due to natural calamities and the Company could improve its capacity utilization with the removal of the restrictions on the production. Though the sales volume improved during the year, due to stiff competition from the overseas suppliers, the realizations were affected and so the revenue remained at similar level in spite of higher production. The impact of demonetization also affected the sales, as some of the user industries operate in unorganized sector doing business more in cash and so there was a fall in demand during the last two quarters. The gross profit margin came down to about 9.30% against 10.60% during 2015-16. It could also be seen that the net profit for the year at Rs. 41.28 crore was 15% lower than the previous year, signifying the squeezed margins.

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

Financial Review

During the year under review no changes were made to the Cash Reserve Ratio by RBI but the Statutory Liquidity Ratio was reduced from 21.50% to 20.50%. The Bank Rate which was 7.75% in March 2016 was reduced to 6.75% in March 2017. The deposit rates remained the same, but the lending rates came down marginally. The rupee appreciated significantly against the US Dollar and the forward premia also registered considerable reduction Vis a Vis at the beginning of the year. The average inflation during the year was 2.33% against 4.97% in the previous year. The finance cost for the year at

Rs. 1.86 crore was lower by about 26% Vis a Vis the previous year through better treasury management.

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

Dividend

With the margins in the domestic market shrinking year on year, the Company has embarked on global acquisitions for better growth. The capital expenditure plans to improve the domestic sales and profitability as also to upgrade the effluent treatment process to higher standards are also carried on to the required extent and so the Company needs to preserve its resources to meet the long term funding requirements.

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 per equity share of Rs. 5/- each fully paid-up, for the year 2016-17, 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 twelve years.

Industry structure and development:

Your company operates in the Polyurethanes (PU) industry. PU is one of the most versatile polymers available in the current age and in many forms, ranging from soft foams to very rigid and tough materials. This provides opportunity for almost infinite applications, which are evolving continuously. During 2010 to 2016, the global PU market has grown by over 30% to nearly 18,000 KMT from 13,650 KMT and the aggregated revenue has enhanced by over 68% to 55.5 billion from 33 billion.

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

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

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 and coatings, electronics industries and as clouding agent in drilling applications.

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. Pricing has been a major issue, wearing away the margins which may continue in future, unless there is any marked improvement in the global economic growth.

Opportunities and threats:

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

It has been reported that the Indian PU market is anticipated to grow at a CAGR of 7% during the period 2016 to 2020, simulated by increased use in construction applications, replacing the conventional fiberglass, mineral wool, etc. Though this market is still not matured in India, given the advantages such as higher insulation, living space, energy efficiency and environmental friendly, the usage is expected to grow further in the near future and open up better opportunities for the new products of your Company under development.

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 effort 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.

Indian Market Scenario:

The Indian Polyol and PG markets continued to be dominated by imports. There has been no letup in

the inbound volumes of Polyols in spite of levy of Anti-Dumping Duty (ADD) by the Government on imports of FSP from Singapore, Australia and EU in 2015-16. The imports have further increased with the new Polyol facilities set up in Thailand and Singapore becoming operational and the ADD on imports from China and Korea expiring in August 2015. Based on the application by your Company ADD has been levied on imports from Thailand from April 2017.

The imports of PG also has increased and the sales during the year under review was further affected due to the ban on fixed dose combination drugs by the Government imposed in March 2016, which however was revoked by the Delhi High Court in December 2016. During the year the Company identified trading as a new segment in addition to manufacturing. The segment wise performance details are furnished in the Notes to the Financial Statements.

Risk Management Policy

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

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

As required under S. 177 of the 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 countries across the globe continue to boost 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 offer higher quantity of Polyols to Indian market at very low prices.

The Company continues to defend the case pending before the Southern Bench of the National Green Tribunal, Chennai against the marine disposal of the treated effluent. Further, improving the quality of the treated effluent to meet stricter standards has been another big challenge, in spite of various actions taken by the Company and the Company is in the process of implementing new techniques for the same.

Outlook:

As per the World Economic Outlook released by the World Bank in January 2017, global economic activities are projected to pick up pace in 2017 and 2018. While the outlook for developed economies has improved for 2017 and 2018, the prospects for emerging and developing economies has worsened, where the financial conditions have tightened generally.

The World Output for 2017 and 2018 are projected at 3.4% and 3.6%, Vis a Vis the estimate of 3.1% for 2016. Though a marginal increase is noticed, these are still below the average of 5% in 1990.

The world trade growth for 2017 is stated at 2.4%, but taking into account the forecast risk due to uncertainty about the near-term economic and policy development, a range of 1.8% to 3.4% has been indicated for 2017 and 2.1% to 4% for 2018.

The growth forecast for India for FY 2016-17 and 2017-18 were trimmed by one percentage point and 0.4 percentage point respectively over the previous estimates in October 2016. It has been stated that such a reduction is primarily due to the temporary negative consumption induced by cash shortages and payment disruptions associated with the currency note withdrawal and exchange initiative.

Notwithstanding the pruning of the growth prospects, India is projected to grow @ 7.2% in 2017 and 7.7% in 2018, better than China @ 6.5% and 6.6%. The projections for Indonesia and Thailand have also been pruned and this may lead to increase in imports from this region.

Though the government has imposed Anti-Dumping Duty on import of Polyols from some countries, no visible relief has been felt so far. Also, the introduction of GST is expected to benefit the importer-traders through better input credits, which would bring down their the cost that may be passed on to the customers.

New applications development for footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc. are in progress

but catering to the market in a large scale could take a longer time.

It is expected that the Green Building Code, hitherto a guideline would be made mandatory in the year 2017 across the country. This is expected to increase the demand for PU insulation products. The Code aims to make bigger buildings water and energy efficient, for which it would be obligatory to insulate the walls and reduce the power requirement. While some States have notified the Code already, the remaining states are expected to implement the same in the year 2017-18.

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, but the prices have been going up. The facility for PO manufacturing being set up by another Company in Manali is expected to be completed during the current year or early next year. This would help to bring down the input cost by avoiding high cost imports.

As stated previously, the Company has been focusing on acquisition of overseas businesses to maximize the stakeholder values through its subsidiaries.

Subsidiaries

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

AMCHEM, Singapore

AMCHEM Speciality Chemicals Private Limited, Singapore, became the WOS of the Company in 2015-16, to hold all the foreign assets of the Company. The Company has invested US\$ 16.32 million (Rs. 110.32 crore) in the WOS to part fund the acquisition of a system house in the UK and also for further exploratory work.

During the year under review the WOS set up AMCHEM Speciality Chemicals UK Limited as its WOS which acquired Notedome Limited. Thus, AMCHEM, UK and Notedome have become the SDS of MPL during the year. AMCHEM, Singapore continues to explore other opportunities for acquisition of existing overseas facilities to further improve the global presence of MPL. It has been reported that options for taking up other activities such as trading, transaction facilitations, business & project consultancy are also looked at by the subsidiary.

AMCHEM, UK

AMCHEM Speciality Chemicals UK Limited, London was established in August 2016 by AMCHEM Singapore as its WOS. AMCHEM, UK is an SPV for acquisition of Notedome Limited, Coventry, UK. The acquisition of Notedome Limited is effective 1st October 2016 which was achieved through the equity contributions from AMCHEM, Singapore and loans.

Notedome Limited, UK

Notedome, established in 1979, is a System House with more than 30 years' experience, manufacturing Neuthane Polyurethane Cast Elastomers catering to customers across 45 countries. Neuthane polyurethanes are used in diverse range of industries and applications, in the automotive sector for anti-roll bar, suspension and shock bushes for buses, trucks and other high performance vehicles, limit or bump stops, material handling etc. and in the agriculture sector for Rollers, Harvester components and idler wheels on track laying tractors. From the CFS it could be seen that the acquisition of Notedome has enhanced the consolidated earnings and hence has improved the overall performance within a short period of time.

Environment and Safety

Your Company has laid down clear policies for quality, environment and safety and has set-up various teams and committees to monitor and improve observance of the said policies. Besides periodical in-house reviews and audits, surveillance audits of ISO 9001 and ISO 14000 have been done regularly, ensuring proper adherence to the quality, environment and safety requirements. World Environment Day is celebrated and to mark the occasion tree planting and similar activities are undertaken. During the cyclone in December 2016 many trees were uprooted and the Company has taken immediate steps for planting new ones.

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. The Company has been awarded to first prizes for the year 2013, for longest accident free man hours and lowest accident frequency.

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 have partially succeeded with a majority of the workmen accepting the offer, but others are persisting with the case.

In order to encourage better employee participation, the Company conducts open houses and has introduced employees suggestions scheme for them to provide ideas for product/process improvements and cost control.

As on 31st March 2017, your Company had 359 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Related Party Transactions

During the year under review, there were no transactions not at arms' length within the meaning of Section 188 of the Act or any material transactions with the related parties in terms of the policy framed by the Audit Committee of the Company as published in the website of the Company viz., <http://www.manalipetro.com/wp-content/uploads/2016/08/Policy-on-Transactions-with-Related-Parties.pdf>.

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 six times during the year under review and the relevant details are furnished in the CGR.

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

The term of office of Mr. G Balasubramanian, WTD (Works) ends on 27th May 2017 and the Board wishes to place on record its appreciation to Mr. Balasubramanian for his services during his tenure as a Director.

Mr. C Subash Chandra Bose has been appointed as an Additional Director and Wholetime Director (Works) for a period of three years with effect from 28th May 2017. Mr. Bose will hold office till the ensuing Annual General Meeting (AGM) and requisite notice and deposit have been received under Section 160 of the Act for his appointment as a Director at the AGM. The proposal for his appointment and remuneration as the Wholetime Director (Works) has also been placed for consideration of the Members at the AGM.

The term of office of Mr. Muthukrishnan Ravi, (DIN:03605222) ends on 29th July 2017. The Board, at the meeting held on 31st January 2017 has reappointed him for a further period of three years, subject to the approval of the Central Government and the Members at the ensuing AGM. Mr. Ravi will not draw any remuneration from the Company and the proposal has been included in the notice of the AGM for consideration and approval by the Members by way of a special resolution. The Company has filed application with the Central Government for approval of the appointment of Mr. Ravi, as he has not been an Indian Resident for the 12 months preceding the reappointment, within the meaning of Schedule V Part I. Mr. Ashwin C Muthiah, [DIN: 00255679] Director retires by rotation and being eligible offers himself for re-election. There has been no change in the Key Managerial Personnel since the last Annual General Meeting.

Annual Evaluation of the Board, Committees and Directors

Board evaluated its performance taking the following aspects into account viz., Structure, Meetings, Functions, Risk Evaluation process adopted, grievance redressal mechanism, stakeholder value and responsibility, corporate culture and ethics and other matters. Board also took into account facilitation to the Independent Directors to function independently and perform their roles as another important parameter for the evaluation.

The performance of each of the Committees was evaluated taking into account the clarity and disclosure of the composition, mandate & working procedures, effectiveness, structure and meetings, independence and contribution in decision making process.

The evaluation of the two Executive Directors was done based on their assigned roles and responsibilities. As regards the other Directors, including the independent directors, the evaluation was done taking into account the following parameters, viz., qualification, experience, competency, adequacy of knowledge about the Company and its sector of operation, understanding about the strategic direction, ethical behaviour, participation in the risk evaluation process, resolving conflict of interests, attendance and participation at the meetings, ability to work as a team player and voluntary sharing of information for the larger benefit of the Company and the like.

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 2017, 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 2017 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 were adequate and were operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of unclaimed Share Certificates

In accordance with the requirements of the Clause 5A of the erstwhile Listing Agreement, shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 15,93,201 shares, which remained unclaimed by 6,572 shareholders at the beginning of the year, 8,700 shares, were released to 24 shareholders during the year. As at the end of the year 15,84,501 shares remained unclaimed by 6,548 shareholders. As specified under the Regulations, the voting right on the above shares remain frozen.

Pursuant to the requirement under Section 125 of the Act, read with the relevant Rules, notices have been sent to the shareholders who have not encashed any dividend for seven years, for transfer of the related shares to the IEPF.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as the Auditors of the Company at the 30th Annual General Meeting (AGM) held on 21st September 2016 to hold office till the conclusion of 31st AGM. In compliance with the provisions for rotation of auditors, the Company is required to appoint new Auditors at the ensuing AGM.

In this connection, the Audit Committee has recommended the appointment of M/s Brahmayya & Co, Chartered Accountants, Chennai as the Auditors of the Company on a fee of Rs. 10.75 lakh plus applicable taxes and reimbursement of out of pocket expenses for approval by the Members. As per S. 139 (1), the new Auditors will hold office for a period of five years, viz., till the 36th AGM to be

held in the year 2022, subject to ratification of the Members at every AGM to be held till the conclusion of their office.

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 2016-17 on a remuneration of Rs. 3.50 lakh plus applicable taxes and reimbursement of out of pocket expenses which was ratified by the Members at the 30th AGM held on 21st September 2016. The Cost Auditor holds office till 30th September 2017 or submission of his report for the year 2016-17, whichever is earlier.

Adequacy of Internal Financial Controls

Your company has in place adequate internal financial control systems combined with delegation of powers and periodical review of the process. The control system is also supported by internal 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 and with the Auditors. The Auditors of the Company have also furnished certificates in this regard, which are attached to their Reports.

Corporate Governance

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

Secretarial Audit Report

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

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

- a. The ratio of remuneration of Mr. G Balasubramanian, Wholetime Director (Works) to the median remuneration of the employees of the Company, was 13.
- b. The percentile increase in remuneration of the Company Secretary was 10%
- c. The percentage increase in the median remuneration of the employees (other than workmen who are covered under wage settlement for which a litigation is pending before the Madras High Court) was 6%

- d. As at the year end there were 255 permanent employees, including MD and WTD but other than trainees and probationers.
- e. During the year the average percentile increase in the salaries other than managerial remuneration was about 7% and there was no increase in the managerial remuneration.
- f. Information required under Rule 5(2) are given in **Annexure E** to this Report.
- g. The remuneration paid to the employees are as per the remuneration policy of the Company.

Other disclosures

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

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

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

May 16, 2017

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 2017.

2. Board of Directors:

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

As on 31st March 2017, 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	4(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 Stakeholders 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 of which the Director is the Chairperson.
- c. None of the Directors hold any shares in the Company nor have any inter se relationship.
- d. The details of familiarization programmes conducted for the Independent Directors are disclosed in the website of the Company at <http://manalipetro.com/wp-content/uploads/2016/08/FAMPROGWEB2016.pdf>

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

The Board of Directors met six times during the year 2016-17 viz., on 23rd May 2016, 4th August 2016, 8th September 2016, 21st September 2016, 7th November 2016 and 31st January 2017. The 30th AGM was held on 21st September 2016. All the Directors attended all these meetings and the AGM, except Mr. Ashwin C Muthiah, Ms. Sashikala Srikanth and Mr. T K Arun who attended five meetings of the Board.

3. Audit Committee:
i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory under the then Listing Agreement and the Company Law. The terms of reference were reviewed during the year 2005-06 and modified in line with the then requirements of Clause 49 of the Listing Agreements with Stock Exchanges. At present, the terms of reference are aligned to the requirements of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations).

ii. Composition

As on 31st March 2017, 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 2016-17 viz., on 23rd May 2016, 4th August 2016, 7th November 2016 and 31st January 2017. Mr. G. Chellakrishna, Brig (Retd.) Harish Chandra Chawla and Mr. Kulbir Singh attended all the meetings and Mr. T.K. Arun attended three of these meetings.

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 Regulations.

The Committee met four times during the year 2016-17 viz., on 23rd May 2016, 4th August 2016, 7th November 2016 and 31st January 2017. Mr. Kulbir Singh and Brig (Retd.) Harish Chandra Chawla attended all the meetings and Mr. T.K. Arun attended three of these meetings.

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

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

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. Executive Directors

- Mr. G Balasubramanian, Wholetime Director (Works) was paid a total remuneration of Rs. 32.85 lakh, exclusive of contribution to provident and superannuation funds, comprising salary and allowances of Rs. 23.48 lakh, performance linked pay of Rs. 7.35 lakh determined as per the appraisal system in vogue and perquisites of Rs. 2.02 lakh.
- No remuneration was paid to Mr. Muthukrishnan Ravi, Managing Director.
- The Executive Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation and no severance fee is payable.
- No Employee Stock Option has been offered by the Company to any of the directors.

ii. Non-Executive Directors:

During the year Mr. Ashwin C Muthiah, Mr. T K Arun and Ms. Sashikala Srikanth were paid Rs. 2.50 lakh each and Brig. Harish Chandra Chawla, Mr. Kulbir Singh and Mr. G Chellakrishna were paid Rs. 3 lakh each as sitting fees, aggregating to Rs. 16.50 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. The Committee met four times during the year on 23rd May 2016, 4th August 2016, 7th November 2016 and 31st January 2017. Mr. Ashwin C Muthiah and Mr. Muthukrishnan Ravi attended all the meetings and Mr. T K Arun and Mr. G Balasubramanian attended three of these Meetings.

ii. Details of complaints received and pending

There were no pending complaints as at the beginning or end of the year. All the 13 complaints received during the year were redressed by the Company/RTA to the satisfaction of the shareholders.

7. General Body Meetings

i. Annual General Meetings:

AGM	Year	Venue	Date	Time
28 th	2014	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	13.08.2014	10.30 a.m.
29 th	2015	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	23.09.2015	10.30 a.m.
30 th	2016	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	21.09.2016	9.30 a.m.

ii. Special Resolutions:

The following special resolutions were passed in the previous three 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 to Mr. Muthukrishnan Ravi as Managing Director for a period of 3 years from 29 th July, 2014 to 28 th July, 2017. (c) Appointment and remuneration to Mr. G. Balasubramanian as Whole-time Director (Works) for a period of 3 years from 28 th May, 2014 to 27 th May, 2017.
23.09.2015	(a) Approving the increase in remuneration to Mr. Muthukrishnan Ravi, Managing Director with effect from 1 st April, 2014. (b) Approving the increase in remuneration to Mr. G. Balasubramanian, Whole-time Director (Works) with effect from 1 st April, 2015.
21.09.2016	No Special Resolution was passed.

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 thirty first AGM of the Company is scheduled to be held on 25th July 2017 at 10.30 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 2016-17 will be paid on 18th August 2017 subject to declaration at the ensuing AGM.

iv. Listing Details and Stock Code

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

Listing fees upto 2017-18 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 2016	31.00	25.00	7,992.00	7,516.85	30.95	25.10	26,100.54	24,523.20
May	31.75	26.00	8,213.60	7,678.35	31.95	26.20	26,837.20	25,057.93
June	35.40	27.40	8,308.15	7,927.05	35.40	27.75	27,105.41	25,911.33
July	36.80	30.30	8,674.70	8,287.55	36.75	30.05	28,240.20	27,034.14
August	34.45	28.05	8,819.20	8,518.15	34.50	28.10	28,532.25	27,627.97
September	35.80	30.35	8,968.70	8,555.20	35.80	30.40	29,077.28	27,716.78
October	47.60	31.70	8,806.95	8,506.15	47.60	31.90	28,477.65	27,488.30
November	45.90	29.15	8,669.60	7,916.40	46.00	29.50	28,029.80	25,717.93
December	37.60	31.60	8,274.95	7,893.80	37.70	31.50	26,803.76	25,753.74
January 2017	39.85	33.15	8,672.70	8,133.80	39.85	33.05	27,980.39	26,447.06
February	42.40	34.10	8,982.15	8,537.50	42.65	34.35	29,065.31	27,590.10
March	42.80	36.50	9,218.40	8,860.10	42.70	36.50	29,824.62	28,716.21

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 the shares.

vii. Share Transfer System:

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

viii. Distribution of shareholding as on March 31, 2017:

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	20,667	15.83	10,25,134	0.60
101	500	88,356	67.67	2,00,51,702	11.66
501	1000	11,637	8.91	92,30,016	5.37
1001	2000	4,888	3.75	74,73,236	4.34
2001	3000	1,609	1.23	42,35,881	2.46
3001	4000	640	0.49	23,46,583	1.36
4001	5000	657	0.50	31,53,960	1.83
5001	10000	1,127	0.86	85,26,838	4.96
10001	& above	988	0.76	11,59,55,879	67.42
Total		1,30,569	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, 2017, 15,78,13,026 shares were held in dematerialized form, representing about 91.75% of the total shares. The shares are traded regularly on BSE and NSE.

x. The Company has not issued any convertible instruments.

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

xii. Address for correspondence

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

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

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

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

10. Other Disclosures

- i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
 - ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
 - iii. As stipulated under the Act and the Regulations a Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company. No personnel has been denied access to the Audit Committee.
 - iv. All the mandatory requirements of Corporate Governance under the Regulations have been complied with.
 - v. The policy for determining material subsidiaries is disclosed in the website of the Company under the link <http://www.manalipetro.com/wp-content/uploads/2016/08/Policy-for-Determining-Materiality-for-Disclosure-and-Contact-Details-under-Regulation-30.pdf>
 - 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 Codes of Conduct.

Chennai
May 16, 2017

Muthukrishnan Ravi
DIN : 03605222
Managing Director

Report of the Auditors on Corporate Governance

TO THE MEMBERS OF MANALI PETROCHEMICALS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. GS/MPL/Audit/EL/2016-17 dated October 24, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Manali Petrochemicals Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

9. 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)

Chennai, May 16, 2017
GS/MPL/001/2017-18

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Annexure B

**Secretarial Audit Report Issued by
Mrs. B Chandra, Practising Company Secretary**

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

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

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

For B. CHANDRA
Company Secretaries

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

Place: Chennai
Date: 16-05-2017

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To

The Members

Manali Petrochemicals Limited

SPIC House, No. 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 31.03.2017, 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 31.03.2017, 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 there under 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 (SAST) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

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

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2008
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

(vi) Based on the study of the systems and processes in place and a review of the reports of (1) Occupier/ Manager of the factories Plant 1 & 2 located in Manali which manufacture Petrochemicals (2) Internal Audit Reports (3) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the 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; Workmen's Compensation Act 1923; The Apprentices Act, 1961; The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959; Tamil Nadu Labour Welfare Fund Act, 1972; Tamil Nadu Shops and Establishment Act, 1947; National and Festival Holidays Act, 1958; Conferment of Permanent Status Act, 1981; The Tamil Nadu Panchayats Act, 1994; The Legal Metrology Act, 2009; Industries (Development & Regulation) Act, 1951; Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003; The Electricity Act, 2003; The Energy Conservation Act, 2001; The Environmental Impact Assessment Notification, 2006 and The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following Secretarial Standards issued by The Institute of Company Secretaries of India.

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.

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
Membership No.: 20879
CP No.: 7859
Proprietrix

Place: Chennai
Date: 16-05-2017

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 31st March, 2017, 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.

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.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement

of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, 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.
 - 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 relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 standalone financial statements; (Refer Note 27 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 27d 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.
 - iv. The Company has provided requisite disclosures in the standalone financial

statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company. (Refer Note 43 to the financial statements)

2. As required by the Companies (Auditor's 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 16, 2017

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, 2017 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 respective 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.

Auditor's 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 the risk of a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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, 2017, based on the internal control over financial reporting criteria established by the respective 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 16, 2017

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 and the buildings constructed on the leasehold land are held in the name of the Company as at the balance sheet date.
- (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 deposits during the year. There were no unclaimed deposits at any time during the year.

- (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:
- The Company has 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.
 - 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, 2017 for a period of more than six months from the date they became payable.
 - Details of dues of income tax, sales tax, Service tax and excise duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

[Rs. In Lakh]

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

- (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 material 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 177 and 188 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 16, 2017

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, 2017, 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, 2017. We expressed an unmodified opinion on those financial statements in our report dated May 16, 2017.

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 stand-alone 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, 2017, 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, 2017 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 16, 2017

Abridged Standalone Balance Sheet as at 31, March 2017

Particulars	[Rs. in lakh]	
	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Paid-up Equity Share Capital	8,603.47	8,603.47
(b) Reserves and Surplus		
(i) Securities Premium Reserves	91.45	91.45
(ii) General Reserve	109.20	109.20
(iii) Capital Reserves	84.00	84.00
(iv) Surplus	23,424.44	19,382.01
Total - Shareholders' Funds	32,312.56	28,270.13
(2) Non-current Liabilities		
(a) Deferred Tax Liabilities (Net)	665.39	199.08
(b) Other Long-term Liabilities	145.68	161.01
(c) Long-term Provisions	133.10	136.06
Total - Non-current Liabilities	944.17	496.15
(3) Current Liabilities		
(a) Short-term Borrowings	1,697.11	225.74
(b) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises.	-	43.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	11,923.98	13,416.47
(c) Other Current Liabilities	3,899.80	5,570.21
(d) Short-term Provisions	897.30	1,936.51
Total - Current Liabilities	18,418.19	21,192.80
TOTAL - EQUITY AND LIABILITIES	51,674.92	49,959.08
II. ASSETS		
(1) Non-current Assets		
(a) Property, Plant & Equipments	11,396.17	10,508.82
(b) Intangible Assets	-	-
(c) Capital Work-in-progress	2,839.98	1,580.34
Total - Property, Plant & Equipments	14,236.15	12,089.16
(d) Non-current investments	11,453.73	915.92
(e) Long-term Loans and Advances	1,633.05	1,916.54
Total - Non-current Assets	27,322.93	14,921.62
(2) Current Assets		
(a) Current Investments	1,141.86	6,439.81
(b) Inventories	11,642.76	10,447.03
(c) Trade Receivables	6,277.71	9,003.13
(d) Cash and Cash equivalents	2,172.49	627.33
(e) Short-term Loans and Advances	3,010.19	8,385.58
(f) Other Current Assets	106.98	134.58
Total - Current Assets	24,351.99	35,037.46
TOTAL - ASSETS	51,674.92	49,959.08

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 at the link www.manalipetro.com

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 16, 2017

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Abridged Standalone Statement of Profit and Loss for the year ended March 31, 2017

[Rs. in lakh]

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from Operations		
Sale of products manufactured	59,419.21	58,958.41
Sale of goods Traded	4,788.43	5,203.76
Other Operating Revenue		
Scrap sales	127.52	84.59
Less: Excise Duty	(6,678.59)	(6,342.56)
Revenue from Operations (Net)	57,656.57	57,904.20
II. Other Income	1,857.32	1,074.32
III. Total Income (I+II)	59,513.89	58,978.52
IV. Expenses		
Cost of raw materials and packing materials consumed	38,261.05	33,329.38
Purchase of Traded Goods	4,508.16	5,268.96
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(1,029.04)	983.62
Employee Benefits expense	2,219.68	2,111.90
Finance Costs	185.75	252.34
Depreciation	783.91	587.57
Other Expenses	8,475.64	9,518.34
Total Expenses	53,405.15	52,052.11
V. Profit Before Tax (III-IV)	6,108.74	6,926.41
VI. Tax Expense		
Current income Tax	1,600.00	2,220.00
Deferred Tax	466.31	(114.84)
VII. Profit After Tax for the year (V-VI)	4,042.43	4,821.25
VIII. Earnings Per Share (Basic and Diluted)	2.35	2.80

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 16, 2017

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2017

i) 27 - Contingent Liabilities

[Rs. in lakh]

Particulars	As at March 31, 2017	As at 31 March, 2016
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a) Bills discounted 608.97 541.67

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, 2017	As at 31 March, 2016
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	6.80
	Disputed Excise & Customs demand		60.19	60.19
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
		<u>Assessment Year</u>		
Income Tax	Commissioner of Income Tax (Appeals)	2006-07	-	1,080.74
	Commissioner of Income Tax (Appeals)	2007-08	-	1,192.08
	Commissioner of Income Tax (Appeals)	2008-09	518.45	518.45
	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
	Commissioner of Income Tax (Appeals)	2014-15	78.08	-
	Disputed Income Tax demand **		1,253.43	3,448.17

** Against the above demands, the Company has paid Rs. 11.71 lakhs (Previous year - Rs. 100.00 lakhs)

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 previous year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 lakhs. 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, 2017 is Rs. 2,552.03 lakhs (previous year Rs.3,239.75 lakhs).

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Stock	7,838.11	4,042.82
Add : Purchases	38,370.23	37,124.67
	46,208.34	41,167.49
Less: Closing Stock	7,947.29	7,838.11
Cost of Raw Materials and Packing Materials Consumed	38,261.05	33,329.38

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

Materials consumed comprises:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Propylene	10,607.40	10,169.49
Methyloxirane Propylene Oxide	7,269.85	6,674.64
Chlorine	1,575.01	789.13
Others (Individually less than 10% of consumption)	18,808.79	15,696.12
Total	38,261.05	33,329.38

iv) 12 - Non-current Investments

Particulars	As at March 31, 2017	As at 31 March, 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	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 of Rs.10 each fully paid-up in OPG Power Generation Private Limited	8.97	8.97
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	0.13	0.13
Investment in equity shares of Wholly owned subsidiary	11,032.18	494.37
1,64,21,208 Equity shares (Previous year: 745,000 Equity shares) of USD. 1 each fully paid-up in AMCHEM Speciality Chemicals Private Limited, Singapore		
Total	11,453.73	915.92
Aggregate amount of quoted investments	412.45	412.45
Aggregate market value of listed and quoted investments	196.28	142.89
Aggregate value of unquoted investments	11,041.28	503.47

*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

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

List of Related Parties:

Associate Company : SIDD Life Sciences Private Limited
 Wholly owned Subsidiary: AMCHEM Speciality Chemicals Private Limited (w.e.f. 1st March, 2016)
 AMCHEM Speciality Chemicals UK Limited (w.e.f. 15th August, 2016)
 Notedome Limited (w.e.f. 1st October, 2016)

Enterprise in which Director is a Partner: CNGSN & Associates, LLP

Key Management Personnel [KMP]: Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Personnel exercised significant influence: Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2017

[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 2016-17	FY 2015-16
Dividend Paid	M/s SIDD Life Sciences Private Limited	329.23	329.23
Purchase of goods	M/s Tamilnadu Petroproducts Limited	-	669.49
Purchase of services		-	11.10
Sale of services		-	15.26
Purchase of Property, Plant & Equipments		-	26.39
Sale of Property, Plant & Equipments		-	0.33
Discounts received		-	2.18
Reimbursement of expenses		-	33.72
Reimbursements received		-	34.05
Purchase of services	M/s CNGSN & Associates, LLP	5.78	-
Remuneration paid	Mr Muthukrishnan Ravi	-	80.42
Investment in Equity Shares	M/s AMCHEM Speciality Chemicals Private Limited, Singapore	10,537.81	494.37

vi) 17 - Cash and Cash equivalents

Particulars	As at March 31, 2017	As at 31 March, 2016
Cash on hand	2.19	1.88
Cheques on hand *	862.11	2.57
Bank Balances		
In Current Accounts	217.71	33.28
In EEFC Accounts	126.14	27.52
Margin Money Deposit Accounts (Refer Note below)	564.23	186.97
Unpaid Dividend Accounts	400.11	375.11
Total	2,172.49	627.33

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

* Cheques on hand as at 31st March, 2017 include Rs. 860.66 lakh received towards repayment of Intercompany Deposits along with Interest, since realised.

vii) 42- Insurance claims submitted during the year 2015-16:

During the previous year, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions, for which the Company had made claims with the Insurers towards loss of inventory, damage to Property, Plant & Equipments, loss of production and profits. In December 2016, the Insurance company has settled the claims at Rs.1,522.46 lakhs and paid the balance amount of Rs.622.46 lakhs after adjusting the ad hoc advances paid in this regard. The company has recorded the claim settlement received appropriately.

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

viii) 20 - Revenue from Operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of Products		
Sale of products manufactured	59,419.21	58,958.41
Sale of goods Traded	4,788.43	5,203.76
Other Operating Revenue		
Scrap sales	127.52	84.59
Revenue from Operations (Gross)	64,335.16	64,246.76
Less: Excise Duty	6,678.59	6,342.56
Revenue from Operations (Net)	57,656.57	57,904.20

Details of Sales (Gross)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufactured Goods:		
Propylene Oxide	1,224.18	1,239.66
Propylene Glycol	18,418.21	18,013.45
Polyol	38,002.95	37,085.75
Others	3,494.00	3,834.87
Total Manufactured Goods (A)	61,139.34	60,173.73
Traded Goods:		
Isocyanates	1,298.26	795.75
Polyol	440.37	631.98
Others	3,049.80	3,776.03
Total Traded Goods (B)	4,788.43	5,203.76
Less: Trade Discounts (C)	(1,720.13)	(1,215.32)
Total (A+B+C)	64,207.64	64,162.17

Notes to Abridged Standalone Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

ix) Abridged Standalone Cash Flow Statement for the year ended March 31, 2017

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Cash flow from operating activities [A]	8,913.44	(550.31)
Net Cash flow from Investing activities [B]	(13,445.17)	(1,184.54)
Net Cash (used in) / from Financing Activities [C]	250.54	(1,128.72)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	(4,281.19)	(2,863.57)
Cash and Cash Equivalents at the beginning of the year	6,505.06	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	2,223.87	6,505.06

Comprises:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash on hand and Balances with banks [Note 17]	2.19	1.88
Cheques on hand	862.11	2.57
Balance with Banks		
In current accounts (including debit balance in cash credit)	217.71	33.28
In demand deposit accounts		
In other deposit accounts	-	27.52
Current investments	1,141.86	6,439.81
Cash and Cash equivalents	2,223.87	6,505.06

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash equivalents (Note 17)	2,172.49	627.33
Less: Margin Money Deposit Accounts	690.37	186.97
Less: Unpaid Dividend Accounts	400.11	375.11
Net Cash and Cash equivalents	1,082.01	65.25
Add: Current Investments (Note 14)	1,141.86	6,439.81
Cash and Cash equivalents as shown above	2,223.87	6,505.06

x) 39. Segment Reporting:

The primary reporting of the Company has been made on the basis of business segments. The Company has the following reportable business segments as defined in Accounting Standard 17 on Segment Reporting: Manufacturing & Trading. The details in respect of business segment is given below:

SEGMENTWISE REVENUE, RESULTS, ASSETS & LIABILITIES

[Rs. in lakh]

Particulars	Year ended March 31, 2017
1. Segment Revenue	
Manufacturing	59,546.73
Trading	4,788.43
Total	64,335.16
2. Segment Results	
Manufacturing	4,104.27
Trading	332.90
Total	4,437.17
Less: (i) Finance Cost	185.75
(ii) Other Unallocable Expenses / (Income) Net	(1,857.32)
Total Profit Before Tax	6,108.74
Tax Expense	2,066.31
Net Profit After Taxes	4,042.43
3. Segment Assets	
Manufacturing	35,001.49
Trading	1,067.65
Unallocable Assets	15,605.78
Total	51,674.92
4. Segment Liabilities	
Manufacturing	16,999.85
Trading	-
Unallocable Liabilities	2,362.51
Total	19,362.36
5. Capital Expenditure	
Manufacturing	2,678.61
Trading	-
Unallocable Expenditure	-
Total	2,678.61
6. Depreciation & Amortisation	
Manufacturing	783.91
Trading	-
Unallocable Depreciation & Amortisation	-
Total	783.91

During the year the Company has identified manufacturing of Petrochemicals and trading in Chemicals as Business segments. Accordingly presenting of comparative figures for the previous year is not applicable.

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 16, 2017

Anis Tyebali Hyderi
Chief Financial Officer

Ashwin C Muthiah
Chairman
(DIN: 00255679)

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 subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, 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, 2017, 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 subsidiaries whose financial statements reflect total assets of Rs. 27,398.18 Lakhs as at March 31, 2017, total revenues of Rs. 5,063.63 Lakhs and net cash flows amounting to Rs. 206.76 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose 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 these subsidiaries, is based solely on the report of the other auditors. The financial statements / other financial information of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries and

which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to Indian GAAP. We have audited these conversion adjustments made by the Holding company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding company and audited by us.

- 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.

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, 2017 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, 2017 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 subsidiaries are 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 (Refer Note 27 to the consolidated financial statements).
 - ii. The Group did not have any long-term contracts including derivative contracts (Refer Note 27 (d) to the consolidated financial statements).
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016 of the Company. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company. This requirement is not applicable to subsidiaries as they are incorporated outside India. (Refer Note 41 to the consolidated financial statements.).

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 16, 2017

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, 2017, 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 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 the 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 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, 2017, 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 16, 2017

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, 2017, the Abridged Consolidated Statement of Profit and Loss and the Abridged Consolidated Cash Flow Statement for the year then ended March 31, 2017, and related Notes, are derived from the audited consolidated financial statements ("the audited consolidated financial statements") of **MANALI PETROCHEMICALS LIMITED** ('the company'), its subsidiary companies (the company, its subsidiaries constitute "the Group") for the year ended March 31, 2017. We expressed an unmodified opinion on those financial statements in our report dated May 16, 2017.

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') 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, 2017, 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, 2017, 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. 27,398.18 Lakhs as at March 31, 2017, total revenues of Rs. 5,063.63 Lakhs and net cash flows amounting to Rs. 206.76 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 subsidiaries, is based solely on the reports of the other auditors. The financial statements / other financial information of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to Indian GAAP. We have audited these conversion adjustments made by the Holding company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding company and audited by us.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 16, 2017

Abridged Consolidated Balance Sheet as at March 31, 2017

Particulars	[Rs. in lakh]	
	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Paid-up Equity Share Capital	8,603.47	8,603.47
(b) Reserves and Surplus		
(i) Securities Premium Reserves	91.45	91.45
(ii) General Reserve	109.20	109.20
(iii) Capital Reserves	84.00	84.00
(iv) Surplus	22,264.78	19,356.21
Total - Shareholders' Funds	31,152.90	28,244.33
(2) Non-current Liabilities		
(a) Deferred Tax Liabilities (Net)	730.87	199.08
(b) Other Long-term Liabilities	733.11	161.01
(c) Long-term Provisions	133.10	136.06
Total - Non-current Liabilities	1,597.08	496.15
(3) Current Liabilities		
(a) Short-term Borrowings	2,006.34	225.74
(b) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises.	-	43.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	13,441.79	13,416.47
(c) Other Current Liabilities	4,125.60	5,576.84
(d) Short-term Provisions	897.30	1,936.50
Total - Current Liabilities	20,471.03	21,199.42
TOTAL - EQUITY AND LIABILITIES	53,221.01	49,939.90
II. ASSETS		
(1) Non-current Assets		
(a) Property, Plant & Equipment	12,739.48	10,508.82
(b) Capital work-in-progress	2,839.98	1,580.34
(c) Goodwill on consolidation	7,883.33	2.50
Total - Fixed Assets	23,462.79	12,091.66
(d) Non-current Investments	421.55	421.55
(e) Long-term Loans and Advances	1,633.06	1,916.54
Total - Non-current Assets	25,517.40	14,429.75
(2) Current Assets		
(a) Current Investments	1,141.86	6,439.81
(b) Inventories	12,404.98	10,447.03
(c) Trade Receivables	8,174.62	9,003.13
(d) Cash and Cash equivalents	2,827.86	1,075.93
(e) Short-term Loans and Advances	3,047.31	8,409.67
(f) Other Current Assets	106.98	134.58
Total - Current Assets	27,703.61	35,510.15
TOTAL - ASSETS	53,221.01	49,939.90

Note: Complete Consolidation 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 at the link www.manalipetro.com

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

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 16, 2017

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Abridged Consolidated Statement of Profit and Loss for the year ended March 31, 2017

[Rs. in lakh]

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from Operations		
Sale of products manufactured	64,346.56	58,958.41
Sale of goods Traded	4,788.43	5,203.76
Sale of Services		
Other Operating Revenue		
Scrap sales	127.52	84.59
Less: Excise Duty	<u>(6,678.59)</u>	<u>(6,342.56)</u>
Revenue from Operations (Net)	62,583.92	57,904.20
II. Other Income	<u>1,943.68</u>	<u>1,074.32</u>
III. Total Income (I+II)	64,527.60	<u>58,978.52</u>
IV. Expenditure		
Cost of raw materials and packing materials consumed	41,554.19	33,329.38
Purchase of Traded Goods	4,508.16	5,268.96
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(1,098.65)	983.62
Employee Benefits expense	3,269.58	2,111.90
Finance Costs	230.17	252.34
Depreciation	831.80	587.57
Other Expenses	<u>9,233.81</u>	<u>9,544.29</u>
Total Expenses	58,529.06	<u>52,078.06</u>
V. Profit Before Tax (III-IV)	5,998.54	<u>6,900.46</u>
VI. Tax Expense		
Current income Tax	1,757.55	2,220.00
Deferred Tax	<u>456.75</u>	<u>(114.84)</u>
VII. Profit After Tax for the year (V-VI)	3,784.24	<u>4,795.30</u>
VIII. Earnings Per Share (Basic and Diluted)	2.20	<u>2.79</u>

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 16, 2017

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

i) 27 - Contingent Liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
a) Bills discounted	608.97	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, 2017	As at 31 March, 2016
Service Tax	High Court of Madras	2007-08	53.39	53.39
	Customs, Excise and Service Tax Appellate Tribunal	Various Years	6.80	6.80
	Disputed Excise & Customs demand		60.19	60.19
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
Income Tax	Commissioner of Income Tax (Appeals)	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	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
	Commissioner of Income Tax (Appeals)	2014-15	78.08	-
	Disputed Income Tax demand **		1,253.43	3,448.17

** Against the above demands, the Company has paid Rs. 11.71 lakh (Previous year - 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 previous year, CESTAT has allowed the Company's appeal in respect of service tax matters for various years of Rs. 48.90 lakhs 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, 2017 is Rs. 2,552.03 lakh (previous year 3,239.75 lakh).

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening Stock	7,838.11	4,042.82
Add: Opening stock on acquisition of Subsidiaries	825.13	
Add: Purchases	<u>41,273.89</u>	<u>37,124.67</u>
	49,937.13	41,167.49
Less: Closing Stock	<u>8,382.94</u>	<u>7,838.11</u>
Cost of raw materials and packing materials consumed	41,554.19	33,329.38

Materials consumed comprises:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Propylene	10,607.40	10,169.49
Methyloxirane Propylene Oxide	7,269.50	6,674.64
Chlorine	1,575.01	789.13
Others (Individually less than 10% of consumption)	22,102.28	15,696.12
Total	41,554.19	33,329.38

iv) 12 - Non-current Investments

Particulars	As at March 31, 2017	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	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 of Rs.10 each fully paid-up in OPG Power Generation Private Limited	8.97	8.97
1300 Equity shares of Rs. 10 each fully paid up in AM Corporate Social Responsibility Foundation	0.13	0.13
	<u>421.55</u>	<u>421.55</u>
Aggregate amount of quoted investments	412.45	412.45
Aggregate market value of listed and quoted investments	196.28	142.89
Aggregate value of unquoted investments	9.10	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 is traded in BSE.

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

v) 34 - Related Party Disclosures

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

List of Related Parties:

Associate Company : SIDD Life Sciences Private Limited

Enterprise in which Director is a Partner: CNGSN & Associates, LLP

Key Management Personnel [KMP]: Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Personnel exercised significant influence: Tamilnadu Petroproducts Limited (upto 3rd February, 2016)

Related Party Transactions:

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

Nature of Transaction	Related Party	FY 2016-17	FY 2015-16
Dividend Paid	M/s SIDD Life Sciences Private Limited	329.23	329.23
Purchase of goods	M/s 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
Purchase of services	M/s CNGSN & Associates, LLP	5.78	-
Remuneration paid	Mr Muthukrishnan Ravi	-	80.42

vi) 17 - Cash and Cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016
Cash on hand	2.19	1.88
Cheques on hand	862.11	2.57
Bank Balances		
In Current Accounts	873.08	33.28
Bank accounts	-	448.60
In EEFC Accounts	126.14	27.52
Margin Money Deposit Accounts (Refer Note below)	564.23	186.97
Unpaid Dividend Accounts	400.11	375.11
Total	2,827.86	1,075.93

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

* Cheques on hand as at 31st March, 2017 include Rs. 860.66 lakh received towards repayment of Inter Corporate Deposit along with Interest, since realised.

vii) 39. Insurance claims submitted during the previous year:

During the previous year, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions, for which the Company had made claims with the Insurers towards loss of inventory, damage to fixed assets, loss of production and profits. In December 2016, the Insurance company has settled the claims at Rs.1,522.46 lakhs and paid the balance amount of Rs.622.46 lakhs after adjusting the *ad hoc* advances paid in this regard. The company has recorded the claim settlement received appropriately.

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

ix) 20 - Revenue from Operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Sale of Products		
Sale of products manufactured	64,346.56	58,958.41
Sale of goods Traded	4,788.43	5,203.76
Other Operating Revenue		
Scrap sales	127.52	84.59
Revenue from Operations (Gross)	69,262.51	64,246.76
Less: Excise Duty	6,678.59	6,342.56
Revenue from Operations (Net)	62,583.92	57,904.20

Details of Sales

Manufactured Goods:		
Propylene Oxide	1,224.18	1,239.66
Propylene Glycol	18,418.21	18,013.45
Polyol	38,002.95	37,085.75
Others	8,421.35	3,834.87
Total Manufactured Goods	66,066.69	60,173.73
Traded Goods:		
Isocyanates	1,298.26	795.75
Polyol	440.37	631.98
Others	3,049.80	3,776.03
Total Traded Goods	4,788.43	5,203.76
Less: Trade Discounts	(1,720.13)	(1,215.32)
Total	69,134.99	64,162.17

x) Abridged Consolidated Cash Flow Statement for the year ended March 31, 2017

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Cash flow used in operating activities [A]	14,256.07	(593.58)
Net Cash flow used in Investing activities [B]	(19,812.84)	(692.67)
Net Cash used in Financing Activities [C]	515.35	(1,128.72)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	(5,041.42)	(2,414.97)
Cash and Cash Equivalents at the beginning of the year	6,953.66	9,369.06
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Addition due to acquisition	967.00	(0.43)
Cash and Cash Equivalents at the end of the year	2,879.24	6,953.66

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Comprises:		
Cash on hand and Balances with banks [Note 17]		
Cash on hand	2.19	1.88
Cheques on hand	862.11	2.57
Balance with Banks		
In current accounts (including debit balance in cash credit)	873.08	481.88
In demand deposit accounts		
In other deposit accounts		27.52
Current investments	1,141.86	6,439.81
Cash and Cash equivalents	2,879.24	6,953.66

Notes to Abridged Consolidated Financial Statements for the year ended March 31, 2017

[Rs. in lakh]

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash equivalents (Note 17)	2,827.86	1,075.93
Less: Margin Money Deposit Accounts	690.37	186.97
Less: Unpaid Dividend Accounts	400.11	375.11
Net Cash and Cash equivalents	1,737.38	513.85
Add: Current Investments (Note 14)	1,141.86	6,439.81
Cash and Cash equivalents as shown above	2,879.24	6,953.66

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 [Rs. in lakh]	As % of consolidated Profit or Loss	Amount [Rs. in lakh]
Parent Manali Petrochemicals Limited	100.70	31,371.91	106.82	4,042.44
Subsidiaries - Foreign				
1. AMCHEM Speciality Chemicals Private Limited, Singapore	(2.99)	(931.22)	(25.66)	(971.19)
2. AMCHEM Speciality Chemicals UK Limited, UK	0.08	25.25	0.69	26.03
3. Notedome Limited, UK	2.21	686.96	18.15	686.96
Total	100.00	31,152.90	100.00	3,784.24

xii) 39. Segment Reporting:

The primary reporting of the Group has been made on the basis of business segments. The Group has the following reportable business segments as defined in Accounting Standard 17 on Segment Reporting: Manufacturing & Trading. The details in respect of business segment is given below:

SEGMENTWISE REVENUE, RESULTS, ASSETS & LIABILITIES

[Rs. in lakh]

Particulars	For the year ended 31-03-2017
1. Segment Revenue	
Manufacturing	64,474.08
Trading	4,788.43
Total	69,262.51
2. Segment Results	
Manufacturing	4,726.31
Trading	332.89
Total	5,059.20
Less: (i) Finance Cost	230.17
(ii) Other Unallocable Expenses / (Income) Net	(1,169.51)
Total Profit Before Tax	5,998.54
Tax Expense	2,214.30
Less: MAT Credit Entitlement	-
Net Profit After Taxes	3,784.24
3. Segment Assets	
Manufacturing	36,547.54
Trading	1,067.65
Unallocable Assets	15,605.82
Total	53,221.01
4. Segment Liabilities	
Manufacturing	19,705.60
Trading	-
Unallocable Liabilities	2,362.51
Total	22,068.11
5. Capital Expenditure	
Manufacturing	19,584.08
Trading	-
Unallocable Expenditure	-
Total	19,584.08
6. Depreciation & Amortisation	
Manufacturing	831.80
Trading	-
Unallocable Depreciation & Amortisation	-
Total	831.80

During the year the Company has identified manufacturing of Petrochemicals and trading in Chemicals as Business segments. Accordingly presenting of comparative figures for the previous year is not applicable.

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date : May 16, 2017

Anis Tyebali Hyderi
Chief Financial Officer

Ashwin C Muthiah
Chairman
(DIN: 00255679)

R Kothandaraman
Company Secretary

Form AOC-1

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

Part 'A'- Subsidiaries

Particulars	AMCHEM Speciality Chemicals Private Limited, Singapore		AMCHEM Speciality Chemicals UK Limited, UK		Notedome Limited, UK	
	31 st March 2017		31 st March 2017		31 st March 2017	
	Rupees in Lakh*	In USD	Rupees in Lakh*	In GBP	Rupees in Lakh*	In GBP
Share Capital	10,647.28	16,421,208	9,301.17	11,500,000	3.17	3,916
Reserves	(931.22)	(1,436,206)	25.25	31,221	3,801.54	4,700,235
Total Assets	9,920.03	15,299,574	11,186.79	13,831,395	6,291.36	7,778,661
Total Liabilities	203.96	314,572	1,860.37	2,300,174	2,486.65	3,074,510
Investments	-	-	-	-	-	-
Turnover (inc other income)	69.48	103,563	48.53	60,000	4,806.72	5,943,045
Profit/(Loss) before Tax	(903.73)	(1,393,810)	31.56	39,026	808.08	999,108
Provision for Taxation	-	-	5.06	7,805	141.65	175,135
Profit/(Loss) after Tax	(903.73)	(1,393,810)	26.50	31,221	666.43	823,973
% of Shareholding	100%		100% [@]		100% [#]	

* Translated at exchange rate prevailing as on 31.3.2017

1 USD = Rs. 64.8386

1 GBP = Rs. 80.8797

@ Held by AMCHEM Speciality Chemicals Private Limited, Singapore

Held by AMCHEM Speciality Chemicals UK Limited, UK

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner
(Membership No. 29519)
Place: Chennai
Date : May 16, 2017

Ashwin C Muthiah
Chairman
(DIN: 00255679)

Anis Tyebali Hyderi
Chief Financial Officer

R Kothandaraman
Company Secretary



Manali Petrochemicals Limited
CIN: L24294TN1986PLC013087

ATTENDANCE SLIP

Registered Office: "SPIC House", 88, Mount Road, Guindy, Chennai - 600 032.

Telefax: 22351098 E-mail: companysecretary@manalipetro.com 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 31st ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 at 10.30 A.M. on Tuesday, the 25th July, 2017.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable



Manali Petrochemicals Limited
CIN: L24294TN1986PLC013087

PROXY FORM

Registered Office: "SPIC House", 88, Mount Road, Guindy, Chennai - 600 032.

Telefax: 22351098 E-mail: companysecretary@manalipetro.com 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 31st Annual General Meeting of the Company, to be held on Tuesday, the 25th July, 2017 at 10.30 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	6	7
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(Tick Mark the Sl. No. of Resolutions for which the proxy is appointed)

Signed this _____ day of _____ 2017.

Signature of Shareholder(s) _____

Signature of Proxyholder(s) _____

Notes:

- 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
- 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.
- The Proxy holder shall prove his / her identity at the time of attending the Meeting.

Affix
Revenue
Stamp

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To:



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Manali Petrochemicals Limited

*Ponneri High Road, Manali,
Chennai - 600 068.*

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