



ANNUAL REPORT

2013 – 14

Manali Petrochemicals Limited

Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
T K Arun (Nominee of TIDCO)	DIN: 02163427	Director
Brig (Retd.) Harish Chandra Chawla	DIN: 00085415	Director
Kulbir Singh	DIN: 00204829	Director
Sanjiv Ralph Noronha	DIN: 01905639	Director
Muthukrishnan Ravi	DIN: 03605222	Managing Director
G. Balasubramanian	DIN: 06874838	Whole-Time Director (Works)

Audit Committee

T K Arun	Chairman
Brig (Retd.) Harish Chandra Chawla	Member
Kulbir Singh	Member
Sanjiv Ralph Noronha	Member

Company Secretary

R. Kothandaraman

Chief Financial Officer

Anis Tyebali Hyderi

Registered Office

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

Principal Office & Plant - 1

Ponneri High Road, Manali, Chennai 600 068

Plant - 2

Sathangadu Village, Manali, Chennai 600 068

Auditors

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

Cost Auditor

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

Bankers

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

Registrar and Share Transfer Agent (RTA)

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

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Notice to Shareholders

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held at 10.30 a.m. on Wednesday, the 13th August, 2014 at Rajah Annamalai Mandram, No. 5 Esplanade Road (Near High Court) Chennai – 600 108 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014 including the audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon, by passing the following as an Ordinary Resolution:

RESOLVED THAT the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date together with the Notes thereon, the Cash Flow Statement for the said period and the Report of the Auditors and the Directors thereon 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 lakhs (Rupees eight hundred and sixty lakhs only), subject to rounding off, be and is hereby declared out of the profits for the year ended March 31, 2014 and the same be paid:

- i. In respect of shares held in physical form, to those members whose names appear on the register of members on 13th August 2014 and
- ii. In respect of shares held in electronic form, to those members whose names appear in the list of beneficial owners furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 2nd August 2014.

3. To appoint a Director in the place of Mr. T K Arun [DIN 02163427], who retires by rotation and being eligible offers himself for re-appointment by passing the following as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the of the Companies Act, 2013, the Rules made thereunder and the Articles of Association of the company, Mr. T K Arun (DIN: 02163427), a Director retiring by rotation being eligible and offering for re-election, be and is hereby re-appointed as a Director of the Company.

4. To re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S) as the Auditors of the Company by passing the following as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, and the Rules made thereunder, M/s Deloitte Haskins and Sells, Chartered Accountants, Chennai, the retiring auditors with ICAI Registration Number 008072S, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company to be held during the year 2016 on a remuneration to be fixed by the Board of Directors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company the appointment of Brig. (Retd.) Harish Chandra Chawla [DIN 00085415] as an Independent Director of the Company for a period of five years from 28th May 2014 be and is hereby approved.

6. To consider and if thought fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions if any of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company the appointment of Mr. Kulbir Singh, [DIN 00204829] as an Independent Director of the Company for a period of five years from 28th May 2014 be and is hereby approved.

7. To consider and if thought fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013 the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. G Balasubramanian, [DIN 06874838] be and is hereby appointed as a Director of the Company liable to retire by rotation.

8. To consider and if thought fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 500 crore (Rupees five hundred crore) over and above the aggregate of the paid up share capital and free reserves of the Company, on such a terms and conditions as may be agreed to between the Company and the Lenders.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or creating charge on the assets of the Company to secure the amount(s) borrowed/to be borrowed by the Company on such terms and conditions as may be agreed to between the Company and the Lenders.

9. To consider and if thought fit, to pass the following as a Special Resolution:

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, and such other approvals as may be required consent of the Members is accorded for the reappointment of Mr. Muthukrishnan Ravi (DIN: 03605222) who is also the Managing Director of Tamilnadu Petroproducts Limited (TPL), as the Managing Director of the Company on the following terms and conditions:

- | | | |
|---|-----------------------|------------------------------------|
| A | PERIOD OF APPOINTMENT | 3 YEARS (29-07-2014 TO 28-07-2017) |
| B | NATURE OF APPOINTMENT | CONTRACTUAL |
| C | REMUNERATION | |

Mr. Muthukrishnan Ravi (DIN: 03605222) shall be paid remuneration as detailed below:

- a. Basic Salary Rs. 1,90,000 per month
- b. Allowances Rs. 3,61,417 per month
- c. Annual Performance pay not exceeding Rs. 30,00,000
- d. Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/ service rules of the Company
- e. The following shall not be deemed to be remuneration to Mr. Muthukrishnan Ravi (DIN: 03605222):
 - Provision of car with driver for business and personal use.
 - Provision of telephone at residence and mobile phone.
 - 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.
- f. The remuneration to Mr. Muthukrishnan Ravi (DIN: 03605222) shall be shared between MPL and TPL equally or in such other proportion as may be decided by the Board from time to time so long as he holds a Managerial position in TPL.

D PAYMENT OF MINIMUM REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS

In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. Muthukrishnan Ravi (DIN: 03605222). The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

10. To consider and if thought fit, to pass the following as a Special Resolution:

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, and such other approvals as may be required approval of the Members is accorded for the appointment of Mr. G Balasubramanian (DIN: 06874838) as the Wholetime Director (Works) of the Company for a period of three years with effect from 28-05-2014 on the following terms and conditions:

- | | | |
|---|-----------------------|------------------------------------|
| A | PERIOD OF APPOINTMENT | 3 YEARS (28-05-2014 TO 27-05-2017) |
| B | NATURE OF APPOINTMENT | CONTRACTUAL |
| C | REMUNERATION | |

Mr. G Balasubramanian (DIN: 06874838) shall be paid remuneration as detailed below:

- a. Basic Salary Rs. 89,400 per month
- b. Allowances Rs. 86,532 per month
- c. Annual Performance pay not exceeding Rs. 6,00,000
- d. Contribution to Provident and other Funds, leave, gratuity and other benefits shall be in accordance with the applicable law/ service rules of the Company.
- e. The following shall not be deemed to be remuneration to Mr. G Balasubramanian (DIN: 06874838):
 - Provision of car with driver for official use
 - Provision of telephone at residence and mobile phone.
 - 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.

D PAYMENT OF MINIMUM REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS

In the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. G Balasubramanian (DIN: 06874838). The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration.

Date 2nd July, 2014

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 04.08.2014 to 13.08.2014 (both days inclusive) in connection with the Annual General Meeting (AGM) & payment of dividend.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), which sets out details relating to Special Business at 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 himself/herself. 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 percent of the total share capital of the Company. Member holding more than 10% is entitled to appoint a single proxy, who cannot be proxy of any other member.
4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred Rs. 45,27,724/- being the unpaid and unclaimed dividend amount pertaining to the year 2005-06 to the Investor Education and Protection Fund of the Central Government. As per the extant regulations, no claim shall lie against the Company or the IEPF in relation to the amount remitted to IEPF.
6. The details of unpaid dividend relating to the years 2006-07 to 2011-12 as on 02.08.2013 being the date of the last AGM is available in the website of the Company www.manalipetro.com
7. Dividend for the year 2006-07 remaining unclaimed and unpaid will be transferred to Investor Education and Protection Fund (IEPF) during September 2014. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or the Registrars at an early date and lodge their claims. Please note that as per the extant regulations upon transfer to IEPF, no claims shall lie against the Fund or the Company and hence it will not be possible for the Shareholders to make any further claims in this regard after the said transfer.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. The Securities and Exchange Board of India (SEBI) has mandated the 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 can submit their PAN details to the RTA.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, are enclosed and form an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the full version of the Annual Report for the year 2013-14 and the Notice of the 28th AGM are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged Annual Report for the year are being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/RTA as detailed in Page No. 25 of the Annual Report.
12. Full version of the Report and the Notice of the AGM are available in the Company's website viz., www.manalipetro.com. Members desirous of receiving the complete annual report may send a request in writing to the Registrar or the Company and send the same by post/courier or email with a scanned copy of the request.
13. Pursuant to the stipulations in Clause 35B of the Listing Agreement read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services 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 10.
14. ***A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in 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. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.***
15. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any information, the shareholders may also send requests to the RTA.
16. Due notices have been received under Section 160 of the Companies Act, 2013 with regard to the appointment of directors proposed under items 5 to 7.
17. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office and at the Principal 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.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT
TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT**

Item No. 5 & 6

Brig. (Retd) Harish Chandra Chawla and **Mr. Kulbir Singh** were appointed as Directors of the Company liable to retire by rotation and categorized as Independent Directors under the Listing Agreement. In terms of the relevant provisions of the Companies Act, 2013 (the Act) at the Meeting held on 28th May 2014 these Directors have been appointed by the Board as Independent Directors under Section 149 of the Act read with the other provisions, rules and Schedule IV to the Act, for a period of five years w.e.f. the said date. As per Section 150 their appointment is to be approved by the shareholders and hence the same is placed for consideration and approval at the AGM. In terms of the relevant provisions of the Act, the above directors will not be liable to retirement by rotation.

Both the appointees comply with the criteria for independent directors specified in S. 149(6) of the Act. Considering their qualification, experience, stature and standing, they are qualified to be appointed as the Independent Directors of the Company. Further they have been the independent directors of MPL and are well versed with the Company's business. Therefore their appointment and guidance as the Independent Directors will be of great value to the Company. The Board recommends the resolutions for the consideration of the Members.

Except the respective appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions.

Item No. 7 & 10

At the Board Meeting held on 28th May 2014, Mr. G Balasubramanian has been appointed as the Wholetime Director of the Company for a period of 3 years, subject to approval of the Members. 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 152 and also seek approval of the Members for his appointment as the Wholetime Director (WTD).

Mr. G Balasubramanian, aged 57 is a post graduate in chemical engineering from Annamalai University. He has more than 30 years of experience in chemical and petrochemical industries. His past employers include Pentasia Chemicals (Group co of Asian Paints) for 7 years and UB Petroproducts since 1989. On merger of UB with MPL he continued his association with the Company.

At the meeting held on 28th May 2014, Board has, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Balasubramanian as the WTD for a period of 3 years on the terms and conditions as set out in the resolution.

Mr. Balasubramanian does not hold any shares in MPL and also does not hold directorship in any other company.

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. G Balasubramanian, 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. 8

The Shareholders at Annual General Meeting held on 29.07.1992 have authorized the Board of Directors of the Company to borrow in excess of the paid up capital and free reserves upto a limit of Rs.150 crore by an ordinary resolution. As per Section 180 of the Companies Act, 2013, the approval is to be by way of a Special Resolution. It has been, vide Circular dated 25-03-2014, clarified by the Ministry of Corporate Affairs, that the previous resolution will be valid for a period of one year from the date of notification of the relevant provisions, viz., till 11th September 2014. In view of the above, in order to enable the Board to borrow monies in excess of the paid-up capital and free reserves, the proposal is placed before the Members for approval by Special Resolution for an enhanced sum of Rs. 500 crore.

The Proposal also includes the delegation of power to the Board to mortgage and / or charge the assets of the Company to secure the borrowings as may be agreed to between the Company and the Lenders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

Item No. 9

Mr. Muthukrishnan Ravi, a B. Tech., MBA graduate 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 of the Company at the Board Meeting held on 29th July 2011. He was appointed as a Whole Time Director for a period of 3 years on the remuneration recommended by the Remuneration Committee and approved by the Board. Mr. Ravi took over as the Managing Director of the Company from 1st October 2011 and holds office till 28th July 2014. He is also the MD of Tamilnadu Petroproducts Limited from 4th February 2013 and the remuneration paid to him is shared between the two companies equally.

At the meeting held on 28th May 2014, 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 set out in the resolution. The overall remuneration to Mr. Ravi will be shared between MPL and TPL equally or in such proportion as may be decided by the Board so long as Mr. Ravi holds a Managerial Position in TPL.

Mr. Ravi does not hold any share in MPL. He is the Chairman of Petro Araldite Private Limited and Director of MPL Executives Welfare Foundation, MPL Officer and Staff Welfare Foundation, TPL Employees Welfare Foundation and Alkali Manufacturers' Association of India. He is a member of the Stakeholders' Relationship Committee of TPL.

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 and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the above proposal.

Date 2nd July 2014

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 PROVISO 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	(Rs. in lakhs)			
	FINANCIAL PARAMETERS	2011-12	2012-13	2013-14
	TOTAL SALES	56,454.21	51,427.30	55,382.08
	PAT	4,367.97	2,731.59	2,905.02
	DIVIDEND %	12%	10%	10%
EXPORT SALES	340.89	282.63	1,758.46	
(4) Foreign investments or collaborations, if any	NIL			

II. INFORMATION ABOUT THE APPOINTEE

a. Mr. Muthukrishnan Ravi

Background details	Furnished under Item 9 of the Explanatory statement
Job profile and his suitability	As 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 of the Company. 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.
Past and proposed remuneration	Mr. Muthukrishnan Ravi is reappointed as the Managing Director of the Company for the period of three years with effect from 29.07.2014 on the same remuneration. The details are furnished in the relevant resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

b. Mr. G. Balasubramanian

Background details	Furnished under Item 10 of the Explanatory statement
Details of past remuneration	This is the first appointment of Mr. G. Balasubramanian as the Whole-Time Director of the Company.
Job profile and his suitability	<p>As the Whole-Time Director (Works) Mr. Balasubramanian will be responsible for the Plant operations, Projects and other matter as may be delegated by the Managing Director from time to time. He will report to the Managing Director.</p> <p>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 appointed as the Whole-Time Director (Works) of the Company.</p>
Remuneration proposed	Details furnished in the relevant resolution.
Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	NIL

III. OTHER INFORMATION

Reasons for loss or inadequacy of profits	Not applicable
Steps taken or proposed to be taken for improvement' Expected increase in productivity and profits in measurable terms.	Does not arise

IV. DISCLOSURES

Information on remuneration package	Details furnished in the relevant resolution.
Other disclosures	Information on elements of remuneration, components, terms of service and stock option are furnished in the resolution.

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE 28TH AGM.**Item Nos.3, 5, & 6 of the Notice**

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

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

Mr. Arun does not hold any shares in the Company. He is a Director of Cheslind Textiles Limited (CTL), Tamilnadu Petroproducts Limited (TPL), Southern Petrochemical Industries Corporation Limited (SPIC), Ascendas IT Park Chennai Limited, DLF Infopark Developers Limited, Sree Maruthi Marine Industries Limited, Tanflora Infrastructure Park Limited and TIDEL Park Limited, Titan Company Limited (TCL), Titan Time Products Ltd and Tamil Nadu Road Development Company Limited. He is also member of Audit Committee and Shareholders/Investors' Grievance Committee of TPL, CTL, SPIC and TCL

Brig (Retd.) Harish Chandra Chawla holds a master's degree in science and is an M. Tech from IIT, Delhi, a Fellow of the Institution of Electronic and Telecom Engineers and a Member of Computer Society of India. He has done Finance Course in IIM, Bangalore and Executive Management Course in ISB, Hyderabad.

Mr. Chawla served the Indian Army in various capacities for 36 years and retired as a Brigadier. During his tenure with the Army, he has handled managerial, administrative and technical functions and in the last 3 years of his service, he held strategic level positions in a project of National importance and was involved in project planning and execution of a large project relating to development of equipment. Post retirement from the Army, Mr. Chawla has 11 years' experience in the private sector, including as Managing Director/Director for about six years. He was the Chairman of Modern Protection and Investigation, Mumbai a security services company and Managing Director of ISS SDB Services Pvt. Ltd. and Director of Innovative Salary Services and Payroll Advisor Pvt. Ltd. He was also a Director of Security Sector Skill Development Council.

Mr. Chawla does not hold any shares in MPL. At present, he is Director of Sciencetec Pharmaceuticals Private Limited, Gastat Energy Private Limited, Sicagen India Limited and Fun Robic Entertainment Private Limited. He is also member of Audit Committee of Sicagen India Limited.

Mr. Kulbir Singh, 66, had his schooling in Doon School, Dehra Dun and holds an Honours Degree in Economics from St. Joseph's College, North Point, Darjeeling. After graduation, he joined Grindlays Bank in 1967 and served them for nearly 30 years. He was based in London, Hong Kong and Dubai for more than a decade. While in Dubai, he helped create and co-head the Private Banking Business of Grindlays across six countries in the Gulf, which then grew to become a multi-million dollar activity. Prior to relocating to the Middle East, he was responsible for the Bank's entire corporate banking business of Western India based in Mumbai, overseeing some of the organization's largest client relationships and leading a team of over 200 staff. In end 1996 he returned to India to establish his own advisory business and since then has been advising various Groups and corporate on restructuring of business in India.

Mr. Singh does not hold any shares in MPL. He is a Director of Citadel Corporate Services Private Limited, Secure Earth Technologies Limited, Persistent Sentinel India Private Limited, Pine Bridge Investments Asset Management Company (India) Private Limited, Prem Narain Management Consultants Private Limited. He is also a Member of the Audit Committee of Secure Earth Technologies Limited.

Profiles of **Mr. Muthukrishnan Ravi** and **Mr. G. Balasubramanian** have been furnished in the Explanatory Statement.

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

1. The voting period begins on 6th August 2014 and ends on 8th August 2014. E-Voting system will be available at all time except between 00:00 hrs to 01:00 hrs.(IST). During this period shareholders of the Company to whom notice of the AGM have been dispatched electronically or physically by registered post or courier, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
2. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to register themselves as Corporates by logging on to <https://www.evotingindia.co.in>. A scanned copy of the Registration Form duly signed and seal affixed should be e-mailed to helpdesk.evoting@cdslindia.com. The login details will be sent by CDSL by reply mail. After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they can cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
3. The following are the instructions for participating in the e-voting on the resolutions contained in the notice of the Annual General Meeting. These apply to all the Members of the Company and who receive the notice either by e-mail or physical copy.
 - a. Log on to the e-voting website www.evotingindia.com during the voting period.
 - b. Click on "Shareholders" tab.
 - c. Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - d. Enter your User ID as shown below

Members holding shares in demat form with CDSL	Sixteen digits beneficiary ID
Members holding shares in demat form with NSDL	Eight character DP ID followed by eight digits Client ID
Members holding shares in Physical form	Folio No.

- e. Enter the image verification as displayed and click on "Login"
- f. Enter the Password:
 - Members holding shares in Demat form and who have already exercised e-voting on an earlier occasion through www.evotingindia.com in respect of their holding in any other company shall use their existing password. If the password has been forgotten they will have enter the User ID and Image Verification Code and then click on "Forgot Password" to enter the details as prompted by the system for retrieving the password.
 - Password entry for Members who are holding shares in demat form and are exercising e-voting for the first time and for Members holding shares in Physical form shall be as below:

PAN	10 digit PAN issued by the Income Tax Department, if the same has been registered with the DP or as the case may be with the Company. For Members who have not registered their PAN, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN Field.
Date of Birth	Date of Birth as registered with the DP or as the case may be with the Company in DD/MM/YYYY format.
Dividend Bank Details	As registered with the DP or as the case may be with the Company. If both the above details have not been registered with the DP or as the case may be with the Company, the demat account number or the Folio number is to be entered in this field.

- g. Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have repeat the process under (e) above until the proper password is entered.
 - h. Members holding shares in physical form will be directed to the "Company Selection" menu.
 - i. Members holding shares in demat form and participating in e-voting through www.evotingindia.com for the first time will be required mandatorily to create their own password to proceed with the e-voting process. The new password shall be used by them for any future e-voting on CDSL Platform. After completion of the new password creation, they will be directed to the Company Selection Menu.
 - j. Click on the EVSN for Manali Petrochemicals Limited and you will be directed to the E-Voting Screen.
 - k. The Description of the Resolutions as set out in the Notice of the Meeting and the voting options "YES/No" will be displayed for each of the resolutions on this Screen for voting.
 - l. Click on the "Resolutions File Link" if you wish to view the full description of the resolutions.
 - m. Select the option YES or NO for each of the item as desired by you. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - n. After selection click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the voting press OK, else press CANCEL to change your vote.
 - o. Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
4. Voting through electronic means would be on the basis of proportion of shares held by the member viz., on "one-share one-vote" basis.
 5. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in 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 28th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2014.

Financial Results

DESCRIPTION	(Rs. in crore)	
	2013-14	2012-13
Profit Before interest & depreciation	53.22	43.84
Interest	1.90	2.14
Depreciation	6.56	6.36
Profit Before Tax	44.76	35.33
Provision for Taxation	15.71	8.02
Profit After Tax	29.05	27.32
Cash Profit	38.12	31.82

Operational Highlights

During the year under review the operations of the Company were better than the previous year in spite of cut-throat competition from overseas polyol suppliers. The export sales increased from Rs. 2.83 crore to Rs. 17.58 crore highest ever recorded by the Company. The net profit for the year was higher by about 6% at Rs. 29.05 crore against Rs. 27.32 crore in the previous year.

Availability of bio mass fuel for the Captive Power Plant continued to be limited due to demand from paper mills and also similar power plants. Even at increased costs supplies were not forthcoming, forcing the Company to operate the CPP at lower loads. Alternate fuels for the CPP are being tried to ensure operations at optimum load. The Company went in for purchase of power through energy exchanges and third parties to meet the short-fall. These resulted in higher cost of power and consequently the profitability was also impacted.

Creation of bulk storage facility at Ennore Port was completed in April 2014 and the first shipment was received during the first week of May 2014. With this availability of adequate input material for the derivative plants would be ensured, paving way for optimum utilization of the facilities.

Financial Review

The year 2013-14 witnessed moderate changes in interest rates. During the year bank credit registered a growth of 14.3% compared to 14.1% in the previous year. Non-food credit increased by 17% Vis a Vis 8.50% in 2012-13. There was also a marginal increase in the deposits with Banks, reflecting the overall sentiments. The PLR of major banks increased to 10 - 10.25% from 9.7% - 10.00% in the previous year. In order to bring down the inflation, RBI also kept on increasing the repo rates and the rates at the end of the year was higher by 0.50% compared to March 2013. Rupee witnessed unprecedented depreciation during August/September 2013 but recovered slowly thereafter. This had some impact on the margins of the Company.

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.

Dividend

Your Directors recommend a 10 % dividend i.e. 50 paise for every equity share of Rs. 5/- each fully paid-up, for the year 2013-14, aggregating to Rs. 8.60 crore, excluding dividend distribution tax.

Industry structure and developments

Your Company specializes in Polyether Polyol and operates in the Polyurethanes (PUs) Market, comprising two sectors: Methylene diisocyanate (MDI) &- Toluene diisocyanate (TDI). The PUs market in India has displayed a robust growth rate in the recent past and is highly potential. MDI-based PUs are growing at a faster rate, as they are easier to handle and have a wider application base compared to TDI-based PUs. Polyols find varied applications and caters to various industries such as automotive, refrigeration, insulation, etc.

Indian Polyurethane industry's performance during 2007-2012 had been impressive with double-digit growth, but the market become stagnant in 2013 due to various factors like overall economic slow-down, impact of global economic crisis on Indian manufacturers, inflationary pressures, monsoon failure, etc. Some revival was seen during the year under review. However the ever increasing imports of Polyol into India is a major concern for the domestic manufacturers.

Your Company also manufactures Propylene Glycol (PG) for pharma, fragrance and industrial applications and continues to perform well in the Pharma and fragrance sectors. The off-take of PG for industrial applications was very low due to availability of alternate cheaper materials. Import of PG was also higher during the year under review, opening up fierce competition.

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. The Indian PU market is rapidly growing which has registered double digit growth during the past five years and is expected to double every four years in the coming decade. This has thrown open excellent opportunity for MPL to improve the operations further.

Indian PU market is flooded with import of Flexible Slab stock Polyol which is a major product of MPL. The import during 2013-14 was over 54,000 tons, 30% more than the previous year. Though the demand increased by about 13,000 tons in 2013-14, the increase in imports was much higher, leaving the domestic players in lurch. With the major capacity additions abroad having been completed, the imports are set to increase further and this could affect the margins and profitability further.

Market Scenario

During the year under review, the Company achieved a turnover of Rs. 625.68 crore against Rs. 579.87 Crore in FY 2012-13, higher by about 8%. Though there was some marginal drop in the volume, the Company could improve the realizations through its maneuvers in the otherwise volatile and tough market conditions.

Outlook

The World Trade Organization (WTO) has forecast aggregate trade growth of 4.70% for the year 2014, more than double the growth of 2.10% in 2013. It has been stated that the growth could be slightly faster at 5.3% in 2015. It may be noted that the forecast for 2014 and 2015 are lower than the 20 year average of 5.80%.

Forecast of higher growth rate seems to be a good sign in terms of the possible increase in the domestic demand in the coming years. However, the huge capacities created by MNCs could result in further dumping of Polyols into India, again leading to a price war and cut in margins.

In order to overcome the setback, your Company has taken steps to develop new applications for its products like footwear, seat cushions for two wheelers, specialty polyols, drilling applications, water proofing, etc., while also taking care of its commitment to environment. The Company is in the process to develop product applications in medical devices. With the in-house PO capacity remaining static, the bulk storage facilities for imported raw materials in Ennore Port has become a shot in the arm for the Company to increase the capacity of the derivative plants and go for more of value added products.

The moratorium on new proposals in the Manali area has been lifted and the Company can now plan capacity additions and changing over to new improved processes to face the tough competition from MNCs in a better way. As a way forward the Product Development team has been strengthened and new market avenues are being explored with specific thrust on exports.

Risks and Concerns

The duty concessions for import of polyols and other products under the free trade agreements with ASEAN countries have led to dumping of overseas materials into India, denying level playing field to the local manufacturers and is a great cause for concern. As stated earlier the MNCs who have set up their new facilities elsewhere with high capacities have commenced seed marketing in India to provide a strong base for their products and hence the competition and the price war could worsen in the near future affecting the performance. Your Company's efforts to curb this hazard through avenues available under the applicable law are continued.

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.

Conservation of Energy

As required under Section 217(1)(e) of the Companies Act, 1956 ('the Act') read with Rule-2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, information on conservation of energy, technology absorption, foreign exchange earnings and outgo, to the extent applicable are annexed and form part of this report.

Fixed Deposits

Your company has not accepted any deposits from the public during the year under report.

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 in the Supreme Court. The Management's efforts to settle the issue through dialogues have not been fruitful.

As on 31st March 2014, your company had 297 employees on its roll at different locations including Senior Management Personnel, Engineers, Technicians and Trainees.

Particulars of Employees

Details prescribed under Section 217 (2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975, as amended are attached to this Report.

Directors

At the Board Meeting held on 28th May 2014 Mr. G Balasubramanian (DIN: 06874838) has been appointed as an Additional Director and also as Wholetime Director (Works) for a period of 3 years, subject to approval of the Members at the AGM. 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 152 and also seek approval of the Members for his appointment and remuneration as the Wholetime Director.

At the aforesaid meeting Brig. (Retd) Harish Chawla (DIN: 00085415) and Mr. Kulbir Singh (DIN: 00204829) have been appointed as Independent Directors of the Company for a period of five years under Section 149 of the Companies Act, 2013 (the new Act). As per the provisions of the new Act, their appointment is to be approved by the shareholders in the general meeting and hence the same is proposed to be considered at the ensuing AGM.

The term of office of Mr. Muthukrishnan Ravi (DIN: 03605222), the Managing Director ends on 28th July 2014 and the Board has re-appointed him as the MD for a further period of 3 years and the same will be considered for approval of the Members at the ensuing meeting.

Mr. T K Arun, Director retires by rotation and being eligible offers himself for re-election.

Director's Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Act is hereby confirmed:

- in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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.
- 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 and
- the Directors had prepared the accounts for the financial year ended 31st March, 2014 on a "going concern" basis.

Corporate Governance

Your Company has complied with the requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A Report on Corporate Governance is made a part of this Report and a Certificate from the Auditors regarding compliance with the requirements of Corporate Governance is attached to this report.

Details of unclaimed Share Certificates

In accordance with the requirements of the Clause 5A of the Listing Agreement, shares remaining unclaimed even after 3 reminders have been transferred and held in a separate demat account. As per the information provided by the Registrars and Transfer Agent, out of the 16, 16,678 shares which remained unclaimed by 6,645 shareholders at the beginning of the year, 6,600 shares were released to 17 shareholders during the year. As at the end of the year 16, 10,076 shares remained unclaimed by 6628 shareholders.

Auditors

M/s. Deloitte Haskins & Sells, appointed as the Auditors of the Company at the 27th Annual General Meeting held on 2nd August 2013 hold office till the conclusion of 28th Annual General Meeting and are eligible for re-appointment. As per Section 139 of the new Act they can hold office from the conclusion of the 28th AGM till the conclusion of the 30th AGM. Their re-appointment will have to be ratified by the Members at every AGM. In compliance with the requirements of the new Act, it is proposed to appoint the retiring Auditors to hold office till the conclusion of the 30th AGM to be held in the year 2016, subject to ratification at the next AGM.

Cost Audit

Mr. S Gopalan, Proprietor, S Gopalan & Associates, Cost Accountants, Chennai has been appointed as the Cost Auditors of the Company for the financial year 2013-14 pursuant to Section 233B of the Act. The Cost Audit Report for the year ended 31st March 2013, duly certified by Mr. S Gopalan, Cost Accountant, due to be filed on or before 27th September 2013 was filed on 4th September 2013.

Adequacy of Internal Controls

Your company has in place adequate internal 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.

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

Chennai
28th May 2014

Ashwin C Muthiah
Chairman

Note : Annexure referred to in the Reports are available in the full version of the Annual Report.

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 2014.

2. Board of Directors:

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

As on 31st March 2014, the Board comprised of six directors, as detailed below:

Name	Category	Membership	
		Other Boards	Other Board Committees
Mr. Ashwin C Muthiah, Chairman	Non-Executive, Non Independent	4(2)	1
Mr. T K Arun, Nominee of TIDCO	Non-Executive, Independent	11 (1)	8
Brig (Retd.) Harish Chandra Chawla	Non-Executive, Independent	1	1
Mr. Kulbir Singh	Non-Executive, Independent	1	1(1)
Mr. Sanjiv Ralph Noronha	Non-Executive, Non Independent	3	1
Mr. Muthukrishnan Ravi, Managing Director	Executive, Non Independent	2	1

Notes:

- Other Directorships exclude positions held in foreign companies, private limited companies, Section 25 companies and alternate directorships but includes Guarantee Companies.
- Only Membership in Audit Committees and Shareholders/Investors Grievance Committees of public companies (other than in MPL) are reckoned for Other Board Committee Memberships.
- Figures in brackets denote the number of companies / committees in which the Director is Chairman.

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

The Board of Directors met six times during the year 2013-14 viz., on 22nd April 2013, 2nd August 2013, 28th October 2013, 26th December 2013, 12th February 2014 and 27th March 2014. The 27th AGM was held on 2nd August 2013. The details of the attendance of the directors at the Board Meetings and the AGM are as follows :

Name	Period of Office held during the year	No. of meetings held during the period of office	No. of Meetings attended	Attendance at the Last AGM on 02-08-13
Mr. Ashwin C Muthiah	Full year	Six	Five	Yes
Mr. T K Arun	Full year	Six	Six	Yes
Brig (Retd.) Harish Chandra Chawla	Full year	Six	Three	No
Mr. Babu K Verghese	01-04-2012 to 12-06-2013	One	One	NA
Mr. Kulbir Singh	12-06-2013 to 31-03-2014	Five	Four	Yes
Mr. Sanjiv Ralph Noronha	Full year	Six	Five	Yes
Mr. Muthukrishnan Ravi	Full year	Six	Six	Yes

NA – Not applicable, as he was not a Director of the Company on the date of the last AGM.

3. Audit Committee:

i. Terms of reference

The Audit Committee was constituted in August 1990, much earlier to being made mandatory by SEBI and under the Companies Act, 1956 (the Act). The then terms of reference covered most of the aspects stipulated by SEBI and under the Act. These were reviewed during the year 2005-06 and modified in line with the requirements of Clause 49 of the Listing Agreements with Stock Exchanges. The current terms of reference fully conform to the requirements of Section 292A of the Act also.

The Unaudited Quarterly Financial Results and the Audited Annual Accounts/Audited Financial Results are reviewed by the Committee before submission to the Board for approval. The annual audit plan, compliance with accounting standards and other related matters are also discussed by the Audit Committee. In addition to the above, the Committee also reviews the report of the Cost Auditor, significant observations of the Internal Auditors and the follow-up action thereon. The matters relating to appointment

of statutory auditors, cost auditors and internal auditors are placed before the Committee for suitable recommendation to the Board/Members.

ii. Composition

As on 31st March 2014, the Committee comprised of Mr. T K Arun as Chairman and Brig (Retd.) Harish Chandra Chawla, Mr. Kulbir Singh and Mr. Sanjiv Ralph Noronha, as Members.

Managing Director, CFO, representatives of the Statutory Auditors, Cost Auditor and Internal Auditors also attend the Audit Committee meetings and the Company Secretary is Secretary to the Committee.

iii. Meetings and attendance

The Committee met five times during the year 2013-14 on 22nd April 2013, 2nd August 2013, 28th October 2013, 12th February 2014 and 27th March 2014. Mr. T K Arun and Mr. Sanjiv Ralph Noronha attended all the meetings and Brig (Retd.) Harish Chandra Chawla attended three of these meetings. Mr. Kulbir Singh attended all the four meetings of the Committee held after his appointment.

4. Remuneration Committee:

i. Terms of reference, composition and meeting

The Committee reviews and recommends to the Board on matters relating to fixation and payment of remuneration to the Executive Directors and generally follows the practice in vogue since inception. As on 31st March 2014 the Remuneration Committee comprised of Mr. Kulbir Singh as the Chairman, Mr. T.K.Arun and Mr. Sanjiv Ralph Noronha as the other members. During the year no meeting of the Committee was occasioned.

ii. Remuneration policy:

The following is the managerial remuneration policy of the Company:

a. For Executive Directors

The remuneration of the Whole-time / Executive Directors comprises of a fixed component and a performance linked pay, fixed by the Board, based on the recommendations of the Remuneration Committee, and subsequently approved by the Members. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

b. For Non-executive Directors

The Non-executive Directors are 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. In addition to this, the travel and other expenses incurred for attending the meetings are reimbursed. The Company has no pecuniary relationship or transactions with any Non-Executive Director.

iii. Details of remuneration paid

a. Remuneration paid to Mr. Muthukrishnan Ravi, Managing Director for the year 2013-14:

SI No	Description	Amount (Rs. In Lakh)
01	Salary and Allowances	33.23
02	Contribution to PF and other funds	1.37
03	Perquisites	16.24
	Total	50.84

Mr. Ravi is under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation. No severance fee is payable to him and no Employee Stock Option has been offered by the Company. He is also the Managing Director of Tamilnadu Petroproducts Limited and his overall remuneration shared equally. The amount disclosed above is the share of remuneration paid/payable by the Company.

b. Sitting fees paid to non-executive Directors during 2013-14 are detailed below:

Name	Amount (Rs. In lakh)
Mr. Ashwin C Muthiah	1.06
Mr. T K Arun (Paid to TIDCO)	1.51
Mr. Babu K Verghese	0.24
Brig (Retd.) Harish Chandra Chawla	0.75
Mr. Sanjiv Ralph Noronha	1.25
Mr. Kulbir Singh	1.00
Total	5.81

5. Shareholders/Investors Grievance Committee

i. Terms of reference:

The Committee oversees redressal of shareholder and investor grievances and approves issue of share certificates arising out of loss/destruction, re-materialization, etc. and also reviews the routine transfer, transmission, transposition, change of name, etc. approved by the Managing Director and Company Secretary.

ii. Composition, Meetings and attendance:

As on 31st March 2014 the Committee comprised of Mr. Ashwin C Muthiah, as Chairman, Mr. T K Arun and Mr. Muthukrishnan Ravi as the other Members. Mr. S Vasudevan, Company Secretary was the Compliance Officer.

During the year, the Committee met five times and the Members of the Committee attended all the meetings held during their tenure.

iii. Details of complaints received and redressed

During the year 77 complaints were received, all of which were redressed by the Company/RTA. There were no pending complaints as at the year end.

6. General Body Meetings

i. Details of Annual General Meetings and Special Resolutions:

AGM	Year	Venue	Date	Time
25 th	2011	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	29.07.2011	10.00 a.m.
26 th	2012	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	03.08.2012	10.15 a.m.
27 th	2013	Rajah Annamalai Mandram, Esplanade, Chennai – 600 108	02.08.2013	10.15 a.m.

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

Date of AGM	Subject
29.07.2011	Change of name of the Company as Manali Petrochemicals Limited
03.08.2012	Appointment and remuneration of Mr. Muthukrishnan Ravi, as the Wholetime Director from 29.07.2011 and as Managing Director from 01.10.2011 for the period upto 28.07.2014

There were no resolutions requiring approval through postal ballot during the last year and at present no such resolution is being proposed to be passed.

7. Disclosures

- 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.
- 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.
- The Company has laid down procedures to inform the Board members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively. Committees have been formed to analyze the issues relating to risk management and the action points arising out of the deliberations of the Committees are reviewed by the Board.
- As required under clause 49 (V) of the Listing Agreement, CEO / CFO Certification by the Managing Director and Chief Financial Officer was placed before the Board at its meeting held on 28th May 2014.
- A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.
- Compliance with Non – Mandatory requirements:

a. Remuneration Committee:

The Company has constituted a Remuneration Committee for determining and recommending to the Board on matters relating to remuneration to Executive Directors. The details are furnished under Sl. No. 4 of this Report.

b. Whistle Blower Policy:

Though no specific Whistle Blower Policy has been laid down, the Company has recognized the importance of such information and so access is available for any employee at any level to report to the Management about the unethical behavior, if any or suspected fraud by staff / officers / suppliers / customers or any other point of concern.

c. Audit Qualifications:

There have been no audit qualifications on the financial statements and the Company is under a regime of unqualified financial statements.

8. Means of communication

As stipulated under Clause 41 of the Listing Agreement, the Quarterly Results are published in one English National Newspaper (Business Standard) and one Tamil Newspaper (Makkal Kural) within 48 hours of the conclusion of the Board meeting at which the results are approved. The results are also displayed in the website of the Company viz., www.manalipetro.com. The information stipulated under Clause 54 of the Listing Agreement have also been made available in the website of the Company. In addition, official press/news releases and several other details/information of interest to various stakeholders are made available in the website.

9. General Shareholder Information

i. Annual General Meeting

The twenty-eighth AGM of the Company is scheduled to be held on 13th August 2014, at 10.30 a.m. at Rajah Annamalai Mandram Esplanade, Chennai 600 108

ii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 4th August 2014 to 13th August 2014 2014 (both days inclusive)

iii. Dividend payment

The dividend for the year 2013-14 will be paid on 5th September 2014, subject to declaration at the ensuing AGM.

iv. Financial Calendar for the year 2014-15 (tentative)

Financial Year	1 st April 2014 to 31 st March 2015
First Quarter Results	Before 14 th August 2014
Second Quarter Results	Before 14 th November 2014
Third Quarter Results	Before 15 th February 2015
Audited Results for the year 2014-15	Before 30 th May 2015

v. 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 Registrars and Share Transfer Agent (RTA) of the Company for all aspects of investor servicing relating to shares.

vi. 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 and Company Secretary and the details are placed before the Shareholders/Investors Grievance Committee.

vii. Listing / Stock Code of equity shares

NAME OF EXCHANGE	STOCK CODE
Bombay Stock Exchange Limited (BSE)	500268
National Stock Exchange of India Limited (NSE)	MANALIPETC

Listing fees have been paid to the aforesaid exchanges upto 2014-15.

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

Month & Year	NSE				BSE			
	Share Price (Rs.)		S&P CNF Nifty		Share Price (Rs.)		Sensex	
	High	Low	High	Low	High	Low	High	Low
April 2013	9.40	7.95	5,962.30	5,477.20	9.38	7.90	19,622.68	18,144.22
May	9.15	8.15	6,229.45	5,190.95	9.18	8.12	20,443.62	19,451.26
June	8.50	7.90	6,011.00	5,566.25	8.55	7.87	19,860.19	18,467.16
July	8.70	6.60	6,093.35	5,675.75	8.80	6.80	20,351.06	19,126.82
August	7.25	5.80	5,808.50	5,118.85	7.30	5.74	19,569.20	17,448.71
September	8.00	6.35	6,142.50	5,318.90	8.45	6.40	20,739.69	18,166.17
October	8.35	7.00	6,309.05	5,700.95	8.33	6.65	21,205.44	19,264.72
November	8.50	7.10	6,342.95	5,972.45	8.40	6.51	21,321.53	20,137.67
December	8.75	7.25	6,415.25	6,129.95	8.89	7.21	21,483.74	20,568.70
January 2014	9.85	7.35	6,358.30	6,027.25	9.80	7.36	21,409.66	20,343.78
February	8.05	7.00	6,282.70	5,933.30	8.30	7.06	21,140.51	19,963.12
March	8.90	7.40	6,730.05	6,212.25	8.85	7.41	22,467.21	20,920.98

ix. Distribution of shareholding as on March 31, 2014:

Range of Shares		Holders		Shares	
From	To	No	%	No	%
1	100	16,717	12.28	8,98,906	0.52
101	500	95,730	70.35	2,18,02,705	12.68
501	1000	13,187	9.69	1,04,73,443	6.09
1001	2000	5,551	4.08	85,00,230	4.94
2001	3000	1,735	1.27	45,53,813	2.65
3001	4000	630	0.46	23,04,196	1.34
4001	5000	705	0.52	33,81,514	1.97
5001	10000	1,001	0.74	75,98,049	4.41
10001	& above	830	0.61	11,24,86,373	65.40
Total		1,36,086	100.00	17,19,99,229	100.00

x. Shareholding pattern as on March 31, 2014

Category	Holders		Shares	
	No	%	No	%
Promoters and Promoters Group	4	0.01	7,70,80,803	44.81
Mutual Funds / UTI	13	0.01	1,85,100	0.11
Financial Institutions / Banks	15	0.01	26,325	0.02
Foreign Institutional Investors	1	0.01	22,60,000	1.31
Bodies Corporate	1,011	0.74	1,00,69,352	5.85
Individuals	1,29,464	95.14	7,58,31,466	44.09
HUF	1,360	0.99	30,14,430	1.75
NRI / OCBs	4,126	3.03	32,65,109	1.9
Clearing Members & Others	92	0.06	2,66,644	0.16
Total	1,36,086	100	17,19,99,229	100

xi. 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, 2014, 15,66,40,793 shares were held in dematerialized form, representing about 91% of the total shares. The shares are traded regularly on BSE and NSE.

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

xiii. Address for correspondence

Investors may contact the Registrars 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 Principal Office of the Company, Chennai-600068 Phone: 044-25941025/25943895, Fax: 044 - 25941199, E-mail: companysecretary@manalipetro.com**

Declaration by CEO

This is to declare that the respective Codes of Conduct envisaged by the Company for Members of the Board and Senior management Personnel have been complied with by all the members of the Board and Senior Management Personnel of the Company respectively.

Chennai
 28th May 2014

Muthukrishnan Ravi
 Managing Director

Certificate of compliance of conditions of Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Manali Petrochemicals Limited ("the Company") for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Bhavani Balasubramanian
Partner
Membership No.: 22156

Chennai

28th May 2014

Independent Auditors' Report on the Abridged Financial Statements

To

The Members of Manali Petrochemicals Limited:

The accompanying abridged financial statements, which comprise the abridged Balance Sheet as at 31 March 2014, 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 financial statements of Manali Petrochemicals Limited ("the Company") for the year ended 31 March 2014. We expressed an unmodified opinion on those financial statements in our report dated 28 May 2014.

The abridged financial statements do not contain all the disclosures required by the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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 Financial Statements

Management is responsible for the preparation of the abridged financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (as amended), based on the audited financial statements of the Company for the year ended 31 March 2014 prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India.

Auditor's 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 financial statements prepared in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 (as amended), derived from the audited financial statements of the Company for the year ended 31 March 2014 prepared in accordance with the Accounting Standards notified under the Companies Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India, are a fair summary of those financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration Number:008072S)

Bhavani Balasubramanian
Partner
(Membership Number. 22156)

Place: Chennai

Date: 28th May, 2014

Abridged Balance Sheet as at March 31, 2014

(Rs. in lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Paid-up Share Capital		
(i) Equity	8,603.47	8,603.47
(b) Reserves and Surplus		
(i) Securities Premium Reserve	91.45	91.45
(ii) General Reserve	109.20	109.20
(iii) Capital Reserves (including Revaluation reserve if any)	84.00	84.00
(iv) Surplus	12,257.37	10,358.51
Total Shareholders' Funds	21,145.49	19,246.63
(2) Non-current Liabilities		
(a) Deferred Tax Liabilities (Net)	1,540.25	1,502.47
(b) Other Long-term Liabilities	176.34	191.67
(c) Long-term Provisions	111.40	93.01
Total Non-current Liabilities	1,827.99	1,787.15
(3) Current Liabilities		
(a) Short-term Borrowings	229.01	202.90
(b) Trade Payables	5,512.69	4,441.74
(c) Other Current Liabilities	853.75	554.94
(d) Short-term Provisions	1,620.81	1,672.13
Total - Current Liabilities	8,216.26	6,871.71
TOTAL EQUITY AND LIABILITIES	31,189.74	27,905.49
II. ASSETS		
(1) Non-current Assets		
(a) Fixed Assets		
(i) Tangible Assets (Original cost less depreciation)	10,369.85	10,254.83
(ii) Intangible Assets (Original cost less depreciation)	-	-
(iii) Capital Work-in-progress	252.39	374.40
Total - Fixed Assets	10,622.24	10,629.23
(b) Non-current Investments	412.45	412.45
(c) Long-term Loans and Advances	1,478.47	1,537.81
Total - Non - Current Assets	12,513.16	12,579.49
(2) Current Assets		
(a) Current Investments	1,477.22	224.06
(b) Inventories	6,273.05	5,983.89
(c) Trade Receivables	5,275.24	3,919.81
(d) Cash and Cash equivalents	2,593.06	645.87
(e) Short-term Loans and Advances	3,029.82	4,550.00
(f) Other Current Assets	28.19	2.37
Total - Current Assets	18,676.58	15,326.00
TOTAL - ASSETS	31,189.74	27,905.49

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website.

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

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

BHAVANI BALASUBRAMANIAN
Partner

Ashwin C Muthiah
Chairman

Brig (Retd.) Harish Chandra Chawla
Director

Place : Chennai
Date : 28th May, 2014

S. Vasudevan
Company Secretary

Muthukrishnan Ravi
Managing Director

Anis Tyebali Hyderi
Chief Financial Officer

Abridged Statement of Profit & Loss for the year ended March 31, 2014 (Rs. in lakhs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
I Income		
Revenue from Operations (Gross)	61,851.13	57,412.47
Less: Excise Duty	(6,407.38)	(5,878.51)
Net Revenue from Operations	55,443.75	51,533.96
II Other Income	629.79	707.76
III Total Income (I+II)	56,073.54	52,241.72
IV Expenditure		
(a) Cost of raw materials and packing materials consumed	36,471.14	35,975.43
(b) Purchase of traded Goods	2,183.82	1,904.97
(c) Changes in inventories of finished goods work-in-progress and stock-in-trade	(433.21)	(505.54)
(d) Employee benefits expense	1,797.83	1,887.42
(e) Finance costs	189.53	214.48
(f) Depreciation	656.26	635.79
(g) Other expenses	10,732.47	8,595.67
Total Expenditure	51,597.84	48,708.22
V Profit Before Tax (III-IV)	4,475.70	3,533.50
VI Tax Expense		
Current Income Tax	1,450.00	731.18
MAT credit entitlement	-	(87.54)
Short/(Excess) provision for tax relating to prior years	82.91	-
Deferred Tax	37.77	158.27
VII Profit for the year (V-VI)	2,905.02	2,731.59
VIII Earnings per share (Basic and Diluted)	1.69	1.59

Note: Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website.

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

For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 28th May, 2014

For and on behalf of the Board of Directors

Ashwin C Muthiah
Chairman

S. Vasudevan
Company Secretary

Brig (Retd.) Harish Chandra Chawla
Director

Muthukrishnan Ravi
Managing Director

Anis Tyebali Hyderi
Chief Financial Officer

Abridged Cash Flow Statement for the year ended March 31, 2014

(Rs. in lakhs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Cash flow from operating activities	4,534.89	165.51
Cash flow from investing activities	(216.38)	(386.83)
Cash flow from financing activities	(1,169.57)	(1,329.72)
Net Decrease in Cash and Cash Equivalents	3,148.94	(1,551.04)
Cash and Cash Equivalents at the beginning of the year	387.20	1,938.25
Cash and Cash Equivalents at the end of the year	3,536.15	387.20

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Comprises:		
Cash on hand and Balances with banks [Note 17]	2.42	1.95
Cheques on hand	2,000.00	-
Balance with Banks		-
In current accounts (including debit balance in cash credit)	56.50	161.19
In demand deposit accounts		
In other deposit accounts		
Current investments [Note 14]	1,477.22	224.06
Cash and Cash equivalents	3,536.14	387.20

Reconciliation of Cash and Cash Equivalents:

Cash and Cash equivalents (Note 17)	2,593.06	645.87
Less: Margin Money Deposit Accounts	182.92	144.72
Less: Unpaid Dividend Accounts	351.22	338.01
Net Cash and Cash equivalents	2,058.92	163.14
Add: Current Investments (Note 14)	1,477.22	224.06
Cash and Cash equivalents as shown above	3,536.14	387.20

This is the Abridged Cash Flow Statement referred to in our Report of even date

 For Deloitte Haskins & Sells
 Chartered Accountants

BHAVANI BALASUBRAMANIAN
 Partner

 Place : Chennai
 Date : 28th May, 2014

For and on behalf of the Board of Directors

Ashwin C Muthiah
 Chairman

S. Vasudevan
 Company Secretary

Brig (Retd.) Harish Chandra Chawla
 Director

Muthukrishnan Ravi
 Managing Director

Anis Tyebali Hyderi
 Chief Financial Officer

Notes to Abridged Financial Statements for the year ended March 31, 2014

 As at
 March 31, 2014

 As at
 March 31, 2013

i. 12 - Non-current Investments

Non-Trade - Quoted Investments in Equity shares 500 Equity Shares of Rs.10 each fully paid-up in M/s. Chennai Petroleum Corporation Limited Aggregate amount of Quoted investments (Market value - Rs.0.61 Lakhs [31 March, 2012 - Rs.0.77 Lakhs])	0.45	0.45
Non-Trade - Unquoted Investments in Equity shares 16,48,000 Equity Shares of Rs.10 each fully paid-up in M/s. Mercantile Credit Ventures Limited (*)	412.00	412.00
	412.45	412.45

*During the year, 16,48,000 equity shares of Rs.10 each, fully paid-up, in Mercantile Credit 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 has now been accounted for as payable to the then associate of MCC in the books of the Company.

(Rs. in lakhs)

As at	As at
March 31, 2014	March 31, 2013

ii. 17 - Cash and Cash Equivalents

Cash on hand	2.42	1.95
Cheques on hand	2,000.00	-
Bank Balances		
Current Accounts	56.50	161.19
Margin Money Deposit Accounts (Refer Note below)	182.92	144.72
Unpaid Dividend Accounts	351.22	338.01
Total	2,593.06	645.87

Cash and Cash Equivalents as at March 31, 2014 and March 31, 2013 include restricted bank balances of Rs.182.92 lakhs and Rs.144.72 lakhs respectively. The restrictions are primarily on account of bank balances being held as margin money deposits against Letters of Credit and Bank Guarantees. These deposits have an original maturity period of less than 12 months.

Cheques on hand represent Intercompany Deposits of Rs. 2000 lakhs received which has been subsequently realised.

Year ended	Year ended
March 31, 2014	March 31, 2013

iii. 20 - Revenue from Operations

Sale of Products		
Sale of products manufactured	59,585.80	55,317.09
Sale of goods Traded	2,203.66	1,988.72
Other Operating Revenue		
Scrap sales	61.67	106.66
Revenue from Operations (Gross)	61,851.13	57,412.47
Less: Excise Duty	6,407.38	5,878.51
Revenue from Operations (Net)	55,443.75	51,533.96

Details of Sales

Year ended	Year ended
March 31, 2014	March 31, 2013

Manufactured Goods:		
Propylene Oxide	800.57	70.17
Propylene Glycol	18,184.98	16,433.50
Polyol	37,599.10	35,653.74
Others	3,779.53	3,840.99
	60,364.18	55,998.40
Traded Goods:		
Isocyanates	2,203.66	1,988.72
Less: Trade Discounts	(778.38)	(681.31)
Total	61,789.46	57,305.81

iv. 27 - Contingent Liabilities

As at	As at
March 31, 2014	March 31, 2013

(a) Bills discounted	45.79	144.96
(b) Letters of Credit / Guarantees	3,130.49	2,673.11
(c) Disputed Excise & Customs demands	68.07	68.07
(d) Disputed Sales Tax demands	57.71	57.71
(e) Disputed Income Tax demands	2,335.11	118.67
(f) Claims against Company not acknowledged as debt	1,677.00	-

(Rs. in lakhs)

The details of disputed demands pertaining to (c), (d) and (e) above are as follows:

Nature of the Dues	Forum before which the dispute is pending	Period to which it relates	As at March 31, 2014	As at March 31, 2013
Excise Duty	High Court of Madras	1996-97	4.64	4.64
	High Court of Madras	2007-08	53.39	53.39
Customs Duty	High Court of Madras	1993-94	10.04	10.04
			68.07	68.07
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
	High Court of Madras	Various Years	10.23	10.23
			57.71	57.71
Income Tax	DCIT, LTU, Chennai	2004-05	-	14.46
	Commissioner of Income Tax (Appeals)	2006-07	1,080.74	-
	Commissioner of Income Tax (Appeals)	2007-08	454.67	31.04
	Commissioner of Income Tax (Appeals)	2008-09	530.58	65.21
	Commissioner of Income Tax (Appeals)	2009-10	3.12	7.96
	DCIT, LTU, Chennai	2010-11	18.13	-
	DCIT, LTU, Chennai	2011-12	247.87	-
	Disputed Income Tax demand		2,335.11	118.67

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. Against the above demands, the Company has paid Rs. 155.72 lakhs (Previous year - Rs. 100.62 lakhs), which is included in long-term loans and advances.

v. 34 - Related Party Disclosures

List of Related Parties:

Associate:

SIDD Life Sciences Private Limited

Key Management Personnel:

Mr Muthukrishnan Ravi, Managing Director

Enterprise over which Key Management Personnel exercises significant influence:

Tamilnadu Petroproducts Limited (with effect from 4th February 2013)

Related Party Transaction:

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

Note: Related Parties are as identified by the Management and relied upon by the Auditors.

Transactions with related parties and balance outstanding:

(Rs. in lakhs)

Transaction	Related Party	March 31, 2014	March 31, 2013
Purchase of goods	Tamilnadu Petroproducts Limited	2,395.48	227.40
Sale of goods	Tamilnadu Petroproducts Limited	4.36	40.06
Purchase of services	Tamilnadu Petroproducts Limited	20.86	-
Sale of services	Tamilnadu Petroproducts Limited	14.98	13.33
Interest received on Trade advance	Tamilnadu Petroproducts Limited	123.11	-
Trade advance Given	Tamilnadu Petroproducts Limited	2,600.00	600.00

Transaction	Related Party	March 31, 2014	March 31, 2013
Remuneration paid	Mr Muthukrishnan Ravi	52.84	76.30
Remuneration outstanding	Mr Muthukrishnan Ravi	14.99	19.23
Reimbursements received in respect of remuneration paid to KMP	Tamilnadu Petroproducts Limited	34.58	6.13
Amounts outstanding - Net Amounts Receivable	Tamilnadu Petroproducts Limited	1,777.17	534.31
Deposits outstanding - Amount payable	Tamilnadu Petroproducts Limited	269.29	262.09

REQUEST TO SHAREHOLDERS TO REGISTER THEIR E-MAIL IDs

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 and the notices and oral communication to the shareholders in electronic form. As per Rule 18 of the Companies (Management & Administration) Rules, 2014 the company is permitted to send the notice of the meetings in electronic form and shall provide an advance opportunity atleast 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.

To
Cameo Corporate Services Limited, Unit: MPR
Subramanian Building
1 Club House Road, Chennai 600 002
E-mail: investor@cameoindia.com

Dear Sirs,

Sub: Registration of e-mail Id for receiving annual reports, notices and other communication of Manali Petrochemicals Limited in electronic form.

With reference to the above the e-mail particulars relating to my holding in the above Company is furnished below, which may kindly be registered for the said purpose.

Name of the Sole/First Holder	
Folio No.	
E-mail id	

Thanking you

Yours faithfully

Place:

Date:

Signature



Manali Petrochemicals Limited

ATTENDANCE SLIP

CIN : L24294TN1986PLC013087

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

Ph: 25941025/25943895 E-mail: companysecretary@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 attending Member(s) :	Folio/DP ID-Client ID No. :
No. of Shares held :	

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company held at **RAJAH ANNAMALAI MANDRAM**, Esplanade, Chennai - 600 108 at 10.30 A.M. on Wednesday, the 13th August, 2014.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike out whichever is not applicable.



Manali Petrochemicals Limited

PROXY FORM

CIN : L24294TN1986PLC013087

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

Ph: 25941025/25943895 E-mail: companysecretary@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) of 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 28th Annual General Meeting of the Company, to be held on Wednesday, the 13th day of August, 2014 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	8	9	10

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

Signed this day of, 2014.

Member's Folio/DP ID-Client ID No. Signature of Shareholder(s)

Signature of Proxyholder(s)



Notes:

- a. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office / Principal Office of the Company, not less than 48 hours before the commencement of the Meeting.
- b. In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.

REGISTERED BOOK POST

To :



If undelivered, please return to :

Manali Petrochemicals Limited

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