



mysore petro chemicals limited

SECT/306

14.07.2014

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalai Street, Fort,
Mumbai 400 001

Dear Sir,

Annual Report 2013-14

we submit herewith Form A pursuant to Clause 31(a) of the Listing Agreement in respect of the Annual Report 2013-14.

Kindly take the same on record.

Yours faithfully,
For **Mysore Petro Chemicals Limited**

Anand Kadkol
Company Secretary

Encl : as above



mysore petro chemicals limited

FORM A
(Pursuant to Clause 31 (a) of Listing Agreement)

| | | |
|----|--|---|
| 1. | Name of the Company | MYSORE PETRO CHEMICALS LIMITED |
| 2. | Annual financial statements for the year ended | 31 st March, 2014 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Not applicable |
| 5. | To be signed by | <p> Shri M M Dhanuka Managing Director & CEO</p> <p></p> <p> Shri Paras Jain Deputy General Manager (Accounts) & CFO</p> <p></p> <p> K. Nagarajan, Partner M/s Hariharan & Co. (Statutory Auditors)</p> <p></p> <p> Shri M M Jayakar Audit Committee Chairman</p> |



Mysore Petro Chemicals Limited

44th Annual Report 2013-2014

Mysore Petro Chemicals Limited

BOARD OF DIRECTORS

Shri M M Dhanuka – *Chairman & Managing Director*

Shri Nikunj Dhanuka

Shri M M Jayakar

Shri Anil Kochar

Shri S N Maheshwari

Shri Shrikant Somani

COMPANY SECRETARY

Shri Anand Kadkol

AUDITORS

M/s. Hariharan & Co.

Chartered Accountants

No. 133, 26th Cross

6th Block, Jayanagar

Bengaluru – 560 082

INTERNAL AUDITORS

M/s. Shyam Malpani & Associates

Chartered Accountants

307, Chartered House,

297/299, Dr. Cawasji Hormasji Street,

Near Marine Lines Church

Mumbai – 400 002

FACTORY LOCATION

MALEIC ANHYDRIDE PLANT

T-1, MIDC Industrial Area

Taloja - 410 208, Dist. Raigad

Maharashtra

Tel : 022-39289100

Fax : 022-39289148 / 149

Email : igpetro.talojapa@gems.vsnl.net.in

REGISTERED OFFICE

D/4, Jyothi Complex

134/1, Infantry Road

Bengaluru – 560 001

Tel : 080 - 22868372

Fax : 080 - 22868778

E-mail : mysore_petro@vsnl.net

CORPORATE OFFICE

401, Raheja Centre

214, Nariman Point

Mumbai – 400 021

Tel : 022-30286100/30286133

Fax : 022-22040747

Email : igpetro@vsnl.com

Web : <http://igpetro.com>

CIN : L24221KA1969PLC001799

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East), Mumbai - 400 072.

Tel.: 022-40430200 • Fax : 022-28475207

E-mail : info@bigshareonline.com

AGM

44th Annual General Meeting

Friday 1st August, 2014

at 12.30 p.m.

Venue

Woodlands Hotel,

5, Raja Rammohan Roy Road

Bengaluru-560 025

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Mysore Petro Chemicals Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Forty Fourth Annual General Meeting of the members of MYSORE PETRO CHEMICALS LIMITED will be held at Woodlands Hotel, 5, Raja Rammohan Roy Road, Bengaluru – 560 025 on **Friday, the 1st August, 2014 at 12.30 p.m.** to transact the following business :

As Ordinary Business

1. To consider and adopt the Directors' Report and audited Statement of Accounts of the Company for the year ended 31 March 2014.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Nikunj Dhanuka (DIN 00193499) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Hariharan & Co., Chartered Accountants, Bengaluru, (Firm Registration No. 001083S) the retiring Auditors be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

As Special Business

5. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including and statutory modification(s) or re-enactment thereof for the time being in force), Shri Shrikant Somani (DIN 0085039), Director of the Company in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019."
6. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including and statutory modification(s) or re-enactment thereof for the time being in force), Shri M M Jayakar (DIN 00925962), Director of the Company in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019."
7. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including and statutory modification(s) or re-enactment thereof for the time being in force), Shri Anil Kochar (DIN 00943161), Director of the Company in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 25,000/- plus service tax as applicable and reimbursement of actual travel and

Mysore Petro Chemicals Limited

out-of-pocket expenses for the Financial Year ending 31st March 2015 as approved by the Board of Directors of the Company, to be paid to M/s. Krishna S & Associates, Cost Accountants, Mumbai for conduct of the cost audit of the Company's unit at Taloja, Maharashtra, be and is hereby ratified and confirmed.”

By order of the Board
For **Mysore Petro Chemicals Limited**

Mumbai
23rd May, 2014

Anand Kadkol
Company Secretary

Registered Office :

D - 4, Jyothi Complex
134/1, Infantry Road,
Bengaluru – 560 001.

Notes :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight 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. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company, however, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.**
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed hereto and forms part of the Notice.
- The register of members and share transfer books of the Company will remain closed from **Friday, 25th July 2014 to Friday, 1st August, 2014** (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the Members.
- Payment of dividend as recommended by the Directors, if declared at the Meeting, will be paid on or after 2nd August, 2014 to those members:
 - whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Transfer Agent on or before 24th July, 2014; and
 - whose names appear as Beneficial Owners on 24th July, 2014 to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- Members are requested to immediately intimate change of address, if any, to the Company/Registrars & Share Transfer Agents. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by Shareholders/Depositories for depositing of dividends. NECS Form is attached to the Notice to the Members for providing details, if not provided.
- 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 Registrar and Transfer Agent/ the Company.
- Under Section 205C and 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 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the years 1995-96 and 1996-97 to IEPF of the Central Government. Likewise all the unclaimed debenture interest and redemption accounts have also been transferred to the said Fund.
- Electronic copy of the Annual Report 2014 is being sent to the members whose email ID's are registered with the Company/Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 is being sent in the permitted mode.
- Electronic copy of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email ID's are registered with the Company/Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Mysore Petro Chemicals Limited

10. Members are requested to bring their personal copy of the Annual Report to the Meeting. Corporate members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
11. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.igpetro.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
12. 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, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal working days, up to and including the date of the Annual General Meeting of the Company.

By order of the Board
For **Mysore Petro Chemicals Limited**

Anand Kadkol
Company Secretary

Mumbai
23rd May, 2014

Registered Office :
D-4, Jyothi Complex
134/1, Infantry Road
Bengaluru – 560 001.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item Nos. 5, 6 & 7

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Shrikant Somani, Shri M M Jayakar and Shri Anil Kochar as Independent Directors of the Company up to 5 (five) consecutive years for a term upto the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appoint of Shri Shrikant Somani, Shri M M Jayakar and Shri Anil Kochar as Independent Directors as set out in Item Nos. 5,6 and 7 for the approval of the shareholders at the Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 5, 6 and 7 of this Notice.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a Cost Accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 23rd May 2014, the Board has considered and approved appointment of M/s. Krishna S & Associates, Cost Accountants, Mumbai, for conduct of the Cost Audit of the Company's Maleic Anhydride manufacturing Unit at Taloja, Maharashtra at a remuneration of Rs. 25,000/- plus service tax as

Mysore Petro Chemicals Limited

applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2015.

The Ordinary Resolution at Item No. 8 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolution.

The Board of Directors recommends the resolution for your approval.

Details of Directors seeking Appointment/Re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchange

| Name of the Director | Shri Nikunj Dhanuka | Shri Shrikant Somani* | Shri M M Jayakar* | Shri Anil Kochar* |
|---|---|---|--|---|
| Date of Birth | 26 th May, 1967 | 27 th October, 1968 | 8 th October, 1951 | 18 th November, 1957 |
| Date of Appointment on the Board | 28 th September, 1996 | 22 nd May, 2009 | 16 th June, 2007 | 21 st September, 2007 |
| Qualifications | B.Com. | B.Com | B.A., LL.B. | B.Com (Hons); LL.B. |
| Expertise | Industrialist having vast knowledge of petrochemical industries for more than 15 years. | Industrialist and has vast experience in chemical and power industries. | Solicitor and an eminent Supreme Court Lawyer. | Tax Consultant having vast knowledge and experience in accounting and taxation areas. |
| Directorship held in other Public Companies (excluding foreign and private Companies) | I G Petrochemicals Ltd. | 1.Vindhyachal Hydro Power Ltd. 2.India Ener-Gen Ltd. 3.Darjeeling Power Ltd. 4.DSL Hydrowatt Ltd. | 1.Photoquip India Ltd. 2.Everest Kanto Cylinder Ltd. 3.Shree Ram Urban Infrastructure Ltd. 4.Talwalkars Better Value Fitness Ltd. 5.Ez Comm Trade Technologies Ltd. | 1.B Daulat Ltd. 2.Daulat Securities Ltd. |
| Chairmanships/ Memberships of Committee across | Member - Shareholders/ Investors Grievance Committee I G Petrochemicals Ltd. | Chairman – Audit Committee DSL Hydrowatt Ltd. Chairman–Remuneration Committee DSL Hydrowatt Ltd. Member – Audit Committee Darjeeling Power Ltd. Member – Remuneration Committee Vindhyachal Hydro Power Ltd. | Chairman – Shareholders/ Investors Grievance Committee Everest Kanto Cylinder Ltd. Chairman – Share transfer Committee Everest Kanto Cylinder Ltd. Member - Remuneration Committee 1.Everest Kanto Cylinder Ltd. 2.Shree Ram Urban Infrastructure Ltd. Member – Audit Committee Shree Ram Urban Infrastructure Ltd. Shareholders/Investors Grievance Committee Shree Ram Urban Infrastructure Ltd. Member - Share Transfer Committee 1.Shree Ram Urban Infrastructure Ltd. 2.Photoquip India Ltd. | Nil |
| Shareholding of Directors | 180 Shares | 100 shares | 2725 shares | 100 shares |
| Relationship between directors inter-se | Nil | Nil | Nil | Nil |

* Shri Shrikant Somani, Shri M M Jayakar and Shri Anil Kochar fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointments as Independent Directors under Section 149 and other applicable provisions of the Companies Act, 2013 and are independent in compliance with Clause 49 of the Listing Agreement.

By order of the Board
For Mysore Petro Chemicals Limited

Anand Kadkol
Company Secretary

Mumbai
23rd May, 2014

Registered Office :
D-4, Jyothi Complex
134/1, Infantry Road,
Bengaluru-560 001.

Mysore Petro Chemicals Limited

DIRECTORS' REPORT

Your Directors hereby present the Forty Fourth Annual Report alongwith audited Accounts of the Company for the financial year ended 31st March 2014.

1. Financial Results

₹ in Lacs

| | 2013-2014 | 2012-2013 |
|--|-----------------|-----------|
| Revenue from Operations (Gross) | 4,474.78 | 14,922.52 |
| Less: Excise Duty | 482.26 | 1,648.17 |
| Revenue from Operations (Net) | 3,992.52 | 13,274.35 |
| Other Income | 6.35 | 23.69 |
| | 3,998.87 | 13,298.04 |
| Gross Profit | 1,041.60 | 943.93 |
| Less: | | |
| Finance Cost | 246.30 | 319.64 |
| Depreciation and Amortisation Expenses | 352.59 | 318.49 |
| Profit / (Loss) before Tax | 442.71 | 305.80 |
| Tax Expenses: | | |
| – Current Tax | 68.55 | 92.39 |
| – Deferred Tax | 36.84 | 9.19 |
| Profit/(Loss) for the year | 337.32 | 204.22 |
| Less: Appropriations - | | |
| Transfer to General Reserve | 100.00 | — |
| Proposed Final Equity Dividend | 98.75 | — |
| Tax on Proposed Dividend | 16.02 | — |
| Balance brought forward from previous year | 1,030.99 | 826.77 |
| Balance carried forward to Balance sheet | 1,153.54 | 1,030.99 |

2. Financial Performance

The Phthalic Anhydride (PA) Plant at Raichur, Karnataka operated for a few days during April 2013 with a production of 480 MT. The Plant was permanently closed down w.e.f. 16th July 2013.

The Maleic Anhydride (MA) Plant at Taloja, Maharashtra operated uninterruptedly during most part of the year. The production was 2916 MT. during the year 2013-2014 as against 2486 MT. in the previous year 2012-2013.

The Net Sales turnover was ₹ 3,992.52 Lacs during the year as against ₹ 13,274.35 Lacs (including PA sales) during the previous year 2012-2013. The reduction in sales was due to closure of PA Plant at Raichur during July 2013.

Profit Before Interest & Tax (PBIT) was ₹ 689.01 Lacs as against ₹ 625.44 Lacs and after accounting for interest and tax there was a Net Profit of ₹ 337.32 Lacs as against ₹ 204.22 Lacs in the previous year 2012-2013.

Mysore Petro Chemicals Limited

3. Dividend

The Directors are pleased to declare a dividend of ₹ 1.50 per share (15 %) (Previous year ₹ Nil) for the year under review. The total dividend payout for 2014 is ₹ 98.75 Lacs. The Dividend Distribution Tax borne by the Company will amount to ₹ 16.02 Lacs.

4. Management's Discussion and Analysis

a) Performance Review

The Company's MA Plant at Taloja operated smoothly during the year with a production of 2916 MT. The production was lower due to shortage of Wash Water availability from IGPL as their expansion commenced at the end of September 2013.

Due to economic unviability and continuous losses in the PA Plant at Raichur, the Company closed down the Unit w.e.f. 16th July 2013. The Company has offered retrenchment compensation to all the personnel at the Plant. The management staff and few workmen have accepted their dues towards full and final settlement. The Total outgo is ₹ 329.69 Lacs and the same has been accounted for as Employees Benefits expenses. The Workmen Union at Raichur approached the Asstt. Labour Commissioner, Gulbarga, Karnataka and raised certain demands and thereafter the Labour Commissioner, Bengaluru has transferred the matter to the Industrial Court, Hubballi, Karnataka for the settlement. 52 workman have not accepted the dues amounting to ₹ 93.17 Lacs (without considering the effect of demand of the Union) and as the matter is subjudice, the provision has not been made for these workmen. The management is awaiting the judgement / decision in the matter.

The Working Capital facilities of Saraswat Bank has been repaid during March 2014. At present the Company does not have any secured debts.

b) Taxes and Duties

The Company has contributed ₹ 680.05 Lacs to the Central and State Exchequer by way of Central Excise, Sales Tax, Income Tax, Wealth Tax and Professional Tax.

c) Opportunities, Concerns and Threats

The overall industrial growth is not encouraging in India at present and the industrial output has declined recently. The Company is the only manufacturer of MA in India. The total domestic requirement is met by the Company and other importers of the product. MA is primarily used in the manufacture of Resins, paints and certain plasticizer industries. Dependence on Wash Water availability from I G Petrochemicals (Group Company) and the Governments import policies are a cause for concern. However due to stable price trend and wide applications of the product coupled with the growth in the user industries, demand for MA is expected to grow in tandem with these industries.

d) Outlook

The Company's MA Plant at Taloja, Maharashtra operated smoothly during the year. The revamping/expansion project was completed during the end of March 2013. Full benefits of increase in production is expected from the current year onwards.

e) Corporate Social Responsibility

The Company does not fall within the ambit of the Corporate Social Responsibility (CSR) as per the provisions of Section 135 of the Companies Act, 2013. However it makes donations to certain charitable institutions / trusts as per the limits approved under Section 293(1)(e) at the Annual General Meeting held on 27th September 1995.

f) Internal Control System

The Company has internal controls commensurate with its size and has established framework of internal controls to ensure that the assets are safeguarded and are productive. Necessary checks and balances are in

Mysore Petro Chemicals Limited

place to ensure that transactions are adequately authorised and reported correctly. The Company is following all the Accounting Standards for properly maintaining the books of accounts and the reporting of financial statements. The Company has appointed the Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board and corrective actions are taken by the Company when needed.

g) Human Resource Development/Industrial Relations

The PA Plant at Raichur, Karnataka has closed down its operations since July, 2013 and the settlement with the workmen is in progress.

Industrial relations continued to remain cordial at the manufacturing unit at Taloja, Maharashtra. The Directors acknowledge the support and co-operation from employees at all levels.

h) Cautionary Statement

Statements made in this report describes the Company's objectives, projections and estimates and may be forward looking and are stated as required by applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include market conditions, Government regulations, exchange rate fluctuations, interest and other costs.

5. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that -

- a) in the preparation of the annual accounts, all the applicable accounting standards have been followed;
- b) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing/ detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis.

6. Fixed Deposits

Fixed Deposits amounting to ₹ 1 (one) Crore was repaid during June 2013 alongwith interest.

7. Directors

Shri Nikunj Dhanuka retires by rotation and being eligible has offered himself for reappointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent directors can hold office for a term of up to five (5) consecutive years on the Board of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri Shrikant Somani, Shri M M Jayakar and Shri Anil Kochar as Independent Directors of your Company up to five (5) consecutive years for the term up to the conclusion of the 49th Annual General Meeting of the Company in the calendar year 2019.

Mysore Petro Chemicals Limited

8. Particulars of Employees

There is no employee drawing the requisite remuneration, in terms of Section 217(2A) of the Companies Act, 1956.

9. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars with respect to conservation of energy etc. required as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto.

10. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, is set out in the Annexure forming part of this Report.

11. Auditors and Audit Report

The Company's Auditors, M/s. Hariharan & Co., Chartered Accountants, Bengaluru retire at the ensuing Annual General Meeting and are eligible for reappointment for the financial year 2014-15. As per the requirement of Section 139 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Hariharan & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section. Your Directors commend their appointment for the ensuing year.

12. Cost Auditors

As per the requirements with the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956 your Company has been carrying out an audit of cost records relating to Phthalic Anhydride and Maleic Anhydride every year.

The Company has appointed M/s. Krishna S & Associates, Cost Accountants, Mumbai, as Cost Auditors to audit the cost accounts of the Company's Maleic Anhydride Plant for the financial year 2014-15.

The Cost Audit Report for the financial year 2012-13 was filed with the Ministry of Corporate Affairs on 27th September 2013.

13. Acknowledgement

The Directors express their appreciation for the contribution made by the employees in the operations of the Company and for the support received from all other stakeholders, including shareholders, customers, suppliers and business partners.

For and on behalf of the Board

M M Dhanuka

Chairman & Managing Director

Mumbai
23rd May, 2014

Mysore Petro Chemicals Limited

Annexure to the Director's Report showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo.

A) Conservation of Energy

- a. Energy Conservation measures taken :
 1. Fuel additive was changed to match the quality of Furnace Oil supplied to improve on time hours and efficiency.
 2. Steam Super heater partition plates were replaced by new fabricated ones for reducing excess air and consequently increasing the efficiency of the fired heater.
- b. Additional Investment and proposals, if any, being implemented for reduction in consumption of energy :
 1. As performance of existing small capacity pump is satisfactory, standby higher capacity Therminol Circulation pump unit will be changed.
 2. Present performance of Low Pressure Turbine will be improved by changing internal parts for better efficiency.
- c. Impact of the measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :
More steam is expected to be available for power generation which can reduce power purchased from grid.
- d. (i) Total energy consumption and energy consumption per unit of production :

Power & Fuel Consumption

| | | 2013-2014 | 2012-2013 |
|--|---------------|-----------|------------|
| 1. Electricity | | | |
| a. Purchased (Units) | | 557,436 | 1,191,344 |
| Total Amount (₹) | | 4,410,356 | 8,424,548 |
| Rate/Unit (₹) | | 7.91 | 7.07 |
| b. Own Generation | | | |
| I Through Diesel Generator | | 41,785 | 727,370 |
| Units per Ltr. of Diesel oil | | 3.42 | 3.19 |
| Cost/Unit (₹) | | 15.75 | 14.10 |
| II Through Steam Turbine | | | |
| Generator (Units) | | 32,675 | 1,479,835 |
| Cost/Unit (₹) | | -- | — |
| 2. Coal is not used in Manufacturing Process | | | |
| 3. Furnace Oil quantity (KL) | | 70 | 981 |
| Total Amount (₹) | | 3,218,498 | 45,620,251 |
| Average rate/KL (₹) | | 46,085 | 46,491 |
| Other/Internal generation | | — | — |
| (ii) Energy consumption per unit (MT) of Product | | | |
| 1. Phthalic Anhydride | Standard | 2013-2014 | 2012-2013 |
| Electricity | Not Specified | 297 Units | 273 Units |
| Furnace Oil | Not Specified | 145 Ltrs. | 85 Ltrs. |
| 2. Maleic Anhydride | Standard | | |
| Electricity | Not Specified | 168 Units | 100 Units |
| Furnace Oil | Not Specified | — | — |

Mysore Petro Chemicals Limited

B) Technology Absorption

Research & Development (R & D)

1. Specific area in which R & D carried out by the Company :
The Company is continuing its R&D activities for process development, quality improvement, energy saving and cost reduction.
2. Benefits derived as a result of above R & D :
Benefits are in terms of better quality and increased productivity.
3. Future Plan of action :
R & D efforts are continued in the direction of product quality as mentioned above.
4. Expenditure incurred on R & D :
Capital Expenditure incurred ₹ Nil
and Revenue Expenditure ₹ 3.01 Lacs.

Total R&D Expenses as a % of total turnover: 0.07%

Technology absorption, adaptation and innovation

The technology of recovery of Maleic Anhydride from the waste water has been adapted in the Maleic Anhydride project of the Company.

C) Foreign Exchange Earnings & Outgo

₹ in Lacs

| | 2013-2014 | 2012-2013 |
|---------------------------------|-----------|-----------|
| Total Foreign Exchange Earnings | — | — |
| Total Foreign Exchange Outgo | 28.34 | 95.00 |

Mysore Petro Chemicals Limited

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. Company's philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to all the stakeholders. The management endeavours to create an environment of fairness, equity and transparency in its transactions with the objective of securing long term shareholder value.

2. Board of Directors

Composition, number of meetings and attendance

The present strength of the Board is six Directors comprising of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. There are five Non-Executive Directors, of which three are Independent Directors.

The Board of Directors met seven times on the following dates during the financial year 2013-2014: 26th April 2013, 21st May 2013, 4th June 2013, 9th August 2013, 1st November 2013, 13th November 2013 and 13th February 2014.

The composition of the Board, attendance at the Board Meetings held during the year and at the last Annual General Meeting, number of Directorships in other companies and memberships in committees across various companies of which the Director is a Member/Chairman are given below :

| Name of Director | Category of Directorship | No. of Board Meetings attended | Attendance at the last AGM held on 24 th September 2013 | Number of Directorships in other Companies (excluding Directorships in foreign and private companies) | Number of Committee positions held in other Companies | |
|---------------------------------------|--------------------------------------|--------------------------------|--|---|---|--------|
| | | | | | Chairman | Member |
| Shri M M Dhanuka Managing Director | Executive Director | 7 | Yes | 1 | — | 3 |
| Shri Nikunj Dhanuka | Non-Executive Director | 6 | No | 1 | — | 1 |
| Shri M M Jayakar | Independent & Non-Executive Director | 6 | Yes | 5 | 2* | 6* |
| Shri S N Maheshwari | Non-Executive Director | 7 | Yes | 2 | — | — |
| Shri Anil Kochar | Independent & Non-Executive Director | 3 | No | 2 | — | — |
| Shri Shrikant Somani | Independent & Non-Executive Director | 5 | No | 4 | 2 | 2 |

* Includes Chairmanship & Membership in Share Transfer Committees.

None of the Directors is a member of more than ten Board Committees or a Chairman of more than five such Committees as required under clause 49 of the Listing Agreement. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

Mysore Petro Chemicals Limited

Shri M M Jayakar is a Senior Partner of M/s Jayakar Partners, Solicitors & Advocates of the Company, which renders professional services to the Company & the other Companies in the Group. The quantum of fees paid to M/s. Jayakar Partners, is an insignificant portion of their total revenue, thus M/s. Jayakar Partners, is not to be construed to have any material association with the Company.

Shareholding of Directors:

Shareholding of Non-Executive Directors as on 31st March 2014 are as under :

| Name | No. of ordinary shares held | % of Paid-up Capital |
|----------------------|-----------------------------|----------------------|
| Shri Nikunj Dhanuka | 180 | 0.002 |
| Shri S N Maheshwari | 700 | 0.009 |
| Shri M M Jayakar | 2725 | 0.041 |
| Shri Anil Kochar | 100 | 0.001 |
| Shri Shrikant Somani | 100 | 0.001 |

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the Certificate from Shri M M Dhanuka, Managing Director & CEO and Shri Paras Jain, Deputy General Manager (Accounts) & CFO was placed before the Board of Directors at their meeting held on 23rd May, 2014.

Code of Conduct

The Company has adopted the Code of Conduct for all the Board Members and Senior Management personnel. All the Board Members and Senior Management personnel have affirmed compliance with the respective Code of Conduct for the year 2013-2014. The text of the declaration signed by the Managing Director (CEO) confirming compliance of Code of Conduct forms part of this report.

3. Audit Committee

Terms of Reference

- i. To oversee Company's financial reporting/financial information/financial statements.
- ii. To review with management the Annual Financial Statement before submission to Board, focusing primarily on changes in accounting policies and practices.
- iii. To look into compliance with Stock Exchange and legal requirements concerning financial statements.
- iv. To review the external and internal management systems and internal control systems.
- v. To discuss with the Auditors periodically about internal control system, the scope of audit including the observations of the Auditors and review the half yearly and annual financial statements before submission to the Board and also ensure compliance of internal control system.

Composition, Number of Meetings and Attendance

Shri M M Jayakar is the Chairman of the Committee. He is an independent and non-executive Director and has vast knowledge in legal and accounting fields. Shri Anil Kochar, Shri S N Maheshwari and Shri Shrikant Somani are the other members of the Audit Committee.

Mysore Petro Chemicals Limited

During the financial year 2013-2014 under review, four (4) Audit Committee Meetings were held on 21st May 2013, 9th August 2013, 13th November 2013 and 13th February 2014.

Except Shri S N Maheshwari who is a non-executive Director all other members are non-executive and independent Directors. The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee and attendance at its meetings is given below :

| Name of Director | Position | Category | No.of Meetings | |
|----------------------|----------|--|----------------|----------|
| | | | Held | Attended |
| Shri M M Jayakar | Chairman | Independent and Non-Executive Director | 4 | 4 |
| Shri Anil Kochar | Member | Independent and Non-Executive Director | 4 | 3 |
| Shri S N Maheshwari | Member | Non-Executive Director | 4 | 4 |
| Shri Shrikant Somani | Member | Independent and Non-Executive Director | 4 | 2 |

The Managing Director, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Audit Committee invites Senior Executives, whom it considers appropriate to be present at the Meetings.

The Chairman of the Audit Committee, Shri M M Jayakar was present at the last Annual General Meeting of the Company held on 24th September, 2013.

Nomination & Remuneration Committee

Composition, Number of Meetings and Attendance

In the Board Meeting held on 23rd May, 2014, the nomenclature and terms of reference of Remuneration Committee was changed to Nomination & Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The Nomination & Remuneration Committee comprises of four members out of which three are Independent Directors and one is Non-Executive Director. Shri Anil Kochar is the Chairman and Shri M M Jayakar, Shri S N Maheshwari and Shri Shrikant Somani are the other members.

Terms of Reference

- » To appraise the performance of Managing / Executive Directors and Key Managerial Personnel.
- » To determine and recommend to the Board, compensation payable to Managing / Executive Directors and Key Managerial Personnel.

Meeting & Attendance

| Name of Director | Position | Category | No.of Meetings | |
|----------------------|----------|--|----------------|----------|
| | | | Held | Attended |
| Shri Anil Kochar | Chairman | Independent and Non-Executive Director | 1 | 1 |
| Shri M M Jayakar | Member | Independent and Non-Executive Director | 1 | 1 |
| Shri S N Maheshwari | Member | Non-Executive Director | 1 | 1 |
| Shri Shrikant Somani | Member | Independent and Non-Executive Director | 1 | 1 |

Shri Anil Kochar, Chairman of the Nomination & Remuneration Committee was not present at the last Annual General Meeting held on 24th September, 2013 due to pre-occupation.

Mysore Petro Chemicals Limited

Remuneration Policy

The remuneration of the Managing/Executive Director(s) / Key Managerial Personnel is decided by the Nomination & Remuneration Committee based on certain criteria such as Company's performance, industry benchmarks, track record etc. and the same is reported to the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances as decided by the Nomination & Remuneration Committee and approved by the Board and the shareholders at the Annual General Meeting.

Non-Executive and Independent Directors were paid sitting fees of ₹ 1,000/- for attendance at each meeting of the Board, Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee. The details of the remuneration paid to all the Directors during the year 2013-2014 is given below :

(Amount in ₹)

| Name of the Director | Designation | Remuneration | Sitting fees | Total |
|----------------------|-------------------|--------------|--------------|--------------|
| Shri M M Dhanuka | Managing Director | 34,36,994.00 | — | 34,36,994.00 |
| Shri Nikunj Dhanuka | Director | — | 6,000.00 | 6,000.00 |
| Shri S N Maheshwari | Director | — | 14,000.00 | 14,000.00 |
| Shri M M Jayakar | Director | — | 11,000.00 | 11,000.00 |
| Shri Anil Kochar | Director | — | 11,000.00 | 11,000.00 |
| Shri Shrikant Somani | Director | — | 5,000.00 | 5,000.00 |

Notes :

- Remuneration includes salary and value of perquisites.
- The terms of appointment of Shri M M Dhanuka, Managing Director is for a period of five years from 1st December 2013.
- Presently the Company does not have any scheme for the grant of stock options either to the Executive Director or employees.
- None of the other Directors are paid remuneration.

Stakeholders Relationship Committee

In the Board Meeting held on 23rd May, 2014 the nomenclature of Shareholders / Investors Grievance Committee was changed to Stakeholders Relationship Committee.

Composition, Number of Meetings and Attendance

During the year 2013-2014 under review, two (2) Shareholders/Investors' Grievance Committee Meetings were held on 21st May 2013 and 13th November 2013.

Shri Anil Kochar is the Chairman of the Committee. He is an Independent and Non-Executive Director. Other members of the Committee are Shri M M Dhanuka (Executive Director) and Shri S N Maheshwari (Non-Executive Director).

The composition of the Stakeholders Relationship Committee of Directors and attendance at its meeting is given hereunder:

| Name | Position | Category | Attendance during the year 2013-2014 | |
|---------------------|----------|--------------------------------------|--------------------------------------|----------|
| | | | Held | Attended |
| Shri Anil Kochar | Chairman | Independent & Non-Executive Director | 2 | 2 |
| Shri M M Dhanuka | Member | Executive Director | 2 | 2 |
| Shri S N Maheshwari | Member | Non-Executive Director | 2 | 2 |

Mysore Petro Chemicals Limited

The minutes of each of the Stakeholders Relationship Committee Meeting are placed before the Board of Directors and discussed in the Board Meetings.

Mr. Anand Kadkol, Company Secretary is the Compliance Officer of the Company.

Details of shareholders' complaints received & replied and the status on pending share transfers is given below:

During the year 2013-2014, the Company received 32 letters including 2 complaints regarding non-receipt of shares sent for transfer, demat queries and non-receipt of dividend warrants and annual reports from the shareholders, all of which were attended to and resolved. There were no outstanding complaints as on 31st March 2014.

There are no shares which have remained unclaimed and are lying in the escrow account and hence the Company does not have any share suspense account.

Apart from the above, the Board of Directors have constituted a Share Transfer Committee of Directors consisting of Shri M M Dhanuka, Shri Nikunj Dhanuka and Shri S N Maheshwari as its members.

The said Committee processes share transfers, transmission, issue of duplicate shares, oversees the performance of the Registrar and Transfer Agent and if necessary, recommends measures for overall improvement in the quality of investor services. The Committee also approves the issue of duplicate shares and issue of physical share certificates on rematerialisation etc. and other related matters. The Committee meets once a fortnight.

General Body Meetings

Details of the location of the past three AGMs and the details of the resolutions passed or to be passed by Postal Ballot.

| AGM for the financial year ended | Date & time of AGM | Venue | No. of Special Resolutions |
|---|--|---|-----------------------------------|
| 2013 | 24 th September, 2013 at 12.30 p.m. | Woodlands Hotel, 5, Raja Ram Mohan Roy Road, Bengaluru – 560 025. | 1 (One) |
| 2012 | 20 th July, 2012 at 12.30 p.m. | Woodlands Hotel, 5, Raja Ram Mohan Roy Road, Bengaluru – 560 025. | Nil |
| 2011 | 17 th September 2011 at 12.30 p.m. | Woodlands Hotel, 5, Raja Ram Mohan Roy Road, Bengaluru – 560 025. | Nil |

All the resolutions including the special resolutions set out in the respective Notices were passed by the shareholders.

No Extraordinary General Meeting was held during the year 2013-2014.

One Postal Ballot was conducted during November 2013 to give Guarantee and provide Collateral Security in favour of Bank. The results were declared on 14th December, 2013.

Disclosures

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- Transactions with the related parties are disclosed in Note No. 26 of Notes to Accounts in the Annual Report.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and all other statutory authorities relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

Mysore Petro Chemicals Limited

Means of Communication

The Quarterly/half yearly unaudited and yearly audited financial results duly approved by the Board of Directors are sent to the Bombay Stock Exchange (BSE) where the Company's shares are listed immediately after the Board meeting. The same are also published in Samyukta Karnataka (Kannada) news paper at Bengaluru in the format prescribed by the Stock Exchanges. These are not sent individually to the shareholders. All the data related to quarterly financial results, shareholding pattern, annual financial statements etc. is provided on the Company website www.igpetro.com (MPCL page link).

There were no presentations made to the institutional investors or analysts.

The Management Discussion and Analysis Report forms part of this Annual Report.

General Shareholder information

AGM : Day, Date, Time and Venue : Friday, 1st August, 2014 at 12.30 p.m. at Hotel Woodlands, 5, Raja Rammohan Roy Road, Bengaluru – 560 025.

Financial calendar : April to March (financial year)
The Quarterly results will be adopted by the Board of Directors as per the following tentative schedule :

Quarters ending on:

June 2014 : 1st/2nd week of August 2014

September 2014 : 1st/2nd week of November 2014

December 2014 : 1st/2nd week of February 2015

March 2015 : before 30th May 2015

(Audited results)

Date of Book Closure : The Share transfer books and the Register of Members will be closed from 25.7.2014 to 1.8.2014 (both days inclusive).

The Directors have recommended a Dividend of ₹ 1.50 per share (15%) on equity shares for the year ended 31st March 2014. Dividend will be paid to those shareholders whose names appear in the Register of Members on 24th July 2014.

Listing on Stock Exchanges : The Company's equity shares are listed on The Bombay Stock Exchange Ltd (BSE). The listing fees payable to BSE for 2014-2015 has been paid in full by the Company.

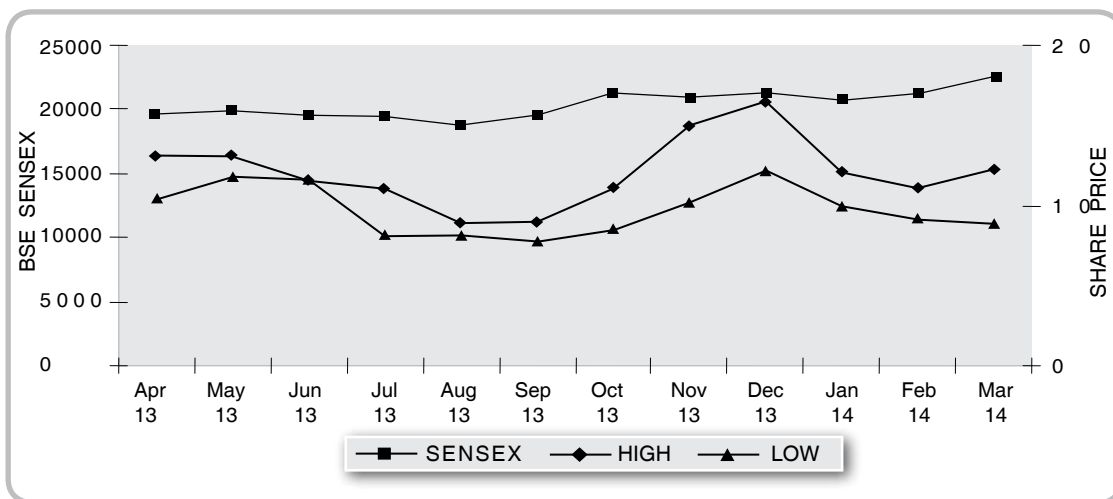
Stock Code – Mumbai Stock Exchange : Stock Code No. 506734 on the Bombay Stock Exchange.

ISIN Number for NSDL & CDSL : INE 741A01011.

Mysore Petro Chemicals Limited

Market Price Data : High & Low during each month in the last financial year 2013-2014 and performance on BSE.

| Month (2013-2014) | High | Low | Month (2013-2014) | High | Low |
|-------------------|-------|-------|-------------------|-------|-------|
| Apr-13 | 16.50 | 12.60 | Oct-13 | 17.19 | 13.01 |
| May-13 | 13.00 | 10.20 | Nov-13 | 20.20 | 16.55 |
| Jun-13 | 14.74 | 12.77 | Dec-13 | 19.90 | 17.20 |
| Jul-13 | 15.75 | 11.79 | Jan-14 | 19.10 | 15.65 |
| Aug-13 | 15.86 | 12.40 | Feb-14 | 17.50 | 13.00 |
| Sep-13 | 15.74 | 12.86 | Mar-14 | 15.10 | 10.75 |



Address for correspondence for share transfers and related matters :

For shares held in physical form : M/s. Big Share Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate
Sakivihar Road, Saki Naka
Andheri (E), Mumbai – 400072.
Tel : 40430200 • Fax : 28475207
E-mail : bigshare@bom7.vsnl.net.in

For shares held in Demat form : To the Depository Participants (DP).

Share Transfer Systems : All the transfers received are processed by the Registrar and Share Transfer Agent and are approved by the Share Transfer Committee, which normally meets twice a week. Share transfers are registered and returned within a maximum of 18 days from the date of lodgement if documents are complete in all respects.

Mysore Petro Chemicals Limited

Distribution of Shareholding and Shareholding Pattern as on 31st March, 2014

Shareholding pattern as on 31.3.2014

| Sl. No. | Category | No. of Shares | % of Shareholding |
|---------|---------------------------------------|----------------|-------------------|
| 1 | Promoters & Persons Acting in Concert | 4790026 | 73.76 |
| 2 | Mutual Funds / UTI / Banks / Fis | 197865 | 3.01 |
| 3 | Private Corporate Bodies | 163148 | 2.49 |
| 4 | NRIs | 19391 | 0.29 |
| 5 | Indian Public | 1413058 | 21.45 |
| | Grand Total | 6583488 | 100.00 |

Dematerialisation of Shares and liquidity

94.37% of the paid-up Capital has been dematerialised as on 31st March, 2014.

The reconciliation of both physical and demat shares are upto date and tallies with the total paid-up capital of the Company.

Outstanding GDRs / ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity.

The Company has not issued any ADR/GDR.

Plant Locations

The Company's Maleic Anhydride (MA) plant is located at Taloja (Maharashtra).

Address for correspondence

Shareholders correspondence should be addressed to the Company's Registrars and Share Transfer Agent at the address mentioned above.

Shareholders may also contact Mr. Anand Kadkol, Company Secretary at the Corporate Office at 401, Raheja Centre, 214, Nariman Point, Mumbai – 400 021.

Shareholders holding shares in demat mode should address all their correspondence to their respective Depository Participant.

Service of documents through electronic mode

As a part of Green Initiatives, the members who wish to receive the notice / documents through email, may kindly inform their email addresses at the following dedicated email addresses -

Company : mpclgogreen@igpetro.com

Registrar and Share : info@bigshareonline.com

Transfer Agent

Mysore Petro Chemicals Limited

CEO DECLARATION ON CODE OF CONDUCT

Reproduced below is the text of the declaration made by the Managing Director and CEO confirming compliance of Code of Conduct by all Directors and Senior Management personnel :

23rd May, 2014

The Board of Directors
Mysore Petro Chemicals Limited
401, Raheja Centre
214, Nariman Point
Mumbai – 400 021.

Dear Sirs,

I hereby confirm and declare that all the Directors of the Company and all Senior Management personnel as defined in the Code of Conduct of the Company have submitted annual declarations for the year ended 31st March, 2014 confirming their compliance of the same.

Thanking you.

Yours faithfully,

For **Mysore Petro Chemicals Limited**

Sd/-
M M Dhanuka
Managing Director and CEO

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members

Mysore Petro Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Mysore Petro Chemicals Limited, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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 **Hariharan & Co.**
Chartered Accountants
Firm's Registration No. 001083S

K Nagarajan
Partner
Membership No. 16398

Place : Mumbai
Date : 23rd May, 2014

Mysore Petro Chemicals Limited

INDEPENDENT AUDITORS' REPORT

To the Members of

MYSORE PETRO CHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Mysore Petro Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair value of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the Order.

Mysore Petro Chemicals Limited

2. As required by section 227 (3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash flow statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the directors, as on March 31st, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31st, 2014 from being appointed as a director in terms of clauses (g) of sub section (1) of section 274 of the Act.

For **Hariharan & Co.**
Chartered Accountants
Firm's Registration No. 001083S

K Nagarajan
Partner
Membership No. 16398

Mumbai
23rd May, 2014

Mysore Petro Chemicals Limited

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred in Paragraph 1 under the heading of "Report on other Legal & Regulatory Requirements" of our report of even date. On the basis of such checks as considered appropriate and in terms of the information and explanations given to us we state as under:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management during the year as per the programme of verification followed by the Company which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
- According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us no substantial part of fixed assets have been disposed off during the year.
- (ii) (a) The inventory of the Company (except stock in transit and with Third parties for which subsequent receipts have been obtained in respect of such inventory / certificate) have been physically verified by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (a) Accordingly, the provisions of the clause (iii)(b), (iii)(c) and (iii)(d) Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (b) According to the information and explanations furnished to us, the Company has taken Fixed deposits of ₹ 499.50 Lacs and loans of ₹ 221 Lacs as at the date of the Balance Sheet from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions on which deposits have been taken by the Company from parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) According to the information and explanations furnished to us, the Company has been regular in repaying the principal and interest amounts as stipulated on the deposits taken by it from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.

Mysore Petro Chemicals Limited

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vii) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209(1) (d) of the Companies Act, 1956, wherever prescribed, and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, Excise duty, cess have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company and information and explanations given to us the dues that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending is dues under Karnataka Special Entry Tax Act, 2004 of ₹ 23.98 Lacs pending before Karnataka High Court.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion, on the basis of Audit Procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to Banks.
- (xii) Based on our examination of documents and records and according to the information and explanation given by the management the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Mysore Petro Chemicals Limited

- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of paragraph 4 of the order are not applicable.
- (xv) According to information and explanation given to us the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company and according to the Cash Flow Statement and other records examined by us and the information and explanations given to us, the funds raised on short term basis have not, prima facie, been used during the year for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given to us we report that no fraud on or by the Company has been noticed or reported during the year.

For **Hariharan & Co.**
Chartered Accountants
Firm's Registration No. 001083S

K Nagarajan
Partner
Membership No.16398

Mumbai
23rd May, 2014

Mysore Petro Chemicals Limited

Balance Sheet as at March 31, 2014

| | Notes | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|--|-------|--------------------------------------|--------------------------------------|
| EQUITIES AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share Capital | 1 | 658.76 | 658.76 |
| Reserves and Surplus | 2 | <u>2,280.94</u> | <u>2,121.51</u> |
| | | 2,939.70 | 2,780.27 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 3 (a) | 1,439.90 | 1,314.35 |
| Long Term Provisions | 3 (b) | 159.97 | 316.18 |
| Deferred Tax Liabilities | 4 | <u>180.30</u> | <u>143.46</u> |
| | | 1,780.17 | 1,773.99 |
| Current Liabilities | | | |
| Short Term Borrowings | 5 (a) | — | 790.40 |
| Trade Payables | 5 (b) | 206.76 | 1,025.54 |
| Other Current Liabilities | 5 (c) | 1,051.63 | 1,381.10 |
| Short Term Provisions | 5 (d) | <u>115.05</u> | <u>0.45</u> |
| | | 1,373.44 | 3,197.49 |
| TOTAL | | <u>6,093.31</u> | <u>7,751.75</u> |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets (Net) | | | |
| Tangible Assets | 6 | 2,850.31 | 3,188.12 |
| Capital Work-In-Progress | 6 | — | 27.95 |
| | | <u>2,850.31</u> | <u>3,216.07</u> |
| Non Current Investments | 7 | 869.32 | 849.32 |
| Long Term Loans and Advances | 8 | <u>1,237.67</u> | <u>997.63</u> |
| | | 4,957.30 | 5,063.02 |
| Current Assets | | | |
| Inventories | 9 | 274.27 | 1,007.23 |
| Trade Receivables | 10 | 601.10 | 1,321.02 |
| Cash and Bank Balances | 11 | 47.02 | 85.67 |
| Short Term Loans and Advances | 12 | 213.44 | 274.63 |
| Other Current Assets | 13 | <u>0.18</u> | <u>0.18</u> |
| | | 1,136.01 | 2,688.73 |
| TOTAL | | <u>6,093.31</u> | <u>7,751.75</u> |
| Significant Accounting Policies | A | | |
| Notes on Financial Statements | 1-31 | | |

As per our report of even date
 For **Hariharan & Co.**
 Chartered Accountants
 Firm's Registration No. 001083S
K Nagarajan
 Partner
 Membership No. 16398
 Mumbai
 23rd May, 2014

Anand Kadkol
 Company Secretary

For and on behalf of the Board of Directors of
Mysore Petro Chemicals Limited

M M Dhanuka
 Managing Director

Nikunj Dhanuka
M M Jayakar
Anil Kochar
S N Maheshwari
Shrikant Somani
 Directors

Mysore Petro Chemicals Limited

Statement of Profit and Loss for the year ended March 31, 2014

| | Notes | 2013-2014 ₹ in Lacs | 2012-2013 ₹ in Lacs |
|---|-------------|------------------------|------------------------|
| Revenue | | | |
| Revenue from Operations (Gross) | 14 | 4,474.78 | 14,922.52 |
| Less : Excise Duty | | 482.26 | 1,648.17 |
| Revenue from Operations (Net) | | 3,992.52 | 13,274.35 |
| Other Income | 15 | 6.35 | 23.69 |
| Total Revenue | | 3,998.87 | 13,298.04 |
| Expenditure | | | |
| Cost of Material Consumed | 16 | 241.82 | 9,235.62 |
| Decrease / (Increase) in Inventories | 17 | 454.27 | (104.17) |
| Employees Benefits Expense | 18 | 1,253.28 | 1,458.69 |
| Other Expenses | 19 | 1,007.90 | 1,763.97 |
| Depreciation and Amortisation Expenses | 6 | 352.59 | 318.49 |
| Finance cost | 20 | 246.30 | 319.64 |
| Total Expenditure | | 3,556.16 | 12,992.24 |
| Profit / (Loss) before Tax | | 442.71 | 305.80 |
| Tax Expenses | | | |
| – Current Tax | | 68.55 | 92.39 |
| – Deferred Tax | 21 | 36.84 | 9.19 |
| Profit/(Loss) for the year | | 337.32 | 204.22 |
| Earning per share | | | |
| Face value of shares ₹ 10 each (Previous year ₹ 10 each) | | | |
| Basic & Diluted ₹ | 22 | 5.12 | 3.10 |
| Significant Accounting Policies | A | | |
| Notes on Financial Statements | 1-31 | | |

As per our report of even date

For Hariharan & Co.

Chartered Accountants

Firm's Registration No. 001083S

K Nagarajan

Partner

Membership No. 16398

Mumbai

23rd May, 2014

Anand Kadkol

Company Secretary

For and on behalf of the Board of Directors of
Mysore Petro Chemicals Limited

Nikunj Dhanuka

M M Jayakar

Anil Kochar

S N Maheshwari

Shrikant Somani

Directors

M M Dhanuka

Managing Director

Mysore Petro Chemicals Limited

Cash Flow Statement for the year ended March 31, 2014

| | 2013-2014 (₹ in Lacs) | 2012-2013 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before tax and Extraordinary Items | 442.71 | 305.80 |
| Non -cash Adjustment to reconcile profit before tax to net cash flow: | | |
| Depreciation / Amortisation Expenses | 352.59 | 318.49 |
| Provision for Impairment of Assets | 7.37 | — |
| Loss / (Profit) on Sale/Write off of Fixed Assets | 11.32 | 4.41 |
| Sundry Balances / Excess Provision Written Back | 9.87 | 1.41 |
| Interest Expense | 240.89 | 265.61 |
| Interest Income | (6.30) | (23.30) |
| Dividend Income | (0.03) | (0.05) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | <u>1,058.42</u> | <u>872.37</u> |
| Movements in Working Capital | | |
| Increase / (decrease) in Trade Payables / Other Current liabilities | (1,118.85) | 588.14 |
| Decrease / (increase) in Trade receivables | 719.92 | (638.78) |
| Decrease / (increase) in Inventories | 732.96 | 132.02 |
| Decrease / (increase) in Loans and Advances | (151.47) | (237.99) |
| | <u>182.56</u> | <u>(156.61)</u> |
| CASH GENERATED FROM/(USED IN) OPERATIONS | <u>1,240.98</u> | <u>715.76</u> |
| Direct Taxes Paid (Net of refunds) | (97.98) | (127.33) |
| NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES | <u>1,143.00</u> | <u>588.43</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets, including intangible assets,CWIP | (248.10) | (558.85) |
| Proceeds from Sale of Fixed Assets | 7.88 | 2.14 |
| Purchase of Investments | (20.00) | — |
| Interest Received | 8.34 | 23.52 |
| Dividend Received | 0.03 | 0.05 |
| NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES | <u>(251.85)</u> | <u>(533.14)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds / (Repayments) of Long-term borrowings (Net) | — | 33.00 |
| Proceeds / (Repayments) of Short -term borrowings | (790.40) | 151.24 |
| Dividend Paid on equity shares | — | (0.01) |
| Interest Paid | (139.40) | (231.44) |
| NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES | <u>(929.80)</u> | <u>(47.21)</u> |
| NET INCREASE / (DECREASE) (A+B+C) | <u>(38.65)</u> | <u>8.08</u> |
| CASH AND BANK BALANCES AS AT 1.4.2013 (Opening Balance) | 85.67 | 77.59 |
| CASH AND BANK BALANCES AS AT 31.3.2014 (Closing Balance) | 47.02 | 85.67 |

NOTE : Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date

For **Hariharan & Co.**

Chartered Accountants

Firm's Registration No. 001083S

K Nagarajan

Partner

Membership No. 16398

Mumbai

23rd May, 2014

Anand Kadkol
Company Secretary

For and on behalf of the Board of Directors of
Mysore Petro Chemicals Limited

Nikunj Dhanuka

M M Jayakar

Anil Kochar

S N Maheshwari

Shrikant Somani

Directors

M M Dhanuka
Managing Director

Mysore Petro Chemicals Limited

Significant Accounting Policies

Note A

a. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d. Depreciation and Amortisation

- i. Leasehold land is amortized over the period of lease.
- ii. Intangible assets are amortized over the estimated useful life of 4 years.
- iii. Depreciation on Fixed Assets is provided on pro rata basis with reference to date of acquisition on straight line method as per rates in Schedule XIV of the Companies Act 1956. The continuous process plant as defined therein have been taken on technical assessment and depreciation provided accordingly.
- iv. Depreciation on incremental revalued amount is provided on the balance useful life of the assets as determined by an approved Valuer, the useful life of the assets are lower than that provided in Schedule XIV of the Companies Act, 1956.

e. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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g. Inventories

Inventories are valued as follows:

| | |
|--|--|
| Raw materials, components, stores and spares | Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. |
| Stock in Process and Finished goods | Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. |

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

i. Foreign Currency Translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Mysore Petro Chemicals Limited

j. Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund, in case of certain employees, are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability and Provident Fund, in case of other employees not covered under defined contribution scheme, are defined benefit obligations. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Provident Fund contribution to the Trust is charged to the Statement of Profit and Loss of the year when the contribution to the fund is due. Any deficit in the fund is provided for and funded.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

k. Income taxes

Tax expense comprises of current tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m. Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect

Mysore Petro Chemicals Limited

the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

n. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o. Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in note i (iv) above.

Mysore Petro Chemicals Limited

NOTES ON FINANCIAL STATEMENTS

| | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| NOTE - 1 : SHARE CAPITAL | | |
| Authorised | | |
| 5,00,000 (Previous year 5,00,000) Redeemable Cumulative Preference Shares of ₹ 100 each | 500.00 | 500.00 |
| 1,00,00,000 (Previous year 1,00,00,000) Equity shares of ₹ 10 each | 1,000.00 | 1,000.00 |
| | <u>1,500.00</u> | <u>1,500.00</u> |
| Issued | | |
| 65,90,938 Equity shares of ₹ 10 each (Previous year 65,90,938) | 659.09 | 659.09 |
| Subscribed and Paid up | | |
| 65,83,488 * Equity shares of ₹ 10 each (Previous year 65,83,488)* | 658.35 | 658.35 |
| Add : Amount paid up on 7450 Equity shares (Previous year 7450 Equity shares) forfeited | 0.41 | 0.41 |
| | <u>658.76</u> | <u>658.76</u> |
| Shareholders holding more than 5% Shares in the company Ellenbarrie Steels & Allied Industries Ltd.- No of Shares 372574 (Previous year 372574); Gembel Trade Enterprises Ltd.- No of Shares 769020 (Previous year 494028); Savita Investment Company Ltd.- No of Shares 1509503 (Previous year 1509503); Shekhavati Investment Corporation Ltd.- No of Shares 556094 (Previous year 556094) | | |
| * Includes 1,25,000 shares issued for consideration other than cash and 21,19,983 Bonus shares allotted by capitalisation of the Capital Redemption Reserve and securities premium. | | |
| NOTE - 2 : RESERVES & SURPLUS | | |
| Securities Premium Reserve | | |
| Balance as per last Balance Sheet | 398.89 | 398.89 |
| General Reserve | | |
| Balance as per last Balance Sheet | — | — |
| Add : Transferred from Statement of Profit & Loss | 100.00 | — |
| | <u>100.00</u> | <u>—</u> |
| Revaluation Reserve | | |
| Balance as per last Balance Sheet | 618.13 | 718.06 |
| Less: Transferred to Statement of Profit and Loss (Refer Serial No. 3 to Note 6) | 63.12 | 99.93 |
| Reversal on account of Sale / Disposal of Fixed Assets | — | — |
| | <u>555.01</u> | <u>618.13</u> |

Mysore Petro Chemicals Limited

| | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| Subsidy under the Central Government-Subsidy Scheme 1971 | | |
| Balance as per last Balance Sheet | 36.00 | 36.00 |
| Amalgamation Reserve | | |
| Balance as per last Balance Sheet | 37.50 | 37.50 |
| Surplus in Statement of Profit and Loss | | |
| Opening Balance at the beginning of the year | 1,030.99 | 826.77 |
| Add: Profit / (Loss) for the year | 337.32 | 204.22 |
| Less: Appropriations | | |
| Transferred to General Reserve | 100.00 | — |
| Proposed final equity dividend (Amount per share ` 1.50) | 98.75 | — |
| Tax on Proposed dividend | 16.02 | — |
| | <u>1,153.54</u> | <u>1,030.99</u> |
| | <u>2,280.94</u> | <u>2,121.51</u> |
| NOTE - 3: NON - CURRENT LIABILITIES | | |
| Long Term Borrowings | | |
| a. Unsecured Loans | | |
| From Bodies Corporate | 711.40 | 1,314.35 |
| From Directors | 229.00 | — |
| Fixed Deposits | 499.50 | — |
| | <u>1,439.90</u> | <u>1,314.35</u> |
| b. Long Term Provisions | | |
| Provision for Gratuity | 86.67 | 221.61 |
| Provision for Leave Encashment | 73.30 | 94.57 |
| | <u>159.97</u> | <u>316.18</u> |
| NOTE - 4 : DEFERRED TAX LIABILITIES | | |
| | <u>180.30</u> | <u>143.46</u> |
| NOTE - 5 : CURRENT LIABILITIES | | |
| a. Short Term Borrowings - Secured | | |
| Working Capital Facilities From Bank | — | 531.27 |
| Current Maturities of Finance Lease Obligations (Secured by the assets so acquired) | — | — |
| Factoring Facility | — | 159.13 |
| | <u>—</u> | <u>690.40</u> |
| Short Term Borrowings - Unsecured | | |
| Fixed Deposit | — | 100.00 |
| | <u>—</u> | <u>790.40</u> |

Mysore Petro Chemicals Limited

| | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| NOTE - 5 : CURRENT LIABILITIES (Contd.) | | |
| b. Trade Payables | | |
| Sundry Creditors | | |
| Total outstanding dues of Micro, Medium and Small Enterprises | — | — |
| Total Outstanding dues of creditors other than Micro, Medium and Small Enterprises | 206.76 | 1,025.54 |
| | 206.76 | 1,025.54 |
| c. Other Current Liabilities | | |
| Advance from Customers | 1.75 | 71.04 |
| Investor Education and Protection Fund shall be credited (as and when due) for unpaid dividend | 1.49 | 1.49 |
| Security Deposits - Others | — | 1.35 |
| Security Deposits - Related Party | 625.00 | 625.00 |
| Book Overdraft | 168.53 | 433.52 |
| Interest Accrued But not Due on Loans | 161.33 | 185.40 |
| Other Liabilities | 93.53 | 63.30 |
| | 1,051.63 | 1,381.10 |
| d. Short Term Provisions | | |
| Provision for Wealth Tax | 0.28 | 0.45 |
| Proposed final equity dividend | 98.75 | — |
| Tax on Proposed dividend | 16.02 | — |
| | 115.05 | 0.45 |

Mysore Petro Chemicals Limited

NOTE - 6 : FIXED ASSETS

| DESCRIPTION | GROSS BLOCK | | DEPRECIATION | | IMPAIRMENT LOSS | | NET BLOCK | |
|----------------------------------|-------------------|-----------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | As at 1.4.2013 | Additions | Deductions | As at 31.3.2014 | As at 31.3.2013 | As at 31.3.2014 | As at 31.3.2014 | As at 31.3.2013 |
| | 14.77 | — | — | — | — | — | 14.77 | 14.77 |
| Tangible Assets | | | | | | | | |
| 1. Land & Land Development | 14.77 | — | — | 14.77 | — | — | 14.77 | 14.77 |
| 2. Lease Hold Land | 27.00 | — | 0.27 | 27.00 | 6.56 | — | 20.44 | 20.71 |
| 3. Roads & Drains | 40.92 | — | 1.29 | 40.92 | 19.32 | 13.02 | 8.58 | 22.89 |
| 4. Buildings | 516.93 | — | 12.95 | 516.93 | 249.61 | — | 267.32 | 280.27 |
| 5. Plant & Equipments | 12,989.49 | 102.78 | 50.90 | 13,041.37 | 10,585.08 | — | 2,456.29 | 2,742.14 |
| 6. Railway Siding | 5.13 | — | — | 5.13 | 4.87 | — | 0.26 | 0.26 |
| 7. Furniture & office equipments | 38.88 | 1.69 | 5.76 | 40.57 | 27.02 | 15.00 | 9.09 | 2.62 |
| 8. Vehicles | 163.95 | — | 13.96 | 137.18 | 58.73 | — | 78.45 | 104.46 |
| | 13,797.07 | 104.47 | 77.67 | 13,823.87 | 10,593.95 | 15.00 | 22.37 | 3,188.12 |
| Intangible Assets | | | | | | | | |
| 1. Software | 0.47 | — | — | 0.47 | 0.47 | — | — | — |
| Total | 13,797.54 | 104.47 | 77.67 | 13,824.34 | 10,594.42 | 15.00 | 22.37 | 3,188.12 |
| Previous year | 13,173.05 | 731.19 | 106.70 | 13,797.54 | 10,276.15 | 100.15 | 15.00 | 3,188.12 |

1. Buildings & Plant & Equipments of Phthalic Anhydride plant at Ratchur as on 31.3.2000 were revalued on the basis of net replacement value determined by an approved valuer resulting in increase in value of Buildings by ₹ 124.47 Lacs and Plant & Equipments by ₹ 3,246.44 Lacs which was credited to Revaluation Reserve.

2. Land includes ₹ 1.36 Lacs (Previous year ₹ 1.36 Lacs) for undivided share in office premises land. Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares in office premises in a co-operative society.

3. Details of depreciation are as follows:

| Particulars | 2013-14 | 2012-13 |
|--|---------|---------|
| Depreciation for the year as above | 415.71 | 418.42 |
| Less: Transferred from Revaluation Reserve | 63.12 | 99.93 |
| Depreciation as per Statement of Profit and Loss | 352.59 | 318.49 |

4. Capital work in progress represents Plant & Equipments under erection ₹ NIL (Previous Year ₹ 27.95 Lacs)

Mysore Petro Chemicals Limited

| | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|---|--------------------------------------|--------------------------------------|
| NOTE - 7 : NON CURRENT INVESTMENTS | | |
| Long Term Investments , Other than Trade : (At Cost) | No. of Shares | No. of Shares |
| A. Government securities | | |
| Six years National Saving Certificates of the face value of ₹ 30,000 (Previous Year ₹ 30,000) lodged as security with Government Department . | — 0.30 | — 0.30 |
| B. Equity Shares of ₹ 10/- each | | |
| Fully Paid up | | |
| Quoted | | |
| I G Petrochemicals Limited | 4075000 826.92 | 4075000 826.92 |
| Sand Plast (I) Limited | 24020 0.60 | 24020 0.60 |
| Listed but not Quoted | | |
| Bihariji Construction (I) Limited | 486000 10.75 | 486000 10.75 |
| Bihariji Projects Limited | 490000 10.50 | 490000 10.50 |
| Unquoted | | |
| The Saraswat Co. op. Bank Limited | 2500 0.25 | 2500 0.25 |
| C. Debentures of ₹ 10,00,000/- each @ 11.80% | | |
| The Lakshmi Vilas Bank Limited | 2 20.00 | — — |
| | <u>869.32</u> | <u>849.32</u> |
| Book Value | | |
| Quoted Investments | 827.52 | 827.52 |
| (Market Value ₹ 962.01 Lacs) | | |
| (Previous year ₹ 978.43 Lacs) | | |
| Listed but not Quoted | 21.25 | 21.25 |
| Unquoted | 20.55 | 0.55 |
| | <u>869.32</u> | <u>849.32</u> |
| NOTE - 8 : LONG TERM LOANS & ADVANCES | | |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Deposit - others | 120.56 | 121.20 |
| Capital Advances | 1,117.11 | 876.43 |
| | <u>1,237.67</u> | <u>997.63</u> |
| NOTE - 9 : INVENTORIES | | |
| (at lower of cost and net realisable value) | | |
| Raw Material (including stock in transit ₹ Nil, (Previous Year ₹ 64.15 Lacs) | — | 245.16 |
| Stores and spares | 173.27 | 179.46 |
| Work-in-Progress | 27.93 | 217.16 |
| Finished Goods (including stock in transit ₹ 8.97 Lacs, (Previous Year ₹ 16.07 Lacs) | 73.07 | 365.45 |
| | <u>274.27</u> | <u>1,007.23</u> |

Mysore Petro Chemicals Limited

| | As at March 31, 2014 ₹ in Lacs | As at March 31, 2013 ₹ in Lacs |
|--|--------------------------------------|--------------------------------------|
| NOTE - 10 : TRADE RECEIVABLES | | |
| Debts outstanding for a period exceeding six months | | |
| Unsecured, Considered Good | 26.30 | 26.30 |
| Other debts | | |
| Unsecured, Considered Good | 574.80 | 1,294.72 |
| | <u>601.10</u> | <u>1,321.02</u> |
| NOTE - 11 : CASH AND BANK BALANCES | | |
| Cash and cash equivalents | | |
| Cash in hand | 3.76 | 10.45 |
| Balance with Scheduled Banks | | |
| In Current Accounts | 35.82 | 32.28 |
| | <u>39.58</u> | <u>42.73</u> |
| Other Bank Balances | | |
| In Fixed Deposits (Held with Scheduled Banks as Margin) | 5.00 | 40.50 |
| In Fixed Deposits (Held with Government Departments as Security) | 0.95 | 0.95 |
| In Unpaid Dividend Account | 1.49 | 1.49 |
| | <u>7.44</u> | <u>42.94</u> |
| | <u>47.02</u> | <u>85.67</u> |
| NOTE - 12 : SHORT TERM LOANS AND ADVANCES | | |
| Advances recoverable in cash or kind or for value to be received | | |
| Considered Good | 74.72 | 150.22 |
| Balance with Central Excise Authorities | 15.07 | 30.61 |
| Income Tax Deducted at Source / Advance Tax (Net of Provision) | 123.65 | 93.80 |
| | <u>213.44</u> | <u>274.63</u> |
| NOTE - 13 : OTHER CURRENT ASSETS | | |
| Interest Accrued on Investment | 0.18 | 0.18 |
| | <u>0.18</u> | <u>0.18</u> |

Mysore Petro Chemicals Limited

| | 2013-2014 ₹ in Lacs | 2012-2013 ₹ in Lacs |
|--|------------------------|------------------------|
| NOTE - 14 : REVENUE FROM OPERATION | | |
| Sale of Products | | |
| Phthalic Anhydride | 839.89 | 11,968.88 |
| Maleic Anhydride | 3,634.89 | 2,952.56 |
| Other Operating Income | | |
| Sale of waste | — | 1.08 |
| | <u>4,474.78</u> | <u>14,922.52</u> |
| NOTE - 15 : OTHER INCOME | | |
| Interest | | |
| Bank Deposits (TDS ₹ Nil, Previous year ₹ Nil) | 3.15 | 4.08 |
| Others (TDS ₹ 0.32 Lacs, Previous year ₹ 1.92 Lacs) | 3.15 | 19.22 |
| Dividend Income | | |
| Long term investments-Non-trade | 0.03 | 0.05 |
| Miscellaneous Income | 0.02 | 0.34 |
| | <u>6.35</u> | <u>23.69</u> |
| NOTE - 16 : COST OF MATERIAL CONSUMED | | |
| Raw Materials | | |
| Inventories as at March 31, 2013 | 245.16 | 297.68 |
| Add: Purchases | 2.67 | 9,183.10 |
| Less : Sales | (6.01) | — |
| | <u>241.82</u> | <u>9,480.78</u> |
| Less: Inventories as at March 31, 2013 | — | 245.16 |
| | <u>241.82</u> | <u>9,235.62</u> |
| Orthoxylene | 231.08 | 9,154.37 |
| Others | 10.74 | 81.25 |
| | <u>241.82</u> | <u>9,235.62</u> |
| NOTE - 17 : DECREASE / (INCREASE) IN INVENTORIES | | |
| Inventories as at March 31, 2013 | | |
| Work-in-Progress | 217.16 | 217.11 |
| Finished Goods | 365.45 | 246.29 |
| Inventories as at March 31, 2014 | | |
| Work-in-Progress | 27.93 | 217.16 |
| Finished Goods | 73.07 | 365.45 |
| | <u>481.61</u> | <u>(119.21)</u> |
| Differential Excise duty in respect of Closing Stock & Opening Stock | <u>(27.34)</u> | <u>15.04</u> |
| | <u>454.27</u> | <u>(104.17)</u> |

In accordance with ASI 14 (Revised) on disclosure of Revenue from Sales Transactions issued by Institute of Chartered Accountants of India, Excise duty on sales has been reduced from sales in Statement of Profit & Loss and Excise duty on increase/decrease in stock amounting to ₹ (27.34) Lacs, (Previous Year ₹ 15.04 Lacs) has been considered as expense as above.

Mysore Petro Chemicals Limited

| | 2013-2014 ₹ in Lacs | 2012-2013 ₹ in Lacs |
|---|------------------------|------------------------|
| NOTE - 18 : EMPLOYEES BENEFITS EXPENSE | | |
| Salaries, Wages and Bonus | 957.26 | 1,132.39 |
| Contribution to Provident and Other Funds | 60.81 | 87.87 |
| Gratuity expenses | 76.98 | 56.97 |
| Workmen and staff welfare expenses | 158.23 | 181.46 |
| | 1,253.28 | 1,458.69 |
| NOTE - 19 : OTHER EXPENSES | | |
| Consumption of Stores, Spares and Packing Materials | 107.78 | 90.92 |
| Power, Fuel and Water charges | 120.83 | 691.09 |
| Repairs and Maintenance | | |
| Plant and Equipments | 102.36 | 178.52 |
| Buildings | 13.95 | 19.47 |
| Others | 7.53 | 12.85 |
| Insurance Premium | 26.91 | 26.61 |
| Selling Expenses | | |
| Brokerage and Commission | 4.31 | 19.98 |
| Transportation | 74.34 | 311.30 |
| Rent | 1.22 | 2.07 |
| Rates and Taxes | 8.97 | 11.40 |
| Travelling & Conveyance | 96.20 | 87.28 |
| Communication cost | 6.89 | 6.59 |
| Legal & Professional fees | 38.63 | 21.54 |
| Miscellaneous Expenses | 357.87 | 154.31 |
| Donation and Contribution to Charitable Institutions | 18.00 | 20.11 |
| Directors Sitting Fees | 0.47 | 0.35 |
| Payment to Auditors (Refer Note - 19.1) | 2.95 | 2.98 |
| Loss on Sale/Write off of Fixed Assets (Net) | 11.32 | 4.41 |
| Provision on Impairment of Fixed Assets | 7.37 | — |
| Amortisation / written off of Catalyst cost | — | 102.19 |
| | 1,007.90 | 1,763.97 |
| NOTE - 19.1 : PAYMENTS TO AUDITORS | | |
| Audit Fees including Limited Review Fees ₹ 0.50 Lacs (Previous Year ₹ 0.50 Lacs) excluding service tax of ₹ 0.25 Lacs (Previous Year ₹ 0.25 Lacs) | 2.00 | 2.00 |
| Tax Audit Fees Excluding Service tax of ₹ 0.09 Lacs (Previous year ₹ 0.09 Lacs) | 0.75 | 0.75 |
| Reimbursement of Expenses | 0.20 | 0.23 |
| | 2.95 | 2.98 |
| NOTE - 20 : FINANCE COST | | |
| Interest on Fixed Loans | | |
| On Other Loans | 181.23 | 214.98 |
| Interest - Others | 59.66 | 50.63 |
| Bills Discounting, Guarantee - Commission and Bank Charges | 5.41 | 54.03 |
| | 246.30 | 319.64 |

Mysore Petro Chemicals Limited

| | 2013-2014 ₹ in Lacs | 2012-2013 ₹ in Lacs |
|--|---|------------------------|
| NOTE - 21 : TAX EXPENSES | | |
| Deferred Tax Liability represents the difference between the Book depreciation and Tax Depreciation for the year. | 36.84 | 9.19 |
| NOTE - 22: EARNING PER SHARE OF ₹ 10 EACH (EPS) | | |
| Profit after tax as per Statement of Profit & Loss | 337.32 | 204.22 |
| Weighted average No. of Shares for calculating basic and diluted EPS | 6583488 | 6583488 |
| Basic & Diluted EPS - ₹ | 5.12 | 3.10 |
| NOTE - 23 : CAPITAL COMMITMENT | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances). | 214.12 | 454.16 |
| NOTE - 24 : CONTINGENT LIABILITIES | | |
| Contingent Liabilities not provided for | | |
| a) Sales Tax matter under appeal - Case decided in favour of the company which are taken further in appeal by Karnataka State Sales Tax Department. | 23.98 | 23.98 |
| b) Corporate Guarantees Given. (Amount outstanding). | 4,757.12 | — |
| c) The operations of Phthalic Anhydride Plant at Raichur, Karnataka was closed during 3 rd week of April 2013. The Board of Directors of the Company in their meeting held on 4 th June 2013 had decided to close the unit permanently due to Economic unavailability and the unit was closed since 16 th July 2013. The workmen's union have raised certain demands and the matter have been referred to Industrial Tribunal, Hubballi, Karnataka by the Labour Department, Government of Karnataka and the matter is pending. The employees benefits expense includes payment of ₹ 329.69 Lacs towards settlement made to management staff and few of the workmen, 52 workmen have not accepted the dues amounting to ₹ 93.17 Lacs (without considering the effect of demand of the union), as the matter is subjudiced the provision have not been made for these workmen. Future cash out flow of the same are determinable on receipt of judgement / decision. | | |
| NOTE - 25 : SEGMENT INFORMATION | | |
| The Company is mainly engaged in the business of manufacture and sale of chemicals and as the Company is managed organizationally as a united entity with various functional heads reporting to the top management there are no separate reportable segments as per Accounting Standard 17 - Segmental Reporting issued by the Institute of Chartered Accountants of India. | | |
| NOTE - 26 : RELATED PARTY DISCLOSURE | | |
| 1. Relationship | | |
| (a) Subsidiary Companies | Nil | |
| (b) Other related Parties / Associates | I G Petrochemicals Limited Biharji Construction (I) Limited | |
| (c) Key Management Personnel | Mr. M M Dhanuka - Managing Director | |
| (d) Relatives of key management personnel and their enterprises where transactions have taken place. | Mrs. Binadevi Dhanuka - Wife of Managing Director Mr. Mayank Dhanuka - Son of Managing Director Mrs. Rajkumari Dhanuka - Brother's wife of Managing Director Mrs. Neha Dhanuka - Son's wife of Managing Director | |

Note : Related party relationship is identified by the Company and relied upon by the Auditors.

Mysore Petro Chemicals Limited

NOTE - 26 : RELATED PARTY DISCLOSURE (Contd.)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business are as under:

| Nature of Transaction | (₹ In Lacs) Related parties referred to in | | | |
|---------------------------|--|---------------------------|-------------------------|----------------------|
| | 1(a) above | 1(b) above | 1(c) above | 1(d) above |
| 1) Purchase * | | 79.15 (130.14) | | |
| 2) Expenses | | | | |
| Service Charges | | 280.90 (46.30) | | |
| Interest | | 106.57 (108.42) | 6.89 (-) | 11.24 (-) |
| Remuneration | | | 34.37 (24.59) | |
| 3) Finance | | | | |
| Outstanding | | | | |
| Property Deposit Received | | 625.00 (625.00) | | |
| Other Payables | | 95.92 (279.66) | 6.20 (-) | 10.12 (-) |
| Loans Payables | | 312.67 (915.75) | 167.00 (-) | 369.00 (-) |

Note: Amount in bracket represents figures for previous year.

*As per contract with I G Petrochemicals Limited , certain exchange transaction of services / goods mutually beneficial have been entered into which have not been quantified above.

NOTE - 27 : EMPLOYEE BENEFITS

i. General Description of defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet.

a. Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Benefits Expense in Note 18)

| | Gratuity (funded) March 31, 2014 ₹ in Lacs | Gratuity (funded) March 31, 2013 ₹ in Lacs |
|--|--|--|
| Current service cost | 14.91 | 20.16 |
| Interest cost on benefit obligation | 30.69 | 28.00 |
| Expected return on plan assets | 8% | 8% |
| Net actuarial (gain) / loss recognized in the year | 45.67 | 22.07 |
| Actual return on plan assets | 14.29 | 13.26 |
| Net Benefit / Cost | 76.98 | 56.97 |

Mysore Petro Chemicals Limited

| | Gratuity (funded) March 31, 2014 ₹ in Lacs | Gratuity (funded) March 31, 2013 ₹ in Lacs |
|---|--|--|
| b. Balance sheet | | |
| Details of Provision for gratuity | | |
| Defined benefit obligation | 266.29 | 383.60 |
| Fair value of plan assets | 179.62 | 161.99 |
| Less: Unrecognized past service cost Plan asset / (liability) | (86.67) | (221.61) |
| c. Changes in the present value of the defined benefit obligation are as follows: | | |
| Opening defined benefit obligation | 383.60 | 349.99 |
| Interest cost | 30.69 | 28.00 |
| Current service cost | 14.91 | 20.16 |
| Benefits paid | 208.58 | 36.62 |
| Actuarial (gains) / losses on obligation | 45.67 | 22.07 |
| Closing defined benefit obligation | 266.29 | 383.60 |
| d. Changes in the fair value of plan assets are as follows: | | |
| Opening fair value of plan assets | 161.99 | 138.27 |
| Expected return | 8% | 8% |
| Contributions by employer | 3.34 | 10.46 |
| Benefits paid | — | — |
| Actuarial gains / (losses) | 45.67 | 22.07 |
| Closing fair value of plan assets | 179.62 | 161.99 |
| Actual Return on plan Assets | 14.29 | 13.26 |
| Estimated contribution to be made in next annual year | 12.00 | 12.00 |
| The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: | | |
| | % | % |
| Investments with insurer | 100 | 100 |
| e. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: | | |
| | % | % |
| Discount rate | 8.00 | 8.00 |
| Expected rate of return on assets | 8.82 | 9.59 |
| Employee turnover | 1 | 1 |
| Salary Escalation | 4 | 4 |
| Mortality | L.I.C. (1994 - 96) Ultimate | L.I.C. (1994 - 96) Ultimate |

Mysore Petro Chemicals Limited

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Provident Fund

Pending issuance of Guidance Note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the Provident Fund Liability. There is no deficit in the fund as at March 31st 2014 and no provision has been made.

ii. Defined Contribution Plan

Employee Benefits Expenses in Note 18 includes the following contributions to defined contribution plan

| | March 31, 2014 ₹ in Lacs | March 31, 2013 ₹ in Lacs |
|--|-----------------------------|-----------------------------|
| Contribution to Provident and Other Funds | | |
| Contribution to Provident Fund | 51.21 | 70.53 |
| Employees Pension Fund | 8.60 | 16.06 |
| EDLI | 1.00 | 1.28 |
| Total | 60.81 | 87.87 |
| Workmen and Staff Welfare fund | | |
| ESIC | 0.35 | 0.45 |
| Labour Welfare Fund | 0.04 | 0.05 |
| Total | 0.39 | 0.50 |

| | March 31, 2014 ₹ in Lacs | March 31, 2013 ₹ in Lacs |
|---|-----------------------------|-----------------------------|
| NOTE - 28 : SUPPLEMENTARY STATUTORY INFORMATION | | |
| i. Expenditure in foreign currency (Accrual basis) | | |
| Travelling | 15.77 | 16.84 |
| Total | 15.77 | 16.84 |
| ii. Value of imports calculated on CIF basis (Including High Seas Purchases) | | |
| Raw Materials | — | 77.19 |
| Stores & Spares | 12.57 | 0.97 |
| Total | 12.57 | 78.16 |
| iii. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 | | |
| There are no outstanding to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. | | |

Mysore Petro Chemicals Limited

NOTE - 29 : IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED

i. Imported and indigenous raw materials consumed

| Product | March 31, 2014 | | March 31, 2013 | |
|--------------|----------------|---------------|----------------|-----------------|
| | % of total | ₹ in Lacs | % of total | ₹ in Lacs |
| Imported | — | — | 1 | 80.98 |
| Indigenous | 100 | 241.82 | 99 | 9,154.64 |
| Total | 100 | 241.82 | 100 | 9,235.62 |

ii. Imported and indigenous spare parts consumed

| Product | March 31, 2014 | | March 31, 2013 | |
|--------------|----------------|--------------|----------------|---------------|
| | % of total | ₹ in Lacs | % of total | ₹ in Lacs |
| Imported | — | 0.13 | 2 | 1.77 |
| Indigenous | 100 | 60.30 | 98 | 107.03 |
| Total | 100 | 60.43 | 100 | 108.80 |

Part cost of Imported Catalyst amortised / written off. — 102.19

NOTE - 30 : RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 3.01 Lacs (Previous Year ₹ 11.53 Lacs) have been accounted for in the respective heads of the Statement of Profit and Loss.

NOTE - 31 : PREVIOUS YEAR COMPARATIVES

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

As per our report of even date
For **Hariharan & Co.**
Chartered Accountants
Firm's Registration No. 001083S

K Nagarajan
Partner
Membership No. 16398

Mumbai
23rd May, 2014

Anand Kadkol
Company Secretary

For and on behalf of the Board of Directors of
Mysore Petro Chemicals Limited

Nikunj Dhanuka
M M Jayakar
Anil Kochar
S N Maheshwari
Shrikant Somani
Directors

M M Dhanuka
Managing Director

Mysore Petro Chemicals Limited

Mandate for Electronic Communication and Direct Credit of dividend in Bank Account

I/We hereby authorize you to update the following e-mail ID for receipt of communication in electronic mode and for crediting the dividend amount directly in my Bank account.

E-mail ID :

| | | | |
|----|-----------------------------------|---|--|
| 1. | Folio No. | : | |
| 2. | Name of the Bank | : | |
| 3. | Name of the Branch | : | |
| 4. | Account No. | : | |
| 5. | Account Type (Saving/Current) | : | |
| 6. | 9 Digit Code No. | : | |
| 7. | IFSC Code | : | |
| 8. | STD Code & Phone No.of the Branch | : | |

I/We shall keep the Company's Registrar and Transfer Agent viz. Bigshare Services Pvt. Ltd. informed as and when there is a change in my e-mail address. I am also enclosing the photocopy of a cheque / bank cancelled cheque issued by the Bank for verifying the accuracy of the details furnished overleaf.

Mail to



Signature of the Shareholder

M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East),
Mumbai - 400 072. Tel.: 022-40430200 • Fax : 022-28475207 • E-mail : info@bigshareonline.com

Mandate for Electronic Communication and Direct Credit of dividend in Bank Account

I/We hereby authorize you to update the following e-mail ID for receipt of communication in electronic mode and for crediting the dividend amount directly in my Bank account.

E-mail ID :

| | | | |
|----|-----------------------------------|---|--|
| 1. | DP ID & Client A/c. | : | |
| 2. | Name of the Bank | : | |
| 3. | Name of the Branch | : | |
| 4. | Account No. | : | |
| 5. | Account Type (Saving/Current) | : | |
| 6. | 9 Digit Code No. | : | |
| 7. | IFSC Code | : | |
| 8. | STD Code & Phone No.of the Branch | : | |

I/We shall keep my/our Depository Participant informed as and when there is a change in my e-mail address. I am also enclosing the photocopy of a cheque / bank cancelled cheque issued by the Bank for verifying the accuracy of the details furnished overleaf.

Mail to



Signature of the Beneficiary holder

Depository Participant where Demat A/c is being maintained



Mysore Petro Chemicals Limited

Registered Office : D - 4, Jyothi Complex, 134/1, Infantry Road, Bengaluru - 560 001

ATTENDANCE SLIP

(to be presented at the entrance)

DP-ID No. _____

Folio No./Client ID No. _____

I/We hereby record my/our presence at the 44th Annual General Meeting of the Company at Woodlands Hotel, 5, Raja Rammohan Roy Road, Bengaluru – 560 025 on Friday, 1st August, 2014 at 12.30 p.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Affix
Revenue
Stamp

Signature of the Member/Proxy

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014)



Mysore Petro Chemicals Limited

Registered Office : D - 4, Jyothi Complex, 134/1, Infantry Road, Bengaluru - 560 001

TEAR HERE

Name of the Member(s):

Registered Address:

E-Mail Id:

Folio No./Client ID:

DP ID:

I/We the member(s) of _____ shares of the above named Company hereby appoint:

- (1) Name: _____
Address: _____
E-Mail Id: _____ or failing him;
- (2) Name: _____
Address: _____
E-Mail Id: _____ or failing him;
- (3) Name: _____
Address: _____
E-Mail Id: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to be held on Friday, 1st August, 2014 at 12.30 p.m. at Woodlands Hotel, 5, Raja Rammohan Roy Road, Bengaluru – 560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | RESOLUTIONS | For | Against |
|----------------|---|-----|---------|
| | Ordinary Business | | |
| 1. | Consider and adopt the Directors' Report and Audited Statement of Accounts of the Company for the year ended 31 st March 2014. | | |
| 2. | Declaration of Dividend on Equity Shares | | |
| 3. | Shri Nikunj Dhanuka (DIN 00193499) who retires by rotation and being eligible offers himself for reappointment. | | |
| 4. | Appointment of Statutory Auditors and fixing their remuneration. | | |
| | Special Business | | |
| 5. | Appointment of Shri Shrikant Somani (DIN 0085039) as an Independent Director. | | |
| 6. | Appointment of Shri M M Jayakar (DIN 00925962) as an Independent Director. | | |
| 7. | Appointment of Shri Anil Kochar (DIN 00943161) as an Independent Director. | | |
| 8. | Ratification of the remuneration payable to M/s. Krishna S & Associates, Cost auditors of the Company for the financial year ending 31 st March, 2015. | | |

Signed this _____ day of _____ 2014

Signature of the Shareholder _____

Signature of the first proxy holder

Signature of the second proxy holder

Signature of the third proxy holder

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



MYSORE PETRO CHEMICALS LIMITED

CIN : L24221KA1969PLC001799

Corporate Office

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Tel : 022-30286100/30286133 • Fax : 022-22040747
Email : igpetro@vsnl.com • Web : <http://igpetro.com>

Registered Office

D/4, Jyothi Complex, 134/1, Infantry Road, Bengaluru – 560 001
Tel : 080 - 22868372, Fax : 080 - 22868778
E-mail : mysore_petro@vsnl.net