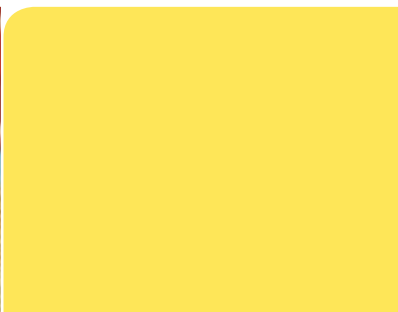


IG PETROCHEMICALS LIMITED

26th Annual Report 2014-15



INNOVATING TODAY.
TRANSFORMING TOMORROW.



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IG Petrochemicals Limited

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Businesses are always confronted with challenges in their quest to manage, sustain and continue growth.

The last few years have seen major challenges in the form of slowdowns and strife, sluggishness and struggles, crisis and crunches – all of which have created significant roadblocks for growth.

And yet, at IG Petrochemicals Ltd., we have overcome challenges of adverse market conditions, stuttering global economy and dramatic fall in oil prices to continue accelerating on our trajectory of growth.

AT IG PETROCHEMICAL LIMITED, GROWTH IS WHAT DEFINES, DETERMINES AND DIFFERENTIATES US.

GROWTH THAT IS DRIVEN AND
DELIVERED BY A CONSTANT FOCUS
AND A STEADY COMMITMENT OF
INNOVATING TODAY
TRANSFORMING TOMORROW

ABOUT US

IG PETROCHEMICALS Ltd. is the flagship company of the Dhanuka Group, renowned in the petrochemicals industry for over four decades. The Company was incorporated in 1988 and commenced production in 1992 and is today a leader in Phthalic Anhydride (PAN) with strong recognition, excellent plant facilities of international standards.

THE NO. 1 MANUFACTURER OF PAN IN INDIA

SELF-SUFFICIENT IN POWER/STEAM GENERATED BY PLANT

ASSURED QUALITY WITH ISO 9000:2000, ISO 9001 AND ISO 14001:2004 CERTIFICATIONS BY BUREAU VERITAS

ONE OF THE LARGEST CAPACITY IN SINGLE-LOCATION FOR PAN

STRATEGIC LOCATIONAL ADVANTAGE WITH PLANT LOCATED AT TALOJA, 50 KMS., FROM MUMBAI – IN CLOSE PROXIMITY TO BOTH END-USERS AND KEY RAW MATERIAL SOURCE

SIX-SIGMA PROCESSES AND ERP SYSTEMS ACROSS THE ORGANISATION

ONE OF THE LOWEST COST PRODUCER OF PAN IN THE WORLD

EXPERIENCED AND PROFESSIONAL MANAGEMENT TEAM FOCUSED ON INNOVATION

TECHNICAL COLLABORATION WITH LURGI GmbH, GERMANY

70% RAW MATERIALS PROCURED FROM THE INDIA'S LARGEST PETROLEUM REFINERY IN GUJARAT

THIRD PHASE OF EXPANSION PA3, COMPLETED IN 2013, INCREASING CAPACITY TO 1,69,250 MTPA



1988

- Incorporated IGPL as 100% EOU
- Technical collaboration with Lurgi GmbH of Germany

THE JOURNEY SO FAR

2014

Brownfield expansion of 53,000 MTPA (PA-3)

Total capacity of 1,69,250 MTA

1992-93

Started production with initial capacity of 45,000 MTPA (PA1)

2008-09

Converted from EOU to DTA

1995 - 96

De-bottlenecking of capacity 21,250 MTPA

2000

Brownfield expansion of 50,000 MTPA (PA2)



BUSINESS OVERVIEW

OUR BUSINESS REVOLVES AROUND PHTHALIC ANHYDRIDE (PAN) - HAVING A WIDE RANGE OF APPLICATIONS.

PAN is a principal commercial form of phthalic acid discovered in 1836. It was the first anhydride of a dicarboxylic acid to be used commercially, and is comparable in its importance to acetic acid. The most important reaction of PAN is with alcohols or diols to give esters or polyesters.

PAN is a versatile intermediate in organic chemistry. PAN is a precursor to a variety of reagents useful in organic synthesis. A colourless solid, PAN is an important industrial chemical, especially for the large-scale production of plasticizers for plastics.

The primary use of PAN is as a chemical intermediate in the production of plastics from poly vinyl chloride (PVC). PVC is the base material used for making a range of consumer care, personal care, home care as well as industrial products like boxes, pipes, containers, packaging films, medical and surgical equipments.

PAN is the second most important raw material used in the manufacture of paints and coatings as an intermediate for Alkyd Resin. Recently, PAN has found application in the manufacture of Unsaturated Polyester Resins (UPR),

which is used extensively as thermoset for making fiberglass reinforced plastics that are increasingly being used in construction, marine and transportation industries.

The applications for PAN are increasing rapidly, driven by new research and innovation. In the last few years, PAN has found application in Copper Pthalocyanine (CPC) used for making inks, photovoltaic cells. PAN is also being innovatively used for making Plastic Currency, Paper Boards, Leisure Boats and Sail of Windmills.

KEY END USER INDUSTRIES



CABLES



PIPES



SHOES



PAINTS



PRINTING INKS



PLASTIC PRODUCTS

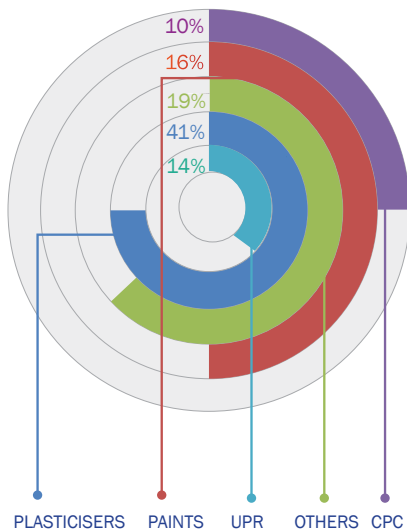


TEXTILE DYES



PACKAGING MATERIALS

TOP USAGE BY APPLICATION



IGPL OPERATES IT'S PLANT BASED ON THE PROCESSES OF THE LICENSOR, M/S WACKER CHEMIE GMBH, GERMANY. THE PROCESS IS WACKER'S VON-HEYDEN'S LOW ENERGY PROCESS AND THE PLANT HAS BEEN ENGINEERED BY M/S LURGI GmbH, GERMANY.

OX - THE SINGLE RAW MATERIAL

Orthoxylene (OX) is the single raw material required for the manufacture of PAN. It is the third derivative of crude oil.

OX has an edge over Naphthalene – the alternate material for manufacturing PAN as it is cheaper and has a better yield by weight. OX also had lesser number of by-products and a reduced impact on the environment.

ADVANTAGE IG PETROCHEMICALS

IG Petrochemicals Limited is the largest manufacturers of PAN in India, and one of the largest manufacturer of PAN at a single location in the world. PAN is highly commoditised businesses, with value being added only by the end-users. Therefore, maintaining GROWTH in such a commoditised business is intrinsically related to the competitive advantages.

IG Petrochemicals enjoys key and distinct competitive advantages over its competitors :

MANUFACTURING SCALE AND SIZE

All the three plants manufacturing PAN are located on a single-location at MIDC, Taloja in the Raigad district of Maharashtra. This ensure that economies of size, scale and scope are readily and easily available to the Company, and is a key factor in sustaining its next major advantage – lowest cost.

LOWEST COST PRODUCER

Adding to the huge cost benefits derived from economies of scale, the Company has consistently re-engineered its processes through value-engineering and better recovery. The Company also generates power at its site. These advantages have made IG Petrochemicals one of the lowest cost producer of PAN in the world.

STRATEGIC PLANT LOCATION

Taloja is a very strategic location at just 50 kms. from Mumbai, giving the Company the triple advantage in terms of close proximity to port for exports, in the vicinity of the Chemical Belt in western India where a majority of end-users are located, and close to Gujarat from where 70 per cent of Orthoxylene, the single raw material required for manufacture of PAN is sourced.

BETTER RECOVERING PROCESSES

At the manufacturing plant, the steam generated from the process is utilised efficiently, reducing oil consumption significantly, and resulting in lower cost. Moreover, the recovery of by-products from the waste stream is sold in the open market, creating better realisations.

- Situated at Taloja, Maharashtra in Western India.
- 70% of the domestic sales is in Western region.
- Near JNPT & Mumbai Port an advantage point for the product market.
- Major supplier situated in Western region (Jamnagar, Gujarat) thus reduced inward logistic costs.
- Better Inventory management and freight cost savings.
- Reduction in lead time for both sales and purchase in the Domestic and International Markets.

INNOVATING TODAY. TRANSFORMING TOMORROW.

AT IG PETROCHEMICALS LIMITED, WE HAVE DELIVERED GROWTH – CONSISTENTLY AND CONTINUOUSLY, IN SPITE OF CHALLENGES...AND WE ARE CONFIDENT TO SUSTAIN OUR GROWTH MOMENTUM WITH A CONSTANT FOCUS AND A STEADY COMMITMENT OF INNOVATING TODAY. TRANSFORMING TOMORROW.

87%

OUR SALES HAS SEEN A GROWTH OF 87 PER CENT ON A CAGR BASIS FROM 2010-11 TO 2014-15.

From capacity utilisation to production, from sales revenues to profitability, we have been resolute and resilient. In the last five (5) years, we have demonstrated our commitment to and focus on growth, with each succeeding year surpassing the growth achieved in the preceding year.

At the heart of our GROWTH has been our regular ramping up of our manufacturing capacities. From 45,000 MTPA in 1992-93, our capacity has witnessed a GROWTH of 276 per cent, touching 169,250 MTPA in 2013-14. The latest expansion of PA3 in 2013 augmented our GROWTH by 53,000 MTPA in terms of our PAN capacity.

In line with the pace of GROWTH in our manufacturing, we have mirrored the same trajectory of Growth in terms of our financial performance.

Our Sales has seen a GROWTH of 87 per cent on a CAGR basis from 2010-11 to 2014-15.

Similarly, our EBIDTA has grown by 93 per cent during the same period.

CONTINUING ON THE GROWTH TRAJECTORY

While we have demonstrated GROWTH consistently in the past, it is the promising prospect of future that convinces us that we will be able to accelerate growth in both the near and medium terms.

HERE IS WHY :

STRONG DOMESTIC DEMAND

The domestic demand in India is expected to pick up significantly on the back of a resurging economy. The year 2014-15 saw the Indian economy emerge as the fastest growing economy in the world, driven by favourable policies and a stable government at the centre. There are several factors that are in place for a sustained long-term growth in the country : key sectors like banking, insurance, infrastructure and defence are all rebounding through structural reforms; key macro triggers like inflation, FDI and commodity prices are benign; manufacturing is being boosted under the Make In India initiative of the government.

These factors all indicate to a higher demand from the entire spectrum of end-users of PAN. In fact, almost all the end-users of PAN have invested in increasing their capacity in expectation of the demand surge in the next few years.

STABLE OIL PRICES

All petrochemicals businesses are highly susceptible and sensitive to prices of crude oil. During the year 2014-15, there was a marked drop in the price of crude oil, particularly during the later half of the year, when the crude oil prices fell to sub-US\$ 50 per barrel in the month of January 2015. This was caused on account of higher inventory build-up, lowering consumption due to shale and natural gas, as well as due to OPEC's decision not to cut down production. For all petrochemical companies across the global, this drop drastically affected sales – as buyers put off their purchases in anticipation of a further drop, creating inventory pile-up. Further, due to falling prices, margins came under severe pressure.

However, crude oil prices have moved northwards since, and are today stabilised around US\$ 55-65 levels. As crude oil prices recovered, end-user demand picked up as most units did not have sufficient raw materials.

Further, as prices firmed, end-users also started building up their inventories as they did not want to risk production stoppage. Crude oil price is expected to remain stable during the year 2015-16, and when crude oil prices are stable, petrochemical companies can focus on increasing their production.

**AS WE GO AHEAD, WE
ARE CONFIDENT THAT THE
TRAJECTORY OF GROWTH
AT IG PETROCHEMICALS
WILL CONTINUE TO
ACCELERATE.**

CHAIRMAN'S COMMUNIQUE TO SHAREHOLDERS



OUR NET REVENUE FROM OPERATIONS DECREASED MARGINALLY TO ₹ 1,188 CRORES FROM ₹ 1,204 CRORES IN THE PREVIOUS YEAR.

OUR CASH PROFIT AFTER TAX INCREASED TO ₹ 46 CRORES FOR THE YEAR, COMPARED TO ₹ 21.16 CRORES FOR THE PREVIOUS YEAR.

Dear Fellow Shareholders,

It is always a pleasure to address you and share with you highlights of the previous year as well as our plans for the future.

As you are all aware, the year was a significant year for the Indian economy. After three decades, we saw the election of a single-party majority government at the Centre. And what a difference in sentiments can change make : almost immediately, there was a wave of confidence in all sectors of the economy. The waves of optimism spread across the globe, with India emerging as a promising growth hot-spot in an otherwise lacklustre world economy. The International Monetary Fund has called India “ the one bright spot” in the global economy. And rightly so, I think.

While global economy continued to remain subdued growing at 3.4 per cent (IMF), on-going crisis in Greece and geo-political tensions in the Middle East and Ukraine cast their long shadows of gloom and uncertainty. China, which had experienced double-digit growth for the last twenty years, slowed down its lowest growth rate since 1990, to 7.4 per cent. Rising labour costs and dwindling export demand are expected to continue in China.

In contrast, the India growth story once again grabbed headlines globally. GDP bounced back to 7.3 per cent aided by resurging demand. Manufacturing is now a high-focus area for the government under its flagship MAKE IN INDIA initiative. Inflation also largely tamed from high of 8 per cent in the beginning of the fiscal year to sub 5 per cent by April 2015, easing pressure on the precarious Current Account Deficit situation.

For the petrochemicals industry, the later half of the year brought unexpected shock in terms of falling crude oil prices, which fell to their lowest since 2008-09. This caused a temporary aberration as buyers deferred their purchases leading to inventory pile-ups and pressuring margins. However, oil prices corrected in early 2015, reviving the demand cycle in the last quarter of the fiscal year.

In spite of these upheavals, IG Petrochemicals continued to move on its trajectory of GROWTH. The additional capacity of 53,000 MTPA from PA3 boosted our performance.

For the year, our Net Revenue from Operations decreased marginally to ₹ 1,188 crores from ₹ 1,204 crores in the previous year. However, there was a remarkable improvement in our profitability.

Our Profit After Tax increased to ₹ 8.89 crores compared to ₹ 3.13 crores in the previous year, and our Cash Profit After Tax increased to ₹ 46 crores for the year, compared to ₹ 21.16 crores for the previous year.

In view of this, a dividend of ₹ 1/- per share (10 per cent) has been proposed. We are hopeful to continue with this trend and pay consistent dividends in the years to come.

As a responsible corporate citizen, we have always ensured that we share our success with the societies and communities we live and work around. During the year 2014-15, our CSR spend was ₹ 29.13 lacs at 3.27% of our Net Profit, focused to improve health and education through various activities and initiatives.

As I look ahead, I am excited by the manifold growth opportunities on the horizon. Underpinned by an overall surging economy, domestic demand will be the single-most important driver of our future growth. Our timely expansion of PA3 in 2013 has ensured that we continue to dominate the PAN space in the country as the No. 1 manufacturers of PAN with lowest cost and strategic location near Mumbai.

My sincere gratitude to all of you for your continued support. My special thanks to our customers, bankers, investors, vendors and employees.

Yours sincerely,

MM Dhanuka
Chairman

OUR CSR SPEND WAS ₹ 29.13 LACS AT 3.27% OF OUR NET PROFIT, FOCUSED TO IMPROVE HEALTH AND EDUCATION THROUGH VARIOUS ACTIVITIES AND INITIATIVES.

MANAGING DIRECTOR'S MESSAGE



Growth has always been the focal point at everything for us at IG Petrochemicals – from strategy to operations and from planning to projects.

Growth is both the driver and the differentiator at IG Petrochemicals. We have always believed that improvement is a never-ending journey, and that through local level innovations, value-reengineering, process enhancements and an overall innovative approach, it is possible to deliver growth in spite of challenges.

It is my privilege to present before you the Annual Report for the year 2014-15, a year that brought its unique set of challenges and opportunities in the form of weak international demand, crashing oil prices, geo-political uncertainty and the confidence-boosting, sentiment-reviving change of government in India.

For IG Petrochemicals Ltd., like all other petrochemical companies across the globe, the abrupt fall in crude oil prices

created shockwaves in the later half of the year. The fall in demand from end-users, the stock-pile up stressed both the top-line and the bottom-line in the third quarter. However, crude oil prices revived in last quarter of the year, and the Company made a remarkable improvement as demand picked up and drove revenues. The most remarkable improvement was in the profitability during the last quarter – our EBITDA and Cash PAT increased by 49 per cent and 37 per cent respectively, on a quarter-to-quarter basis. This was achieved due to a combination of better input cost management, improved conversion ratio and higher realisation – all of which had a positive impact on the operating margins.

On an annual basis, it has been a year of improved operating efficiency. Our EBITDA margin for the year improved to 7.3 per cent from 5.8 per cent in the previous year, while our Profit After Tax improved to 0.7 per cent against 0.3 per cent in the previous year.

The PA3 capacity expansion done in 2013 has now given us exponential advantages, particularly as we continue to leverage the tremendous economies of scale – a benefit uniquely available due to our single-location manufacturing.

Our constant endeavour to improve, enhance and engineer better processes through innovation has led us to become one of the lowest cost

producers of PAN in the industry, a dominant advantage indeed.

To ensure that the effect of events like the oil price crash of 2014 are reduced, we are exploring opportunities to add certain value added products to de-risk our business and achieve growth. The focus of attention has shifted back to India now, particularly with the Chinese economy cooling off. The engine of GROWTH in India is speeding on the fast track with demand picking up significantly across sectors and industries. From consumer goods to electronics to industrial products, every sector is gearing up for a phase of growth and expansion to meet the upsurge in demand. At IG Petrochemicals, this is indeed excellent news. As domestic demand picks up, so will the demand for PAN, as PAN is widely used in industries ranging from paints to pipes and from cables to colours.

Growth, I believe, is here for the long-term, both for the country, and for the Company.

Here's to more expansion, more value and more Growth!

Yours sincerely,

Nikunj Dhanuka
Managing Director

37%

OUR EBITDA AND CASH PAT INCREASED BY 49 PER CENT AND 37 PER CENT RESPECTIVELY, ON A QUARTER-TO-QUARTER BASIS

ON AN ANNUAL BASIS, IT HAS BEEN A YEAR OF IMPROVED OPERATING EFFICIENCY. OUR EBITDA MARGIN FOR THE YEAR IMPROVED TO 7.3 PER CENT FROM 5.8 PER CENT IN THE PREVIOUS YEAR, WHILE OUR PROFIT AFTER TAX IMPROVED TO 0.7 PER CENT AGAINST 0.3 PER CENT IN THE PREVIOUS YEAR.

FINANCIAL HIGHLIGHTS

₹ IN CRORES (EXCEPT EPS)

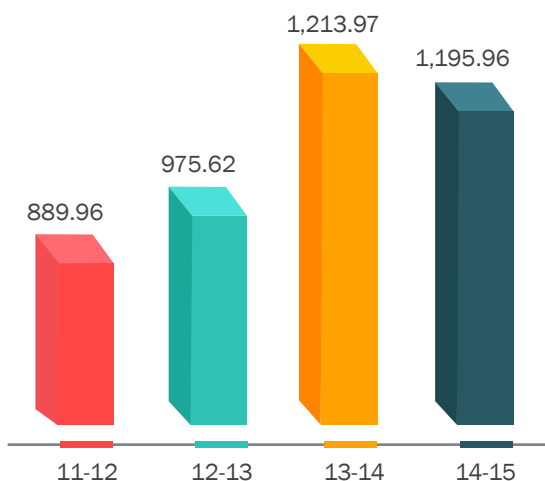
Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Total Revenue (Net)	1,195.96	1,213.97	975.62	889.96	632.23
Total Expenses	1,109.03	1,143.81	913.65	843.81	587.34
Gross Profit/EBIDTA	86.92	70.16	61.97	46.14	44.88
Finance Cost	38.16	30.36	16.67	14.64	14.15
Depreciation & Amortisation	16.39	18.03	13.75	14.90	14.20
Profit before Extraordinary item & tax	32.36	**3.91	31.54	16.59	16.52
Profit before tax @	11.25	3.91	3.88	16.59	16.52
Tax Expense	2.36	7.8	0.81	3.30	3.29
Profit after tax	8.89	3.13	3.07	13.29	13.23
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	238.81	257.26	258.02	258.80	249.43
Earnings Per Share (EPS) of ₹ 10/- each					
Before Extraordinary Item	10.51	1.02	10.24	4.32	4.30
After Extraordinary Item	2.89	1.02	1.00	4.32	4.30

@ Profit before tax for 2014-15 & 2012-13 is after provision of Arrears of Depreciation of ₹ 2,111.10 lacs & ₹ 2,765.78 lacs respectively.

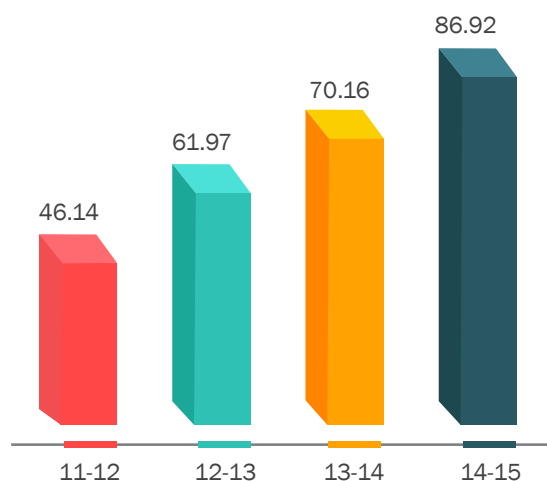
** Profit before Extraordinary item & tax is after adjustment of Exchange Loss (Net) of ₹ 1,785.85 lacs.

₹ IN CRORES

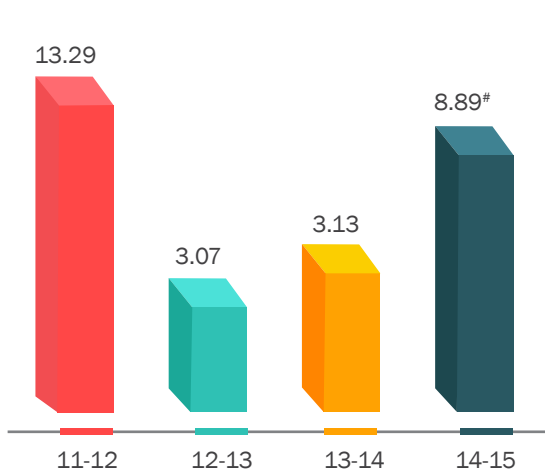
REVENUES (NET)



EBIDTA

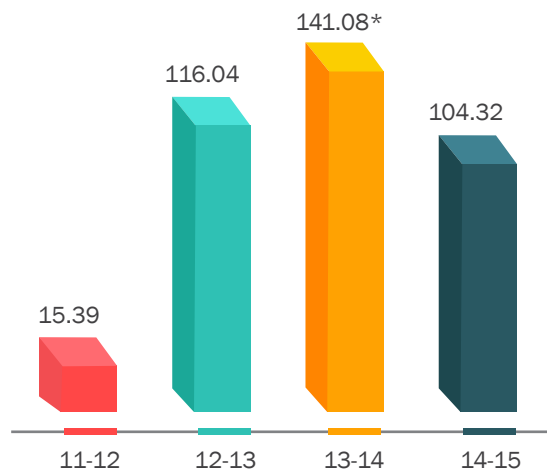


PAT



AFTER PROVISION OF ARREARS OF DEPRECIATION OF ₹ 21.11 CRORES.

SECURED LONG TERM LOANS



* FOR PA-3 EXPANSION

CORPORATE SOCIAL ACTIVITIES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to contribute towards the society at large by monetary as well as non-monetary means in the field of education, healthcare and livelihood for the general upliftment of the economically weaker sections of the Society. The Company endeavour to reach out and empower the community in and around the place where it operates as well as other areas in order to achieve inclusive growth by supporting the underprivileged class of masses. In terms of the CSR Policy of the Company, the CSR Committee is entrusted with the responsibility of discharging the Company's obligations to give it back to the Society. Broadly, the social activities of the Company emphasizes in education, healthcare and community service as set out below :

EDUCATION

The Company's contribution in the field of education includes contribution to the Akshay Patra Foundation, Bangalore which provides mid-day meal to the students of various schools, distribution of LED TV's with Tata Sky channel to a Primary School in Ghotgaon, Talaja, Maharashtra and by donation through a Public Trust to the schools in Brindavan for purchase of school bus and other educational material.



LED TV's installed in Primary School, Ghotgaon, Talaja

HEALTHCARE

Donation to the Child Health Foundation, Neurology Foundation and Blind Organisation of India all situated in Mumbai to cater to the need for medical and healthcare services for the needy section of the public.



Primary School, Ghotgaon, Talaja

COMMUNITY SERVICE

Contribution to the Old Age Homes situated in and around its factory i.e. Talaja, Maharashtra and Orphanage in Coimbatore which provides the financial support and looks after the maintenance of the homeless senior/aged people/orphan/disabled persons, etc. by way of a financial support for their general upliftment.

The Company shall always strive to achieve the well being of the society in which it operates, other neighbouring communities and environment and the nation at large.



Contribution to Paramshantidham Vridhashram, Talaja



Paramshantidham Vridhashram, Taloja



*Parmeshwari Devi Dhanuka Saraswati Vidya Mandir Higher Secondary School
- Vrindaban*



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri M M Dhanuka, Chairman
Shri Nikunj Dhanuka, Managing Director
Shri Rajesh Muni
Dr. A K A Rathi
Shri P H Ravikumar
Dr. Vaijayanti Pandit
Shri J K Saboo, Executive Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

R Chandrasekaran

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

BANKERS

The Lakshmi Vilas Bank Ltd.
State Bank of India
YES Bank Ltd.
The Cosmos Co-operative Bank Ltd.
Andhra Bank
Federal Bank Ltd.

REGISTERED OFFICE

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001
Tel.No.: 0832 - 2434973

CORPORATE OFFICE

401, Raheja Centre
Free Press Journal Marg
214, Nariman Point
Mumbai – 400 021
Tel.: 022 - 30286100/132/133
Fax: 022 - 22040747
Email: igpetro@vsnl.com
CIN: L51496GA1988PLC000915

EXECUTIVE OFFICE

D/4, Jyothi Complex
134/1, Infantry Road
Bengaluru – 560 001
Tel.: 080 – 22868372
Fax: 080 – 22868778

FACTORY

T-2, MIDC Industrial Area
Taloja – 410 208
Maharashtra
Tel.: 022 – 39289100/146
Fax: 022 – 27410192
Email: igpetro.talojapa@gems.vsnl.net.in

REGISTRAR & 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
Email: info@bigshareonline.com

Notice To the Shareholders

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of I G PETROCHEMICALS LIMITED (CIN:L51496GA1988PLC000915) will be held on Monday, 17th day of August, 2015 at 11.00 a.m. at Hotel Mandovi, D B Bandodkar Road, Panaji, Goa-403 001, to transact the following business :

As Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 and the Report of the Board of Directors and the Auditors' Report thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri M M Dhanuka (DIN 00193456) who retires by rotation and being eligible has offered himself for re-appointment.
4. **Appointment of Statutory Auditors**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014, (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Hariharan & Co., Chartered Accountants, Bengaluru, (Firm Registration No. 001083S), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby reappointed as Statutory Auditors of the Company to hold office for a term of two consecutive years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 28th AGM of the Company to be held in the year 2017 (subject to the ratification of their appointment at the next AGM) on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

As Special Business

5. Appointment of Independent Director


To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Vajjayanti Pandit (DIN 06742237) who was appointed as an Additional Director with effect from 30th March, 2015 and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years i.e. upto 29th March, 2020.”

6. Appointment of Joint Statutory Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s ASA & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 009571N/ N500006), be and is hereby appointed as Joint Statutory Auditor of the Company, in addition to existing Statutory Auditor i.e. M/s. Hariharan & Co., Chartered Accountants, Bengaluru, (Firm Registration No. 001083S) of the Company, for the financial year 2015-16 to hold office for a term of five consecutive years i.e. until the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2020 (subject to ratification of their appointment at each Annual General Meeting) on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition



to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company“.

7. **Ratification of Remuneration of Cost Auditor**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration amounting to ₹ 40,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending 31st March 2016 as approved by the Board of Directors of the Company, to be paid to M/s. Krishna S & Associates, Cost Accountants, Mumbai to conduct the audit of the cost records of the Company be and is hereby ratified and confirmed.”

8. **Appointment of Shri Umang Dhanuka as Chief Marketing Officer**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby granted for the appointment of Shri Umang Dhanuka, a relative (brother) of Shri Nikunj Dhanuka, Managing Director as Chief Marketing Officer of the Company effective 1st July, 2015 at a monthly remuneration of ₹ 3,00,000/- and perquisites on the following terms and conditions:

- a. Remuneration – ₹ 3,00,000/- per month.
- b. Personal Pay – Equivalent to two months remuneration
- c. Perquisites – In addition to the aforesaid remuneration and personal pay, he shall be entitled to the following perquisites and are classified into 3 categories:

Category A

i. Housing

The expenditure by the Company for hiring the furnished accommodation shall not exceed ₹ 25,000/- per month

ii. Medical reimbursement

Expenses incurred by him and his family subject to a ceiling of 1 month's salary in a year or 3 month's salary over a period of 3 years.

iii. Leave Travel Concession

For self and family once in a year in accordance with the rules of the Company.

iv. Leave

Earned leave with full pay and allowances as per the rules of the Company but not exceeding 1 month's leave for every 11 months of service. Encashment of leave at the end of the tenure as per the rules of the Company will be allowed.

v. Club fees:

Subject to a maximum of two clubs.

vi. Insurance

Cost of insurance in respect of mediclaim policy for self and family and personal accident insurance shall be borne by the Company.

Category B

Contribution to provident fund, superannuation fund or annuity fund as per rules of the Company. Gratuity payable shall not exceed half month's salary for each completed year of service.

Category C

Provision for use of car and telephone as per the rules of the Company.

- d. Terms and conditions of the employment – The terms and conditions shall be governed by the contract of employment which shall be entered into between Shri Umang Dhanuka and the Company.
- e. Tenure of the employment contract – The employment contract shall continue to exist till Shri Umang attains the age of superannuation in accordance with the employment policy of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorised to grant such increment which shall not exceed 20% per annum of the remuneration payable for the financial year preceding the financial year in respect of which such increment pertains and that the Board be and is hereby authorized to vary, alter the scope of the remuneration as it may deem fit in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

9. Appointment of Shri Mayank Dhanuka as Chief Operating Officer

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby granted for the appointment of Shri Mayank Dhanuka, a relative (son) of Shri M M Dhanuka, Chairman as Chief Operating Officer of the Company effective 1st July, 2015 at a monthly remuneration of ₹ 3,00,000/- and perquisites on the following terms and conditions:

- a. Remuneration – ₹ 3,00,000/- per month.
- b. Personal Pay – Equivalent to two months remuneration
- c. Perquisites – In addition to the aforesaid remuneration and personal pay, he shall be entitled to the following perquisites and are classified into 3 categories:

Category A

i. Housing

The expenditure by the Company for hiring the furnished accommodation shall not exceed ₹ 25,000/- per month

ii. Medical reimbursement

Expenses incurred by him and his family subject to a ceiling of 1 month's salary in a year or 3 month's salary over a period of 3 years.

iii. Leave Travel Concession

For self and family once in a year in accordance with the rules of the Company.

iv. Leave

Earned leave with full pay and allowances as per the rules of the Company but not exceeding 1 month's leave for every 11 months of service. Encashment of leave at the end of the tenure as per the rules of the Company will be allowed.

v. Club fees:

Subject to a maximum of two clubs.

vi. Insurance

Cost of insurance in respect of mediclaim policy for self and family and personal accident insurance shall be borne by the Company.

Category B

Contribution to provident fund, superannuation fund or annuity fund as per rules of the Company. Gratuity payable shall not exceed half month's salary for each completed year of service.

Category C

Provision for use of car and telephone as per the rules of the Company.

- d. Terms and conditions of the employment – The terms and conditions shall be governed by the contract of employment which shall be entered into between Shri Mayank Dhanuka and the Company.
- e. Tenure of the employment contract – The employment contract shall continue to exist till Shri Mayank Dhanuka attains the age of superannuation in accordance with the employment policy of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers conferred by this resolution) of the Company be and is hereby authorised to grant such increment which shall not exceed 20% per annum of the remuneration payable for the financial year preceding the financial year in respect of which such increment pertains and that the Board be and is hereby authorized to vary, alter the scope of the remuneration as it may deem fit in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

10. Adoption of Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals, permissions and sanctions, if any, of the Registrar of Companies, Goa, the existing Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association and that the same be and is hereby approved and adopted as the Articles of Association of the Company in place and in exclusion and substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board and/or Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the resolution.”

11. Maintenance of the Register of Members and related statutory books at a place other than the Registered Office of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 (“the Act”) and all other applicable provisions of the Act and the relevant Rules, if any, consent of the members of the Company be and is hereby accorded to keep the Register of Members and Index of Members, Register and Index of any other Security holders, Register of Renewed and Duplicate Shares Certificates and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act and other related statutory books be kept at the Corporate Office of the Company situated at 401-404, Raheja Centre, 214, Nariman Point, Mumbai – 400 021 or at the office of the Company’s Registrar and Transfer Agent i.e. Bigshare Services Private Limited situated at E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakivihar, Andheri (East), Mumbai – 400 072.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to intimate to the Registrar of Companies, Goa and to do all such acts, deeds and things as may be necessary.”

By Order of the Board
For **IG Petrochemicals Limited**

Place : Mumbai
Date : 10th July, 2015

R Chandrasekaran
Chief Financial Officer & Secretary

Registered Office

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001.

Notes

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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.**
2. The Explanatory Statements 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.
3. A statement giving the relevant details of the Directors seeking appointment/re-appointment under item Nos. 3 and 5 of the accompanying Notice, as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed hereto. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 11th August, 2015 to Monday, 17th August, 2015 (both days inclusive), for the payment of Dividend, if declared at the Meeting.
5. After the declaration of Final Dividend as recommended by the Board of Directors, payment of such dividend will be



made on Tuesday, 25th August, 2015 as under:

- a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 7th August, 2015;
 - b) To all Members holding shares in physical form, whose names stand on the Register of Members of the Company on 17th August, 2015.
6. Members are requested to immediately intimate change of address, if any, to the Company/Registrar & Share Transfer Agents (RTA).
 7. 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 Company/RTA.
 8. In terms of Sections 205C and 205A of the Companies Act, 1956, the company has during the year transferred the unpaid or unclaimed dividend in respect of the interim dividend declared for the financial year 2007- 08 to the Investor Education & Protection Fund.
 9. Members holding shares in single name or in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.igpetro.com.
 10. Electronic copy of the Annual Report is being sent to the members whose email address 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 is being sent in the permitted mode and they are requested to register their e-mail address with the Company to facilitate the faster receipt of communication and avoid any possible loss in postal transit apart from benefits resulting out of reduction in paper consumption and contributing towards a greener environment. A form for registration of your e-mail address is being sent. **You are requested to kindly avail the facility of electronic communication.** Shareholders may note that even after registering their e-mail address, they shall always have a right to ask for a physical copy of the annual report.
 11. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
 12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company/ or RTA for assistance in this regard.
 13. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will only be entitled to vote.
 14. 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.
 15. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report will also be available on the Company's website www.igpetro.com for download.
 16. 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.
 17. The Company is providing the facility to the Members to cast their vote by electronic means i.e. through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all resolutions set forth in this Notice and the Members may cast their vote on resolutions through such e-voting.

18. The facility for voting, either through e-voting or ballot or polling paper shall also be made available to the Members at the meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to vote either through ballot or polling at the meeting.
19. However, the Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but they shall not be able to cast their vote again at the meeting.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

For Members whose e-mail addresses are registered with the Company/Depositories


The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter



their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - After receiving the login details they have to create a user ID who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 13th August, 2015 (10.00 a.m. IST) and ends on 16th August, 2015 (05.00 p.m. IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 12th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For Members whose e-mail addresses are not registered with the Company/Depositories:

Members will receive a Ballot Form along with the Annual Report. They have two options:

- i. To opt for e-voting by using the initial password that is provided in the enclosed Ballot Form.

Follow all steps as given in Sr. No. (ii) to Sr. No. (xvi) above, to cast your vote.

OR

- ii. To opt for casting your vote in physical form, fill in the Ballot Form and post it to the address mentioned in the enclosed Business Reply Envelope.

Other Instructions:

- i. The e-voting period commences on 13th August, 2015 (10.00 a.m. IST) and ends on 16th August, 2015 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form as on 12th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to alter it subsequently
- ii. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on 12th August, 2015 as per the Register of Members of the Company.
- iii. Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No.2285) failing him Mr. Vipin Meha, Practicing Company Secretary (Membership No.9869) has been appointed as the Scrutinizer to scrutinise the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 20th August, 2015 a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members opting to vote in physical form should send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer, in the enclosed postage pre-paid self addressed envelope not later than 14th August, 2015 (6.00 p.m. IST). Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted. Members have the option to request for a physical copy of the Ballot Form by sending an e-mail to udhuri@igpetro.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than 14th August, 2015 (6.00 p.m. IST).
- vi. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his/her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.igpetro.com and on the website of CDSL www.evoting.cdsl.com immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to BSE and NSE where its shares are listed.

By Order of the Board
For I G Petrochemicals Limited

Place : Mumbai
Date : 10th July, 2015

R Chandrasekaran
Chief Financial Officer & Secretary

Registered Office

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001.



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Pursuant to Clause 49 of the Listing Agreement and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint one woman director. Based on the recommendation of the Nomination and Remuneration Committee at their meeting held on 10th February, 2015, the Board of Directors have appointed, effective 30th March, 2015, Dr. Vaijayanti Pandit (DIN 06742237) as an Additional Independent Director of the Company in terms of Section 161 read with Section 149 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of Dr. Vaijayanti Pandit as a Director along with a deposit of ₹ 1,00,000/-.

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 Dr. Vaijayanti Pandit as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years i.e. upto 29th March, 2020.

The Board of Directors believe that the association of Dr. Vaijayanti Pandit as Independent Director with the Company shall be beneficial to the progress of the Company and also fulfils the mandatory requirement and hence, the Board recommends her appointment as Independent Director as set out in Item No. 5 for the approval of the shareholders at the Annual General Meeting.

In the opinion of the Board, Dr. Vaijayanti Pandit fulfils the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement and she is independent of the management. Further, the Board has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A brief profile of Dr. Vaijayanti Pandit including nature of her expertise and other disclosure as required under Clause 49 of the Listing Agreement, is annexed to this Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except for Dr. Vaijayanti Pandit, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the said Resolution.

Item No. 6

In the year 2013, the Company had embarked upon the substantial expansion of its production capacity of Phthalic Anhydride at its plant situated at Taloja. With the successful commission of the enhanced capacity, the Company is poised to grow at a brisk pace which would entail increase in production output. Given the expected growth and the increase in size of operations of the Company, the Board of Directors felt about the need of the Company to appoint Joint Statutory Auditor to audit the accounts of the Company. The Board of Directors proposes to appoint M/s ASA & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. No. 009571N/N500006) as Joint Statutory Auditor to hold office until the conclusion of the 31st Annual General Meeting (AGM) of the Company to be held in the year 2020 (subject to ratification of their appointment at the each AGM).

The Company has received consent from M/s ASA & Associates LLP, Chartered Accountants, Mumbai confirming their eligibility for appointment in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and the same is available for inspection by the members at the Registered Office of the Company during the office hours on any working day between 11.00 a.m. to 6.00 p.m. upto date of the AGM.

The existing statutory auditors of the Company i.e. M/s. Hariharan & Co., Chartered Accountants, Bengaluru, (Firm Registration No. 001083S), have conveyed their assent to the proposed appointment of Joint Statutory Auditor.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said Resolution.

Item No. 7

In pursuance of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors upon the recommendation of the Audit Committee have appointed M/s. Krishna S & Associates, Cost Accountants, Mumbai, to conduct the audit of Cost records of the Company at a remuneration of ₹ 40,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March, 2016.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said Resolution.

Item No. 8

Shri Umang Dhanuka was appointed as Dy. General Manager – Exports of the Company effective 1st April, 2010 pursuant to the approval of the shareholders of the Company at an Annual General Meeting held on 21st August, 2010. He has been instrumental and has been playing a key role in all operations relating to the export requirements of the Company and possesses more than 18 years of experience in dealing with the suppliers in connection with procurement of raw materials, negotiations, etc.

In addition to the existing role performed by him, he has also been entrusted with the added responsibilities viz. overseeing the planning, development and execution of the Company's marketing and advertising initiative, generating revenue by increasing sales through successful marketing for the entire organization, using market research, pricing, product marketing and public relations, etc.

The present remuneration drawn by Shri Umang Dhanuka is ₹ 47,600/- per month which was as approved at the time of his appointment in the year 2010 and subsequently the same has not been revised/reviewed. The present emoluments do not match with roles, responsibilities and functions discharged by him vis-à-vis other employees in the company at the same level.

Taking into consideration the above vis-à-vis the Nomination, Remuneration and Evaluation Policy of the Company, it is proposed to elevate him to the senior management position i.e. Chief Marketing Officer in the Company effective 1st July, 2015. Considering the industry standards engaged in the same products, the remuneration of Shri Umang Dhanuka be revised and he shall also be entitled to the perquisites, as more specifically described in the resolution.

Since Shri Umang Dhanuka is a relative (brother) of Shri Nikunj Dhanuka, Managing Director of the Company, his appointment would fall within the ambit of 'related party transactions'.

Pursuant to the provisions of Section 177 and 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company have appointed at their respective meetings held on 10th July, 2015 Shri Umang Dhanuka as Chief Marketing Officer of the Company effective 1st July, 2015 subject to the approval of the members of the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, an appointment of Shri Umang Dhanuka as Chief Marketing Officer at a monthly remuneration exceeding ₹ 2,50,000/- would require prior approval of the Company by a special resolution.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Shri Umang Dhanuka
Name of the Director or Key Managerial Personnel who is related, if any	Shri Nikunj Dhanuka, Managing Director
Nature of relationship	Brother of Shri Nikunj Dhanuka, Managing Director
Nature, material terms, monetary value and particulars of the contract or arrangement	The Board of Directors have appointed Shri Umang Dhanuka as Chief Marketing Officer of the Company effective 1 st July, 2015 at a monthly remuneration of ₹ 3,00,000/- and perquisites as defined in the resolution subject to the approval of the members under a contract of employment with the Company. He shall be subject to the rules and regulations pertaining to his employment.
Any other information relevant or important for the members to take a decision on the proposed resolution.	Shri Umang Dhanuka is presently overseeing export operations of the Company.

The Board of Directors recommends the Resolution at item no. 8 as a Special Resolution for approval of the members.

Except for Shri Nikunj Dhanuka, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

Item No. 9

Shri Mayank Dhanuka was appointed as Dy. General Manager – Imports of the Company effective 1st April, 2010 pursuant to the approval of the shareholders of the Company at an Annual General Meeting held on 21st August, 2010. He has been instrumental and has been playing a key role in all operations relating to the import requirements of the Company and possesses more than fifteen years of experience in areas such as purchase function, plant operations, etc.

In addition to the existing role performed by him, he has also been entrusted with the added responsibilities viz. relating to overseas operations, plant operations, business development, execution of organizational objectives, lead and guide the team members, etc.

The present remuneration drawn by Shri Mayank Dhanuka is ₹ 47,600/- per month which was as approved at the time of his appointment in the year 2010 and subsequently the same has not been revised/reviewed. The present emoluments do not match with roles, responsibilities and functions discharged by him vis-à-vis other employees in the company at the same level.

Taking into consideration the above vis-à-vis the Nomination, Remuneration and Evaluation Policy of the Company, it is proposed to elevate him to the senior management position i.e. Chief Operating Officer in the Company effective 1st July, 2015. Considering the industry standards engaged in the same products, the remuneration of Shri Mayank Dhanuka be revised and he shall also be entitled to the perquisites, as more specifically described in the resolution.

Since Shri Mayank Dhanuka is a relative (son) of Shri M M Dhanuka, Chairman of the Company, his appointment would fall within the ambit of 'related party transactions'.

Pursuant to the provisions of Section 177 and 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company have appointed at their respective meetings held on 10th July, 2015 Shri Mayank Dhanuka as Chief Operating Officer of the Company effective 1st July, 2015 subject to the approval of the members of the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, an appointment of Shri Mayank Dhanuka as Chief Operating Officer at a monthly remuneration exceeding ₹ 2,50,000/- would require prior approval of the Company by a special resolution.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Shri Mayank Dhanuka
Name of the Director or Key Managerial Personnel who is related, if any	Shri M M Dhanuka, Chairman
Nature of relationship	Son of Shri M M Dhanuka, Chairman
Nature, material terms, monetary value and particulars of the contract or arrangement	The Board of Directors have appointed Shri Mayank Dhanuka as Chief Operating Officer of the Company effective 1 st July, 2015 at a monthly remuneration of ₹ 3,00,000/- and perquisites as defined in the resolution subject to the approval of the members under a contract of employment with the Company. He shall be subject to the rules and regulations pertaining to his employment.
Any other information relevant or important for the members to take a decision on the proposed resolution.	Shri Mayank Dhanuka is presently overseeing the import operations of the Company.

The Board of Directors recommends the Resolution at item no. 9 as a Special Resolution for approval of the members.

Except for Shri M M Dhanuka none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the said resolution.

Item No. 10

The existing Articles of Association has been in force since the incorporation of the Company under the Companies Act, 1956 subject to necessary alterations from time to time. With the enforcement of the Companies Act, 2013 introducing several new provisions, the reference to the existing Articles of Association have been rendered ineffective to the extent they are inconsistent with the Companies Act, 2013 ("the Act").

It is, therefore, considered expedient to replace, substitute or alter the existing Articles of Association of the Company with the new Articles of Association so as to align with Table F of Schedule I to the Act, which sets out the model articles of association.

In terms of Section 5 and 14 of the Act, read with Companies (Incorporation) Rules, 2014, consent of the Members of the Company by way of special resolution is sought to adopt the new set of Companies (Incorporation) Rules, 2014 in complete substitution to the existing Articles of Association of the Company.


A copy of the proposed Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company during the office hours on any working day between 11.00 a.m. to 6.00 p.m. upto date of the Annual General Meeting.

The Board of Directors recommend the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said Resolution.

Item No. 11

Pursuant to the provisions of Section 88, 92 and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Register of Members and Index of Members, Register and Index of any other Security holders, Register of Renewed and



Duplicate Shares / Securities Certificates and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act and other related books are required to be kept at the registered office of the Company. However, the provisions of the Act and the Rules framed under the Act allows the Company to keep the above mentioned Registers, Returns, etc. at any other place within the city, town or village in which the registered office of the Company is situated or at any other place in India in which more than one-tenth of the total members of the Company reside with the consent of the members in the general meeting by way of special resolution.

Based on the data provided by the Company's Registrar and Transfer Agent i.e. Bigshare Services Private Limited, out of the total 27,313 members as on 10.07.2015, 7,073 members constituting 25.90 % reside in the city of Mumbai.

The Board of Directors recommends the Special Resolution set out at item no. 11 for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said resolution.

By Order of the Board
For **I G Petrochemicals Limited**

Place : Mumbai
Date : 10th July, 2015

Registered Office

T-10, 3rd Floor, Jairam Complex
Mala, Neugi Nagar
Panaji, Goa – 403 001.

R Chandrasekaran
Chief Financial Officer & Secretary

Details of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement

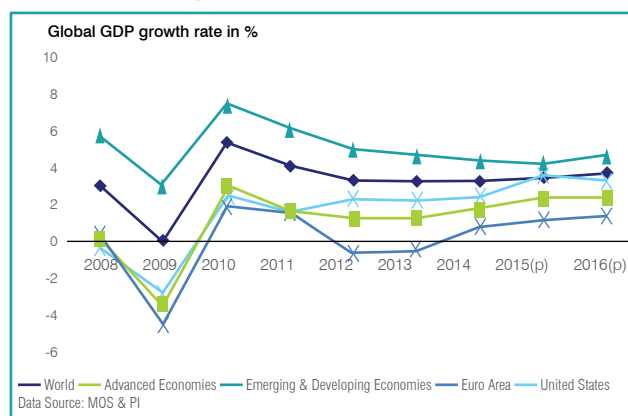
Name of the Directors	Shri M M Dhanuka	Dr. Vaijayanti Pandit
Director Identification Number (DIN)	00193456	06742237
Date of Birth	17.04.1948	12.01.1953
Date of Appointment on the Board	18.10.1988	30.03.2015
Qualifications	B.E. (Chem)	M.A., Ph.D
Expertise	Has over three decades of experience and expertise in technical, production and Marketing area. He has experience for the overall management of business and the corporate strategies of the Company	Possesses more than 35 years of experience. Has built up a vibrant organization of woman entrepreneurs, managers, professionals during the period from 1982-99 that has grown exponentially as the largest in India. She was Secretary of Indian Merchants Chambers for the period 1999-2006 and handled Trade Fairs and Business Promotions, International Trade Missions and Policy issues having a direct impact on Business and Industry. She was also a Senior Director of the Federation of Indian Chambers of Commerce and Industry (FICCI) from 2006-12, which is India's leading apex industry body with domestic and overseas offices
Directorship held in other Public Companies (excluding foreign, private and Section 8 Companies)	Mysore Petro Chemicals Limited	Indo Count Industries Ltd Prime Urban Development (I) Ltd TCI Industries Ltd Automobile Corporation of Goa Ltd Banswara Syntex Ltd TML Drivelines Ltd Tata Motors Distribution Ltd
Chairmanships/Memberships of Committees of other Public Companies (include only Audit Committee & Stakeholders Relationship Committee)	NIL	Stakeholders Relationship Committee Indo Count Industries Ltd - Member TCI Industries Ltd - Chairperson
No. of shares held in the Company	104904 shares	Nil
Relationship between directors inter-se	Shri. Nikunj Dhanuka - Nephew	Nil

Management Discussion and Analysis

Economic Overview

Geo-political tensions in Ukraine and the Middle East, slowdown in China, continued sluggishness in Europe and Japan moderated global growth in 2014. According to the World Economic Outlook published in April 2015 by the International Monetary Fund (IMF), the world output grew at a modest 3.4 per cent in the year 2014, similar to that in 2013. However, unlike in 2013, there was a marked pickup in growth in advanced economies relative to the previous year, while in emerging markets and developing economies, there was slowdown.

Growth of world gross product, 2007-2015^a



The US economy, the largest in the world, demonstrated a stronger than expected growth. For the last three quarters, growth averaged at an annualised 4 per cent. The key driver for this resurgence was consumption, that benefitted from steady job creation and lower oil prices in the latter half of the year. For the year 2014, the output of the US was 2.4 per cent, compared to 2.2 per cent in 2013, as per IMF's World Economic Outlook, April 2014.

In the Euro area, the crisis in Ukraine and the nervous uncertainty over whether Greece would opt out of the EU cast dark shadows. However, as in the case of US, there were some positive signals of pickup in growth in the latter half of the year, again with rising consumption aided by low oil prices.

There was a global glut in oil prices, particularly in the third quarter of FY2015, when the price of crude oil fell below

US\$ 50 per barrel. This dramatic fall was caused by a combination of stock pile up and OPEC's decision not to cut down on production. However, oil prices picked up in the last quarter of FY2015 to US\$ 55-60 per barrel.

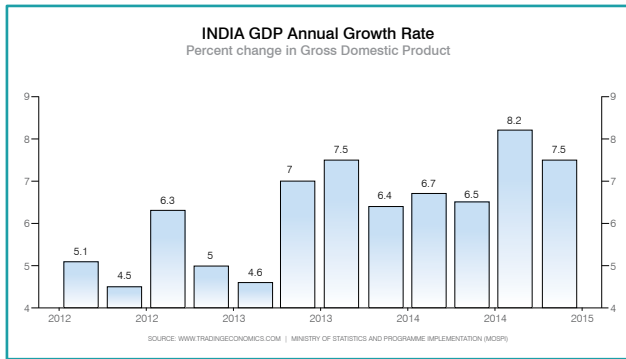
Oil Prices in 2014-2015



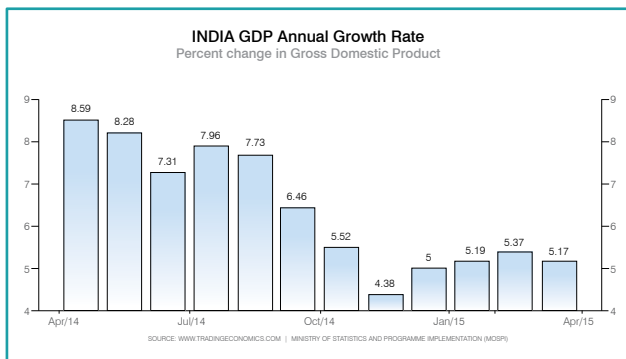
China and India

In China, growth slowed to its slowest rate since 1990 to 7.4 per cent, missing the government's target of 7.5 per cent for the year. After almost three decades of double digit growth, this single-digit growth is being called the 'new normal' by President Xi Jinping, and is likely to continue in the short and medium terms. Labour costs in China have more than quadrupled in US Dollar terms since 2005 (as per Economic Intelligence Unit), and strikes have doubled since 2013. Jobs are now shifting to service sector from manufacturing sector.

In India, the year 2014 was a year of structural reforms. The new government introduced reforms in many key sectors of the economy like Banking, Insurance, Defence and Infrastructure. Another landmark development during the year was the change in GDP measuring method: the base year was changed to 2010-11 from 2004-05, and GDP will now on be measured at market prices instead of at factor cost basis. The revised GDP for FY2014 stands at 7.4 per cent compared to 6.9 per cent for FY2013. Also, the revision has increased the size of the Indian economy to over US\$ 2.1 trillion for the first time.



Inflation was largely under control during the year. The retail inflation as measured by Consumer Price Index (CPI) hovered to around 5 per cent in the latter half of the year due to fall in oil prices.



Industry Overview

About Phthalic Anhydride (PA)

Phthalic Anhydride (PA) is a downstream product of Orthoxylene (OX) a basic petrochemical. OX is clear and colourless at room temperatures and is used as a feedstock for the production of PA. Almost 97 per cent of all OX produced is used for making PA, and therefore, the demand for OX is strongly linked to the demand for PA. The total world production of OX is about 3.5 million tonnes of which almost 3.4 million tonnes is used for production of PA.

PA is a basic raw material used as an intermediate for the production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins and Polyols. PA is an organic compound and a downstream product of the basic petrochemical – Orthoxylene (OX). As much as 97 per cent of all OX produced is used for conversion into PA. The total world production of

OX is estimated to be around 3.5 million tonnes, of which, 3.4 million tonnes is used for conversion into PA.

PA is used in a variety of applications in both consumer durables to non-consumer durables. These range from paints, dyes, pigments, inks to PVC pipes, construction materials, textiles and transportation.

China is the largest producer of PA in the world, accounting for almost 35 per cent of global PA production, followed by Western Europe at around 15 per cent. India has a capacity to produce

340,000 MT of PA in 2014-15, compared to 280,000 MT in the previous year.



There has been a steady rise in both production and consumption of PA in India over the last few years. The PA Industry in India is expected to grow by 7 to 8% annually.

Plasticizers Industry

Plasticizers account for almost 55 per cent of PA usage, followed by Unsaturated Polyester Resins at 20 per cent. The Asia-Pacific region is the largest plasticizer market in the world, accounting for more than half of total demand in 2013. Demand is projected to grow at a CAGR of 6.41 per cent from 2014 – 2019 and reach US\$ 19.4 billion by 2019. In the region, India is the third largest consumer of plasticizers after China and Japan. India is also the fastest growing plasticizer market in the region due to a strong domestic demand. (Source : MarketsandMarkets).

Impact of Falling Oil Prices on Petrochemicals

The fortunes of the petrochemicals industry are closely linked for the movement of oil prices, as the price of the key raw materials are closely linked to prices of crude oil. In the year FY2014, there was a market drop in prices of crude oil particularly in the months of October, November and December. The price of petrochemicals prices fell to their

lowest in January 2015 since mid-2009, due to sustained drop in prices of crude oil. The Platt Global Petrochemicals Index (PGPI), a benchmark basket of seven widely used petrochemicals, fell by US\$ 133 per MT to US\$ 850 per MT in January 2015, marking a 14% slide on a month-to-month basis.

Platts Global Petrochemical index in dollars per metric ton

The daily price reflected as a monthly average

Jan 2015	Monthly change (%)	Annual change (%)	Jan 2014	Dec 2014	Nov 2014	Oct 2014	Sep 2014
\$850	- 14%	- 40%	\$1,424	\$984	\$1,205	\$1,324	\$1,384

*PGPI: Platts Global Petrochemical Index

Company Profile

IG Petrochemicals Limited (IGPL) is part of the HP Dhanuka Group of companies. The HP Dhanuka Group is one of the oldest players in the Indian petrochemicals space.

IGPL has been a dominant player in the manufacture of PA in India. The Company's plant is located at Taloja, near Mumbai in Maharashtra, and enjoys distinct strategic locational advantages, as western India accounts for almost 80 per cent of all PA end-user demand in India. The Company successfully expanded its capacities in 2013, named PA-3, and is today one of the largest producers of PA in the world, with a capacity of 1,69,250 MT per year. IGPL is the only player in India to have expanded its capacities on a regular basis since 1993.

The key factors that contribute to sustained GROWTH of the Company are the unique competitive advantages it enjoys:

1. **Locational Advantage** - is the most important success factor for the Company. The advantages that accrue to the Company both in Procurement and Supply facets. As far as procurement is concerned, the Company procures almost 70 per cent of its raw materials from a petroleum refinery from the adjoining Gujarat State which is barely 850 kms. away, that gives the Company unbeatable advantage in transportation costs.

The Plant at Taloja, being just 50 kms. away from Mumbai, gives easy and excellent access to the entire road and rail link, connecting all corners of western India. It is western India where most end-users of PA

are located, and which accounts for nearly 80 per cent of all PA demand in the country. Customers are assured of regular supplies of PA with lowest lead time for delivery, as well as lowest cost and need not stock large quantities as delivery time is short.

2. **Scale Advantage** – with the launch of PA3 in September 2013, the Company has expanded its production capacity. PA is a commoditised business, and volumes play a critical part in dominating the market place. Today, the economies of scale that accrue from a large manufacturing capacity make IGPL not only one of the largest manufacturers of PA, but also one of the lowest cost producers of PA.
3. **Quality Advantage** – the final advantage that the Company offers is the unmatched combination of scale and cost with an assurance of quality. The Company has adopted and implemented ISO 9000:2000 Quality Management System at its plant. In addition, the Company also has ISO 9001 certification and ISO 14001:2004 certification by Bureau Veritas. The plant has in strict six-sigma quality control in place. The entire organisation has implemented ERP.

Financial Performance

₹ in lacs

	2014-2015	2013-2014
Revenue from Operations (Gross)	129,727.37	132,153.75
Revenue from Operations (Net)	118,805.62	120,429.59
Profit before extraordinary item & tax	3,236.96	2,177.20
Extraordinary item – Depreciation relating to earlier years	2,111.10	
Tax Expense – Current Tax Net (MAT)	236.19	78.27
Profit for the year after extraordinary item & tax	889.67	313.08

Opportunities and Outlook

The short and mid-term outlook for the Company continues to remain positive and bright. The concern of falling prices and inventory pile-up in the third quarter of FY2014 has since been overcome with recovery of demand and rising oil prices. The Indian economy is on the upsurge, spurred by bold reforms by the government. Both the IMF and the World Bank have forecast the Indian economy to grow at 7.5 per cent in the year 2015 and 2016. The Make In India initiative

of the government is likely to boost the manufacturing sector in a major way. In addition, the macro economic factors like increase in economic activity, rising income of middle class, surge in overall demand and tame inflation are likely to drive up consumption, leading to sustained demand from all the end-users of PA in the country. Many end-users are also planning expansion of capacities in anticipation of increase in demand.

The Company is exploring certain downstream products in order to utilise its large PA capacities and to de-risk its existing business which can be conveniently and economically be added which can further fuel growth.

Risks and Concerns

Being a petrochemical product based business the Company is always prone to be affected by the fluctuations in the prices of oil. Abrupt fall in oil prices, like in 2014-15, do affect the business of the Company adversely, affecting sales and piling inventory as buyers defer their purchases. This affects the cash flow as well as profitability of the Company. However, oil prices have since risen and are expected to stabilise at around US \$ 55-65 level during the year. This is likely to result in more stable business environment for the Company. Moreover, the surge in domestic demand driven by an overall improvement in demand is likely to result in firm prices for PA during the year.

Internal Control Systems and their Adequacy

The Company has adequate internal control systems commensurate with its size and the industry. All processes and systems are well-defined and well-documented in the form of Standard Operating Processes (SOP). The Company strictly complies of all rules, laws, and statutes of the land. All business transactions are properly recorded and are in total compliance and conformity with accounting principles and processes. The Company also regularly monitors all expenses and ensures these are strictly within the allocated budgetary limits. The strict Code of Conduct lays down clear guidelines to be followed by employees of the Company

and business associates in their day to day activities. There are regular internal audits conducted through an internal audit programme that check and correct any discrepancy or non-adherence or non-compliance with set and defined norms. The Senior management of the Company supervises the internal audit programme.

Material Developments in HR

The Company believes that through its strong set of values and cohesive work-culture, the employees will be able to achieve their potential not only on the professional level, but also in their personal lives. The plant of the Company has all safety features to ensure its workers can work in a safe and secure environment. Health of its employees is paramount to the Company. The Company regularly organises workshops and trainings at all levels to ensure that its employees have the best-in-class skills, and that these are always upgraded.

Cautionary Statement

This report contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Company’s future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Company undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Directors' Report

To
The Members

Your Directors hereby present the Twenty Sixth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2015 :

1. FINANCIAL RESULTS

₹ in Lacs

	2014-2015	2013-2014
Revenue from Operations (Gross)	129,727.37	132,153.75
Less: Excise duty	10,921.75	11,724.16
Revenue from Operations (Net)	118,805.62	120,429.59
Other Income	790.40	968.25
Total Revenue	119,596.02	121,397.84
Gross Profit	8692.85	7,016.76
Less:		
Finance Cost	3,816.53	3,036.22
Depreciation and Amortisation expenses	1,639.36	1,803.34
Profit/(Loss) before exceptional item & Tax	3,236.96	2,177.20
Exceptional Item – Exchange Loss (Net)	–	1,785.85
Profit/(Loss) before extraordinary item & Tax	3,236.96	391.35
Extraordinary item – Depreciation relating to earlier years	2,111.10	–
Profit before Tax	1,125.86	391.35
Tax Expenses:		
Current Tax Net (MAT)	236.19	78.27
Profit for the year	889.67	313.08
Balance brought forward from previous year	18,007.70	17,694.62
Profit available for appropriations	18,897.37	18,007.70
Appropriations		
Proposed Equity Dividend @ 10%	307.95	–
Tax on Equity Dividend	62.69	–
General Reserve	500.00	–
Depreciation in respect of Assets whose useful life is over	116.69	–
Surplus carried to the next year's account	17,910.04	18,007.70

2. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 1/- per equity share of ₹ 10/- each. The total outgo for the current year amounts to ₹ 370.64 Lacs, including dividend distribution tax of ₹ 62.69 Lacs (previous year – Nil).

During the year, the unclaimed interim dividend for the year 2007-2008 was transferred to the Investor Education and Protection Fund after giving due notice to the Members.

3. OPERATIONAL REVIEW

The Company's expansion project was completed during September 2013 and had stabilized operations during the previous year. The Company delivered a solid performance and achieved a Net Sales Turnover from operations of ₹ 118,805.62 Lacs as against ₹ 120,429.59 Lacs for the previous year 2013-2014. The production was marginally lower due to closure of one of its Plant for change of Catalyst during September 2014. However the Profit before extraordinary item and Tax was substantially higher at ₹ 3236.96 Lacs as against ₹ 2177.20 Lacs in the previous year. After providing for arrears of Depreciation of ₹ 2111.10 Lacs for the previous years, the Net Profit during the year was ₹ 889.67 Lacs as against ₹ 313.08 Lacs during the previous year 2013-2014.

The operating margins were stable during the first half of the year. However due to steep fall in international crude oil prices since September 2014, all the downstream product prices plunged during the period which resulted in heavy inventory pile ups and losses during the third quarter of the year. The customers deferred their procurements till the crude oil prices stabilized during January 2015 and there were no imports during the period. However due to arrest of downfall of oil prices there was sudden reversal in trend with upward movement of oil prices, thereby pushing up prices of downstream petro products including Phthalic Anhydride (PA) prices. This led to steady price rise and heavy order position during the last quarter of the year thereby increasing the margins substantially.

The positive situation continues despite imports of PA as customers are still facing shortage of product and require to build up minimum inventory levels for their stable operations. The international markets are also picking up and the Company exports surplus stocks as and when available after meeting the domestic demand in India.

4. SHARE CAPITAL & FINANCE

4.1 Share Capital

The Paid-up Equity Share Capital of the Company as on 31st March, 2015 is ₹ 3079.81 Lacs. During the year under review, the Company has neither issued any shares nor granted stock options or sweat equity. As at 31st March, 2015 the Promoters and Persons Acting with Promoters hold 72.22% of equity capital of the Company.

4.2 Finance

The Company continues to focus on judicious management of its Working Capital requirements from Banks which were ₹ 371.20 Lacs (both fund based and non-fund based) during the year (previous year ₹ 228.23 Lacs). The Company had also availed Rupee Term Loan of ₹ 65 crores of which an amount of about ₹ 9.22 crores is converted into Foreign Currency loan and External Commercial Borrowings (ECB) of € 8.70 million outstanding as on 31st March 2015 for its PA-3 expansion project. There is continuous monitoring of the requirement of funds and the efforts to keep the interest outgo at the minimum.

4.3 Deposits

The Company has not accepted deposits from the Public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

4.4 Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

5. CONTRIBUTION TO THE EXCHEQUER

The Company has contributed ₹ 15,654.03 Lacs to the Central and State exchequer by way of Excise Duty, Central Sales Tax, MVAT, VAT, Income Tax, Wealth Tax, Professional Tax and Customs Duty.



6. ECONOMIC SCENARIO AND OUTLOOK

The macro-economic situation of India improved during 2014 thereby helping the economy rise to 5.12% from 4.7% in the previous year. The proactive measures taken by the Government coupled with the falling oil prices has resulted in improving the wholesale and consumer price inflation to 4.12% and 7.4% from the previous year's figures of 6.3% and 10.1% respectively. The agricultural growth was strong at 4.5% in 2014, however the slow pace of reforms, lack of impetus for infrastructure projects, high interest rates, sluggish industrial growth and tightening of fiscal policies adversely impacted the industrial sector.

The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. The medium term to long term prospects look positive in view of the Government's determination to bring in reforms. For the year 2015, the economy is expected to grow at a higher rate than in 2014. The long term prospects for the economy is optimistic.

7. PA INDUSTRY – OPPORTUNITIES, CONCERNS AND FUTURE OUTLOOK

The Indian PA industry has an installed capacity of 340,000 MT and the domestic consumption during the calendar year 2014 was about 3,00,000 MT. The overall PA demand is estimated to grow at the rate of 8 % in 2015. With more thrust and investment in infrastructure segment the consumption is expected to grow. With the gradual reduction in fiscal deficits and consumer price index, it is expected that the interest rates would gradually come down which would stimulate demand in the consumer sector. The Company's continued focus on cost reduction and increasing the sale of product and various other customer satisfaction initiatives should help in presenting an improved performance.

The business operations of the Company is exposed to general commercial risks viz. volatility in demand and supply, raw material prices, logistic issues, government policies, exchange rate risk, increasing in dumping of PA and other environmental and technical risks.

With the completion of expansion and stability achieved in production, the company is the largest producer of PA in India and amongst the top five producers of PA in the world. The integration of three units and advantages of economies of scale, the Company is one of the lowest cost producers of PA in the world which has helped in improving the profitability and hope to sustain in the years to come.

In view of the large production capacity the Company is exploring opportunities to de-risk its existing business by captive consumption of PA for certain value added products for further growth.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As part of its commitment towards being a responsible corporate citizen, the Company has continued its efforts seamlessly by initiating various measures as a part of its CSR by undertaking projects in the field of education, healthcare and livelihood in the areas where its major operations are carried out i.e. Taloja. The Company, from time to time, has also contributed to the NGO's involved in the medical and child welfare schemes apart from the donations to the schools for purchase of education materials and computers. The contributions have been in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as "Annexure A".

9. RISK MANAGEMENT

The Company manufactures a single product PA which is produced by consumption of single raw material Orthoxylene (OX) by oxidation route. Hence there are only the general business risks which are inherent to any business. The Board of Directors do a periodic assessment of risks through properly defined framework and its mitigation resulting in minimization of risks.

The key business risks identified by the Company and its mitigation plans are as under:

9.1 Operational/Price Risk:

The Company's Plants operated uninterrupted during the year except for minor technical interruptions and during the month of September/October for about four weeks for change of Catalyst. Also there was a steep fall in the international crude oil price from a high of about 115 US\$ to 45 US\$ during the period September 2014 to January 2015 due to which all the downstream petro products witnessed a sharp fall in their prices. The Company's Plants are adequately insured viz. Fire Policy, Loss of Profit Policy, etc. The preventive and predictive maintenance activities are carried out on a day to day basis. The down time during shut downs is utilized for carrying out routine maintenance work. Also the Company maintained minimum inventory of raw materials and finished goods which helped in minimizing the loss due to steep fall in the petro products feedstock which was witnessed during that period.

9.2 Exchange Rate Risk (raw material procurement and sale of finished goods):

The Company procures 75% of the raw material from local source at monthly Contract rate. The balance is either imported or bought domestically on spot basis. About 20% is exported and 80% is sold in DTA market. As Company procures 75% of its raw material requirement from local source, forex hedging is not required. As regards import of raw material, foreign exchange is booked whenever necessary. All the exports of goods are booked by forward cover. There is continuous monitoring of the price of Orthoxylene (raw material) and Phthalic Anhydride (finished goods) in the local and international markets due to fluctuation in prices.

9.3 Interest Rate Risk:

The Company has availed External Commercial Borrowings (ECB), Rupee Term Loans (RTL) and Working Capital Loans (WCL) for its project and working capital needs. Some of the RTL is converted to Foreign currency loan in order to save on interest cost. The loans are strictly repaid as per the repayment schedules. The Company reviews the loan position on regular basis to keep the interest cost at minimum levels.

9.4 Economic and Geo-political Risk:

The political situation and the Government policies viz. import duty, taxes etc. and the international situation have an impact on the overall corporate growth. The Government has Notified the Anti-dumping duty during December 2012 for a period of five years on Korea, Taiwan and Israel. Application is made to the Directorate General, Safeguards for extension of Safeguard Duty on PA. Also Writ Petition has been filed with the Hon'ble High Court, Delhi in the matter of Anti-Dumping duty on imports of PA from Korea, Taiwan and Israel. The Company keeps abreast with the domestic and international economic developments and works on the strategies favourable to it.

10. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Board has established a Vigil Mechanism Policy which would help identify and deal with instances of actual or suspected unethical behavior, etc., if any. The details of the vigil mechanism have been elaborated in the Corporate Governance Report and posted on the Company's website www.igpetro.com.

11. DIRECTORS

On the basis of the the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed Dr. Vijayanti Pandit (DIN-06742237) as an Additional Director – Independent effective 30th March 2015. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member signifying Dr. Vijanti Pandit for the office of Director. In terms of Section 149 read with Section 152 of the Companies Act, 2013 and the 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 the Company and are not liable to retire by rotation. Accordingly it is proposed to appoint Dr. Vijayanti Pandit as Independent Director of your Company for a term of five (5) consecutive years i.e. up to 29th March, 2020.



Shri M M Dhanuka retires by rotation and being eligible has offered himself for re-appointment.

The brief profile of the Directors seeking appointment/re-appointment has been given in the notice conveying the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

11.1 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the working of the Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

11.2 Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and determination of their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

11.3 Meetings

During the year four Board Meetings and an equal number of Audit Committee Meetings were convened and held. The details of the same are given in the Corporate Governance Report. The intervening gap between any two Meetings was within the period prescribed under the Companies Act, 2013.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanation obtained by us, in terms of Section 134(3)(c) of the Companies Act, 2013, we state:

- a) that in the preparation of the annual financial statements for the year ended 31st March 2015, all the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and of the profit of the Company for that year;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. RELATED PARTY TRANSACTIONS

The Company has certain long term related party transactions which are on arm's length basis and in the ordinary course of business. During the year under review, there were no related party transactions within the meaning of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement. The Board has framed a policy on Related Party Transactions which is hosted on the Company's website www.igpetro.com.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Company received a boost when in respect of a case pending before the Supreme Court with regard to the valuation of Domestic Tariff Area (DTA) sales was decided in the Company's favour. This Order absolves the Company of the contingent liabilities related to Excise and Customs duties to the extent of ₹ 128.75 Crores pending before the Supreme Court, disputes in appeals and show cause notices received from the concerned departments.

Other than the above there are no significant material orders passed by the Regulators/courts which would impact the going concern status of the Company and its future operations.

15. AUDITORS

15.1 Statutory Auditors

The Statutory Auditors, M/s. Hariharan & Co. Chartered Accountants, Bengaluru (Firm's Registration No. 001083S) retire at the ensuing Annual General Meeting and are eligible for re-appointment for the financial year 2015-2016. The Company has obtained a written confirmation from M/s. Hariharan & Co. to the effect that they are eligible for re-appointment and that their re-appointment, if made, would be in conformity with the limits specified in Section 141 of the Companies Act, 2013. As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

Your Directors recommend their re-appointment as the Statutory Auditors to hold office for a term of two consecutive years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 28th AGM of the Company to be held in the year 2017 subject to the ratification of their appointment at the next AGM to be held in the year 2016.

Observations made by the auditors under "Emphasis of Matter" has been dealt with in Note No. 23 regarding certain disputed excise duty and custom duty matters amounting to ₹ 6383.84 Lacs (Previous Year ₹ 7672.89 Lacs) pending before the Honourable Supreme Court.

15.2 Appointment of Joint Statutory Auditor

M/s ASA & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 009571N/N500006) have been appointed as Joint Statutory Auditors of the Company for the financial year 2015-16 and to hold office, subject to the approval of the members, for a term of five consecutive years i.e. until the conclusion of the AGM to be held in the year 2020 (subject to the ratification of their appointment at each AGM).

The Joint Statutory Auditor have signified their assent and confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Your Directors recommend their appointment as Joint Statutory Auditors for the financial year 2015-16 to hold office for a term of five consecutive years i.e. until the conclusion of AGM of the Company to be held in the year 2020 subject to the ratification of their appointment at each AGM.

15.3 Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company in respect of Phthalic Anhydride is required to be audited. Your Directors had, on the recommendation of the Audit committee, appointed M/s. Krishna S & Associates, Cost Accountant, Mumbai, to audit the cost records of the Company for the financial year 2015-2016 at a remuneration of ₹ 40,000/-. As required under the Companies Act, 2013, members approval is sought for the remuneration payable to the Cost Auditor.



15.4 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Makarand M Joshi & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit and their Report on the Secretarial Audit for the financial year 2014-15 is annexed herewith as “Annexure B”.

16. LISTING OF SHARES

Your Company's shares are listed on BSE under Scrip Code No. 500199 and the NSE under the symbol “IGPL”. The ISIN code is INE 204A01010.

17. ISO 9001: (2008) AND ISO 14001 (2004) CERTIFICATION

Your Company continued to be certified under ISO 9001 : (2008) for quality management systems and ISO 14001 : (2004) for environment management systems by Beareu Veritas as per their prescribed standards.

18. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as “Annexure C”.

20. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual return in Form MGT-9 is annexed herewith as “Annexure D”.

21. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office/ Corporate Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard..

22. ACKNOWLEDGEMENTS

Your Directors sincerely thank the Central and State Government Departments and various Organizations for their continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for their excellent support. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place : Mumbai
Date : 10th July 2015

M M Dhanuka
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

CSR Policy of the Company is available on: <http://www.igpetro.com/csrapolicy>.

2. Composition of the CSR Committee:

The CSR Committee was reconstituted by the Board of Directors effective 26th May, 2015. During the year, the Committee met on 10.02.2015 which was attended by all the then members. The composition of the Committee is given below :

Name of the Directors	Position	Category
Shri Rajesh Muni	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non Executive Director
Shri J K Saboo	Member	Executive Director
Shri P H Ravikumar	Member	Non-Executive & Independent
Dr. Vaijayanti Pandit*	Member	Non-Executive & Independent

*Inducted effective 26th May, 2015

3. Average net profit of the Company for the last three financial years: ₹ 813.39 Lacs.
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): ₹ 16.27 Lacs.
5. Details of amount spent on CSR during the financial year 2014-15:
 - a. Total amount spent : ₹ 29.13 Lacs.
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sr. No.	Projects/Activities	Sector	Locations (Districts/ State)	Amount outlay (Budget) Project or Programs wise	Amount spent on the Project or Programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
	DONATION						
1.	Child Help Foundation	Healthcare	Mumbai/ Maharashtra	7,500	7,500	7,500	7,500
2.	Neurology Foundation	Healthcare	Mumbai/ Maharashtra	5,00,000	5,00,000	5,00,000	5,00,000
3.	Public Trust	Education	Mumbai/ Maharashtra	15,00,000	15,00,000	15,00,000	15,00,000
4.	The Akshaya Patra Foundation	Education/ Healthcare	Bengaluru/ Karnataka & London/U.K.	2,00,000	2,00,000	2,00,000	2,00,000

Sr. No.	Projects/Activities	Sector	Locations (Districts/ State)	Amount outlay (Budget) Project or Programs wise	Amount spent on the Project or Programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
5.	Blind Organisation of India	Healthcare	Mumbai/ Maharashtra	8,000	8,000	8,000	8,000
6.	Param Shanti Dham Vridhashram	Community Organisation	Taloja/ Maharashtra	2,62,500	2,62,500	2,62,500	2,62,500
7.	School – Distribution of LED TV's and Tata Sky Channel	Education	Taloja/ Maharashtra	3,23,700	3,23,700	3,23,700	3,23,700
8.	The United Orphanage for disabled	Community Organisation	Coimbatore/ Tamilnadu	11,000	11,000	11,000	11,000
9.	Shri Lakshmi Venkateshwara Seva Trust	Community Organisation	Bengaluru/ Karnataka	1,00,000	1,00,000	1,00,000	1,00,000
			Total	29,12,700	29,12,700	29,12,700	29,12,700

CSR POLICY

(approved by the Board of Directors on 10 February, 2015)

Our CSR activities shall aim to bring a difference in the lives of the needy, under privileged persons of the society including children, women and senior citizens.

Areas to be covered under CSR

- To identify core areas where social activities are required to be done i.e. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water..
- promoting education, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- rural development projects.
- Overall developmental activities in areas surrounding our manufacturing sites for the benefit of the society.
- Any other projects which may be recommended and taken from time to time.

In order to achieve the aforesaid objectives we shall collaborate with like minded bodies like Governments, voluntary organizations and academic institutions in pursuit of our goals.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2015

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


To,
The Members,
I G PETROCHEMICALS LIMITED
T-10, 3rd Floor, Jairam Complex,
Mala, Neugi Nagar,
Panaji – 403001

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by I G PETROCHEMICALS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowing (Foreign Direct Investment and Overseas direct Investment not applicable to the Company)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not Applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)

- 
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period and hence not applicable to the Company).
- (ii) The Listing Agreements entered into by the Company with stock exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

- Petroleum Act, 1934 and
- Petroleum Rules, 2002

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Makarand M. Joshi & Co

Sd/-

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai

Date: 10th July, 2015

ANNEXURE 'C' TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

STATEMENT OF DIRECTOR'S REPORT

For Conservation of Energy, Power & Fuel Consumption, Consumption per unit (MT) of Product,
Technology Absorption & Foreign Exchange Earnings & Outgo

A. ENERGY CONSERVATION MEASURES TAKEN

- 1) AVR (Automatic Voltage Regulations) with PID Control were installed for all the three steam Turbine-Generators. With these, during any major change over of the drives, Diesel Generator Synchronization with steam turbine-Generator is avoided. Thus additional diesel consumption/steam consumption variations are avoided.
- 2) Steam and condensate networks study for the jacketed process heating in particular are carried out and thus the steam traps are tuned to avoid by pass value operation leading to condensate loss. This was carried out in PA-3 and PA-1 plants whereas it is under detailed study at PA-2 Plant distillation section wherein density of jacket piping is substantial.
- 3) Steam leaks are being attended to prevent losses by carrying out relevant action day to day and with online sealing action wherever system cannot be isolated.
- 4) Condensate recovery and piping systems installed at PA-2/PA-3 plants, thus, recovering the condensate from steam turbines in major.
- 5) Predictive and preventive maintenance and in certain areas pro-active maintenance activities are carried out by which energy is saved.

	For the year ended March 31, 2015	For the year ended March 31, 2014
1. Electricity		
a. Purchased (Units)	147,720	538,180
Total Amount (₹)	1,737,994	4,349,822
Rate / Unit (₹)	11.77	8.08
b. Own Generation		
i. Through Diesel Generator	537,250	1,111,400
Units per Ltr. of Diesel Oil	3.46	3.93
Cost / Unit (₹)	18.78	16.30
ii. Through Steam Turbine	37,418,640	34,204,815
Generator (Units)	—	—
Units per Ltr. of Fuel/Oil/Gas	—	—
2. Coal is not used in Manufacturing Process	—	—
3. Furnace Oil quantity (MT)	3,146	6,809
Total Amount (₹)	116,183,855	284,696,583
Average Rate / MT (₹)	36,936	41,812
4. Other/Internal Generation	—	—

		For the year ended March 31, 2015	For the year ended March 31, 2014
C. CONSUMPTION PER UNIT (MT) OF PRODUCT			
Phthalic Anhydride	Standard		
Electricity - Units	Not Specified	242	266
Furnace Oil - Litres		20	50
D. TECHNOLOGY ABSORPTION			
(I) Specific area in which R&D carried out by the Company:			
The Company is conducting its R&D activities for developing the process of Phthalic Anhydride downstream value added products.			
(ii) Benefits derived as a result of above R&D.			
Benefits in terms of better quality and increased productivity.			
(iii) Future plan of action.			
All the efforts are being continued in the direction of product / process development as mentioned above.			
(iv) Expenditure incurred on R&D			
The Company has incurred expenditure to an extent of ₹ 39.82 Lacs.			
Total R&D expenses as a % of turnover : 0.03%			
E. Foreign Exchange Earnings & Outgo :			
Total Foreign Exchange Earnings		24,302.92	18,649.01
Total Foreign Exchange Outgo		15,509.73	31,006.70

ANNEXURE 'D' TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2015

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

I. Registration and other details

CIN	L51496GA1988PLC000915
Registration date	18 th October 1988
Name of the Company	I G Petrochemicals Limited
Category/Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
Address of the Registered Office and Contact details	T-10, 3 rd Floor, Jairam Complex Mala, Neugi Nagar Panaji, Goa – 403 001. Tel. : 0832 - 2434973 E-mail : igplgoa@gmail.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer agent, if any	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 Email: info@bigshareonline.com

II. Principal Business Activity of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products/Services	NIC Code of the Product/Service	% of total turnover of the Company
Phthalic Anhydride	24119	100%

III. Particulars of Holding Subsidiary / Associate Companies

Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Nil				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual / HUF	508862	0	508862	1.65	546012	0	546012	1.77	0.12
b) Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	21649780	0	21649780	70.31	21693915	0	21693915	70.45	0.14
d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(1) :	22158642	0	22158642	71.96	22239927	0	22239927	72.22	0.26
(2) Foreign									0.00
a) NRI - Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding of Promoter (A)=(A)(1)+ (A)(2)	22158642	0	22158642	71.96	22239927	0	22239927	72.22	0.26
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	9500	9500	0.03	0	9500	9500	0.03	0.00
b) Financial Institutions / Banks	200	5200	5400	0.02	200	5200	5400	0.02	0.00
c) Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs	0	3100	3100	0.01	0	3100	3100	0.01	0.00
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1) :	200	17800	18000	0.06	200	17800	18000	0.06	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	861293	60550	921843	2.99	746443	58150	804593	2.61	(0.38)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Shareholder holding nominal share capital upto ₹ 1 Lakh)	3978547	1950753	5929300	19.25	3787381	1910052	5697434	18.50	(0.75)
ii) Shareholder holding nominal share capital exceeding of ₹ 1 Lakh)	1263976	0	1263976	4.10	1541528	0	1541528	5.01	0.90

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Any Others									
i) Trusts	0	100	100	0.00	0	100	100	0.00	0.00
ii) Clearing Member	11803	0	11803	0.04	19735	0	19735	0.06	0.03
iii) Other Directors Relatives	6700	0	6700	0.02	7800	0	7800	0.03	0.00
iv) Non Resident Indians (NRI)	149186	335300	484486	1.57	134933	330800	465733	1.51	(0.06)
SUB TOTAL (B)(2) :	6271505	2346703	8618208	27.99	6237820	2299103	8536923	27.72	(0.26)
Total Public Shareholding (B)=(B)(1) + (B)(2)	6271705	2364503	8636208	28.04	6238020	2316903	8554923	27.78	(0.26)
Total (A) + (B) :	28430347	2364503	30794850	100.00	28477947	2316903	30794850	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	28430347	2364503	30794850	100.00	28477947	2316903	30794850	100.00	100.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2014			Shareholding at the end of the year i.e. 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Madan Mohan Dhanuka	104904	0.34	0.00	104904	0.34	0.00	0.00
2	Nikunj Dhanuka	19000	0.06	0.00	19000	0.06	0.00	0.00
3	Amishi Dhanuka	1000	0.00	0.00	1000	0.00	0.00	0.00
4	Mayank Dhanuka	99138	0.32	0.00	136288	0.44	0.00	0.12
5	Neha Dhanuka	128235	0.42	0.00	128235	0.42	0.00	0.00
6	Umang Dhanuka	104814	0.34	0.00	104814	0.34	0.00	0.00
7	Umang Dhanuka	3798	0.01	0.00	3798	0.01	0.00	0.00
8	Rajkumari Dhanuka	25900	0.08	0.00	25900	0.08	0.00	0.00
9	Bina Devi Dhanuka	22073	0.07	0.00	22073	0.07	0.00	0.00
10	Bihariji Constructions (I) Ltd	550200	1.79	0.00	550200	1.79	0.00	0.00
11	Bihariji Projects Ltd	950000	3.08	0.00	950000	3.08	0.00	0.00
12	Bihariji Projects Ltd	4850	0.02	0.00	4850	0.02	0.00	0.00
13	Brahamputra Enterprises Ltd	1833528	5.95	0.00	1833528	5.95	0.00	0.00
14	Ellenbarrie Steel & Allied Ind. Ltd	395767	1.29	0.00	395767	1.29	0.00	0.00
15	Ellenbarrie Steel & Allied Ind. Ltd	75900	0.25	0.00	75900	0.25	0.00	0.00
16	Gembel Trade Enterprises Ltd	2431489	7.90	0.00	2431489	7.90	0.00	0.00
17	Kalimpong Produce Co. Ltd	1200	0.00	0.00	1200	0.00	0.00	0.00
18	Kamakhya Enterprises Ltd.	422105	1.37	0.00	422105	1.37	0.00	0.00
19	Kamrup Enterprises Ltd.	1894884	6.15	0.00	1894884	6.15	0.00	0.00
20	Mysore Petro Chemicals Ltd	4075000	13.23	0.00	4075000	13.23	0.00	0.00
21	Savita Investments Co. Ltd.	1933414	6.28	0.00	1933414	6.28	0.00	0.00
22	Shekhavati Investment Corp. Ltd.	4110610	13.35	0.00	4110610	13.35	0.00	0.00
23	Shekhavati Invest. Corp. Ltd.	11600	0.04	0.00	11600	0.04	0.00	0.00
24	Shogun Vinimay (P) Ltd.	369074	1.20	0.00	369074	1.20	0.00	0.00
25	Vincent (India) Ltd.	2590159	8.41	0.00	2634294	8.55	0.00	0.14
	Total	22158642	71.96	0.00	22239927	72.22	0.00	0.26

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year i.e. 01.04.2014		Shareholding at the end of the year i.e. 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	22158642	71.95	22239927	72.22
	04/04/2014	7647	0.02	22166289	71.98
	11/04/2014	21682	0.07	22187971	72.05
	25/04/2014	7405	0.02	22195376	72.07
	02/05/2014	7401	0.02	22202777	72.10
	27/02/2015	37150	0.12	22239927	72.22
	At the end of the year			22239927	72.22

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e.01.04.2014		Shareholding at the end of the year i.e. 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bhadani Financers Pvt. Ltd. 31/03/2014 21/07/2014 30/09/2014	0 (50000) (25000)	0.00 (0.16) (0.08)	78754 28754 3754	0.26 0.09 0.01
2	Klj Plasticizers Ltd. 31/03/2014 30/06/2014 04/07/2014 18/07/2014 19/09/2014 30/09/2014	0 (43000) (15200) 10000 (50000) (27441)	0.00 (0.14) (0.05) 0.03 (0.16) (0.09)	125641 82641 67441 77441 27441 0	0.41 0.27 0.22 0.25 0.09 0.00
3	Seema Goel 18/04/2014	0	0.00	100000	0.32
4	Anil Kumar Goel 25/04/2014 20/06/2014 12/09/2014 30/09/2014	0 4565 (4999) (10000)	0.00 0.01 (0.02) (0.03)	280434 284999 280000 270000	0.91 0.93 0.91 0.88
5	Anil Kumar Goel 31/03/2014 25/04/2014	0 (280434)	0.00 (0.91)	280434 0	0.91 0.00
6	Seema Goel 31/03/2014 18/04/2014	0 (100000)	0.00 (0.32)	100000 0	0.32 0.00
7	Klj Plasticizers Ltd. 31/03/2014 30/09/2014	0 (3964)	0.00 (0.01)	274016 270052	0.89 0.88

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e.01.04.2014		Shareholding at the end of the year i.e. 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	R F DADABHOY 31/03/2014	0	0.00	60000	0.19
9	P F DADABHOY 31/03/2014	0	0.00	60000	0.19
10	SHIRIN WATWANI 31/03/2014	0	0.00	60000	0.19
11	F L DADABHOY 31/03/2014	0	0.00	60000	0.19
12	N F DADABHOY 31/03/2014	0	0.00	60000	0.19
13	POONAM GUPTA 31/03/2014	0	0.00	600015	0.19
14	AJAY UPADHYAYA 15/08/2014	0	0.00	20848	0.07
	22/08/2014	29152	0.09	50000	0.16
	29/08/2014	11303	0.04	61303	0.20
	05/09/2014	13697	0.04	75000	0.24
	12/09/2014	15538	0.05	90538	0.29
	19/09/2014	9462	0.03	100000	0.32
	12/12/2014	(4200)	(0.01)	95800	0.31
	19/12/2014	(1860)	(0.01)	93940	0.31
	31/12/2014	(12091)	(0.04)	81849	0.27
	02/01/2015	(1129)	(0.00)	80720	0.26
	09/01/2015	(2820)	(0.01)	77900	0.25
	16/01/2015	(10460)	(0.03)	67440	0.22

v)

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M M Dhanuka	104904	0.34	104904	0.34
2	Nukunj Dhanuka	19000	0.06	19000	0.06
3	Rajesh R Muni	5500	0.02	5500	0.02
4	P H Ravikumar	0	0.00	1000	0.00
5	Dr A K A Rathi	0	0.00	100	0.00
6	J K Saboo	1200	0.01	1200	0.00
7	Dr. Vaijayanti Pandit	0	0.00	0	0.00
8	R Chandrasekaran	3616	0.01	8	0.00

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18542.17	2336.05	0	20878.22
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11.34	257.03		268.37
Total (i+ii+iii)	18553.51	2593.08	0	21146.59
Change in Indebtedness during the financial year				
* Addition	0	232.83	0	232.83
* Reduction	-5792.56	0	0	-5792.56
Net Change	-5792.56	232.83		-5559.73
Indebtedness at the end of the financial year				
i) Principal Amount	12752.31	2536.05	0	15288.36
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8.64	289.86	0	298.50
Total (i+ii+iii)	12760.95	2825.91	0	15586.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nikunj Dhanuka (MD & CEO)	J K Saboo (ED)	
1	Gross salary	36.00	30.00	66.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.00	12.96	29.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	53.00	42.96	95.96
	Ceiling as per Section 198 of the Companies Act, 2013			332.37

B. Remuneration to other directors

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Rajesh R Muni	Dr. A K A Rathi	P H Ravikumar	Dr. Vaijayanti Pandit	
1	Independent Directors	Rajesh R Muni	Dr. A K A Rathi	P H Ravikumar	Dr. Vaijayanti Pandit	
	Fee for attending board/ committee meetings	1.80	1.30	1.25	–	4.35
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (1)	1.80	1.30	1.25	–	4.35
2	Other Non-Executive Directors				M M Dhanuka	
	Fee for attending board/ committee meetings				1.80	1.80
	Commission				–	–
	Others, please specify				–	–
	Total (2)				1.80	1.80
	Total (B) = (1+2)					6.15
	Total Managerial Remuneration					
	Ceiling as per Section 198 of the Companies Act, 2013					32.37

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		R Chandrasekaran (CFO & CS)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.57
2	Stock Option	–
3	Sweat Equity	–
4	Commission	–
	– as % of profit	–
	others, specify...	–
5	Others, please specify	–
	Total	21.71

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences during the year ended 31st March, 2015.



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2015.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy thrives on the fundamental goal which is to establish trust with all the stakeholders enabling the Company to grow and be recognized as a market leader in its segment known for niche products. The Company believes in instilling a sense of ownership in its employees and to create value for everyone that touches its business. Our commitment towards integrity, fairness and transparency underpins our corporate governance and is a responsibility to all its stakeholders. Such commitment will in turn lead to greater corporate recognition and enhance shareholder value.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges

BOARD OF DIRECTORS

Composition and size of the Board

The present strength of the Board is 7 (seven) Directors comprising of an optimum combination of executive and non-executive directors with more than half of the Board (4) being independent (including woman director) and the other directors being a non-executive Chairman, CEO & Managing Director and Executive Director. The Non-Executive Independent Directors bring independent judgment in the Board's deliberations and decisions.

Committee of Directors

With a view to have a more focused attention on various aspects of business and for better accountability, the Board has constituted the various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors. Each of these Committees has been mandated to operate within a defined framework.

Management Structure

The Management structure for running the business activities of the Company is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

a. Chief Executive Officer and Managing Director

The Chief Executive Officer and Managing Director (CEO & MD) is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees.

b. Chief Financial Officer and Secretary

The Chief Financial Officer and Secretary is responsible for the day-to-day functioning of the financial and secretarial matters and various compliances under the statutory Acts. He reports to the Managing Director and the Board.

c. Executive Director

The Executive Director of the Company is responsible for the operation and maintenance of the Plant and all other functions relating to the day-to-day management of the Plant including the local issues and liaising with various Government departments as applicable at Plant level. His team consists of technical and commercial managers who report to him on regular basis. He reports to the Managing Director and other Board members of the Company.

Directors' Profile

The Board of Directors comprises of renowned professionals from diverse fields. They bring with them independent judgments which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Shri. M. M. Dhanuka, B.E. (Chem), aged 67 years, is the founder member of the Company. He possesses over 35 years of varied experience and expertise in technical, production and marketing.

Shri. Nikunj Dhanuka, aged 47 years is Commerce and a Management Graduate and Promoter of the Company. He has been associated with the Company since 1998 and brings with him diverse experience of handling overseas business and possesses an extensive knowledge on the functioning of Chemical Industries as such. He is in charge of the overall affairs of the Company and specifically supervises the finance, banking and operations of the Company.

Shri. J. K. Saboo, aged 61 years is a Commerce and Law graduate. He is associated with the Company since 1991. In all, he has more than 35 years of experience in the petrochemical industry. He is in charge of the operations of the Company's Plant situated at Talaja.

Shri. Rajesh Muni, aged 63 years is a Commerce Graduate (Hons.) and a fellow member of The Institute of Chartered Accountants of India. He is a senior partner of M/s R.R. Muni & Co., Practicing Chartered Accountants and has more than 30 years of rich experience in audit and taxation.

Dr. A. K. A. Rathi, aged 66 years is M.E. (Chem), Ph.D (Chem) and Diploma in Management and Integrated Coastal Zone Management,. He was associated with the Industries Department and Forest and Environment Department with the Government of Gujarat, Faculty of Planning and Public Policy, CEPT University, Ahmedabad, etc. He has penned various articles on matter of subject interests' viz. industrial development, management, safety and environment in different journals, periodicals etc. and is a visiting professor to various engineering and management colleges.

Shri P. H. Ravikumar, aged 64 years is a B.Com, CAIIB, ACIB (Lond.), FCISI (Lond.) (Hons.) and a retired Banker. He possesses an expertise in finance and has sharp acumen in corporate banking functions, treasury, retail, agri business verticals. He is also associated with Commodity and Derivatives exchanges.

Dr. Vaijayanti Pandit, aged 64 years, is a M.A. in Political Science, Diploma in Journalism and Mass Communications and Ph.D in Management Studies. She holds the credit of successfully setting up a vibrant organization of woman entrepreneurs, managers, professionals, etc. that has grown exponentially as the largest in India. She was the Secretary of Indian Merchants Chambers for the period 1999-2006 and handled Trade Fairs and Business Promotions, International Trade Missions and Policy issues having a direct impact on Business and Industry. She was also a Senior Director of the Federation of Indian Chambers of Commerce and Industry (FICCI) from 2006-12.

Board Training and Induction

Based on the recommendation of the Nomination and Remuneration Committee, the Board formally makes the appointment of a Director. A formal letter of appointment containing the terms and conditions including the role, responsibilities, duties and functions expected from the appointee is issued to the Director. This process runs concurrent with the briefing by the Chairman to make the director conversant with the Board Policy and Process, history of the Company and the major milestones, information about the products manufactured by the Company vis-à-vis general industry scenario, etc. The specific attention of the appointee is also drawn to the legislative provisions which are Clause 49 of the Listing Agreement, the Companies Act, 2013 read with the relevant rules framed thereunder in so far as its concerns the Directors and the obligations attached to the Directorship. The Directors are also informed of their tenure and the conditions that their appointment is subject to the confirmation by the shareholders at their meeting.

The Board, thus, attempts to familiarize the newly appointed directors by adhering to the above mechanism so as to achieve the object to bringing diversity to the Board which in turn would result in effective and responsible decision making process.

BOARD MEETINGS AND ATTENDANCE

During the year under review, four Board Meetings were held i.e. on 22nd May, 2014, 30th July, 2014, 13th November, 2014 and 10th February, 2015.

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

Name of the Director	Date of Appointment	Category	Number of Board Meeting attended	Attendance at the AGM held on 26 th July, 2014	Number of Directorship(s) held in Indian Public Limited Companies*	Number of Committee positions held#	
						Chairman	Member
Shri M M Dhanuka	18.10.1988	Non-Executive	4	No	1	-	-
Shri Nikunj Dhanuka	01.07.1998	Executive	3	No	1	-	-
Shri J K Saboo	01.07.1998	Executive	4	Yes	2	-	-
Shri Rajesh Muni	30.04.2002	Non-Executive & Independent	4	Yes	-	-	-
Dr. A K A Rathi	28.07.2009	Non-Executive & Independent	3	Yes	-	-	-
Shri P H Ravikumar	30.10.2012	Non-Executive & Independent	3	Yes	8	3	5
Dr. Vaijayanti Pandit	30.03.2015	Non-Executive & Independent	-	-	7	1	1

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Only Audit Committee and Stakeholders Relationship committee has been considered as per Clause 49 of the Listing Agreement.

Shareholding of Directors:

Shareholding of Non-Executive Directors as on 31st March, 2015 are as under:

Name of the Director	Number of equity shares held	% of Paid-up Capital
Shri. M M Dhanuka	104904	0.34
Shri. Rajesh Muni	5500	0.02
Dr. A K A Rathi	100	0.00
Shri. P H Ravikumar	1000	0.00
Dr. Vaijayanti Pandit	0	0.00

COMMITTEES OF THE BOARD

In accordance with the statutory provisions, the Board of Directors have from time to time constituted mandatory as well as non-mandatory committees viz. Audit committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors. The constitution and composition of mandatory committees are governed by the provisions of law to achieve certain purpose as intended by the legislative provisions. The non-mandatory committees are designated purely for the purpose of administrative convenience and to deal with matter of lesser importance which could be done otherwise than by a Board but within the scope and framework defined by the Board.

The Board follows the process of defining in clear terms the references, powers, scope, etc. while constituting of the committees. The Committees from time to time meet at such time and interval as deemed necessary considering the statutory law and business exigencies. The Committees are entrusted with the responsibilities to keep the Board abreast of all decisions arrived by it by placing the minutes of its meetings at the immediately succeeding meeting of the Board apart from circulating the same along with agenda to the Board Members.

AUDIT COMMITTEE

Terms of Reference of the Committee are:

- i. To oversee Company's financial reporting/financial information/financial statements.
- ii. To review with management the Annual financial statements 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 on internal control system.

Additional Terms of Reference as per the provisions of Section 177 of the Companies Act, 2013

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- iii. Examination of the financial statement and the auditor's report thereon;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the Company wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee comprises of 4 (four) members of which 3/4th are Independent. The Committee met on 22nd May, 2014, 30th July, 2014, 13th November, 2014 and 10th February, 2015. The composition of the Committee and the attendance of the Directors are given below:

Name of the Directors	Position	Category	Attendance
Shri Rajesh Muni	Chairman	Non-Executive & Independent	4
Shri M M Dhanuka	Member	Non-Executive	4
Dr. A K A Rathi	Member	Non-Executive & Independent	3
Shri P H Ravikumar	Member	Non-Executive & Independent	3

The Managing director, the Internal Auditors and the Statutory Auditors are the invitees to the meeting. It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers appropriate to be present at the Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 26th July, 2014.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings, overview of the financial reporting process, internal control

systems and overview of internal and external audits. The results of the self assessment are presented to the audit Committee along with the action plan in the areas requiring improvement.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Shareholders/Investors Grievance Committee was rechristened to 'Stakeholders' Relationship Committee' to comply with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

The Committee oversees and reviews all matters connected with the investor services viz. transfer of shares, dematerialization and rematerialisation of shares, issue of duplicate share certificates in lieu of reported lost, defaced or destroyed certificates, issue of new certificates against sub-division of shares, renewal, split or consolidation of share certificates, issue of rights, bonus share etc. and other related matters. The investor grievances mainly pertain to non-receipt of Annual Reports, notices, non-receipt of dividends, change of address, etc. and are being attended by M/s Bigshare Services Pvt. Ltd., Registrar and Transfer Agent (RTA) administered under the supervision of the Company Secretary and a periodical report on the same is being presented before the Committee as and when it meets..

The Committee oversees the performance of the RTA and recommends measures for overall improvement in the quality of investor services. The Board has also constituted the Share Transfer committee which deals with transfers/transmissions of securities and other matters and delegated the power of approving the transfer statements to the officers of the Company.

The Committee was reconstituted by the Board of Directors on 26th May, 2015. The composition of the Committee and the attendance of the Directors are given below:

Name of the Directors	Position	Category	Meetings were held on 22.05.2014 and 13.11.2014
			Attended
Shri Rajesh Muni	Chairman	Non-Executive & Independent	2
Shri M M Dhanuka	Member	Non-Executive	2
Shri Nikunj Dhanuka*	Member	Executive	–
Shri P H Ravikumar	Member	Non-Executive & Independent	1
Dr. A K A Rathi	Member	Non-Executive & Independent	1

* Inducted effective 26th May, 2015.

Name and designation of Compliance Officer:

Shri R Chandrasekaran

Chief Financial Officer & Secretary

401-404, Raheja Centre

214, Nariman Point

Mumbai – 400 021

Tel. No.: 022 30286100

Fax: 022 22040747

Email: igpetro@vsnl.com

During the year, 14 complaints were received from the shareholders and the same were resolved.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted by the Board of Directors on 26th May, 2015. The Committee met only once on 10.02.2015 which was attended to by all the then members. The composition of the Committee and the attendance of the Directors are given below:

Name of the Directors	Position	Category
Shri Rajesh Muni	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Dr. A K A Rathi	Member	Non-Executive & Independent
Shri P H Ravikumar	Member	Non-Executive & Independent
Dr. Vaijyanti Pandit *	Member	Non-Executive & Independent

* Inducted effective 26th May, 2015.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on 26th July, 2014.

Terms of Reference and Remuneration Policy :

The terms of reference of the Committee includes manner of selection of the Directors and senior management personnel, the determination of their remuneration and evaluation of their performance. In the process of the appointment of Directors, the Committee attempts to bring diversity to the Board having regard to the nature of the business of the Company, consider the appointee's expertise and experience, age, qualification, degree of independence, integrity, etc.

The Non-executive directors are paid sitting fees for each meeting of the Board/Committee whereas the remuneration of the executive directors consists of fixed pay, perquisites, etc. subject to the overall ceiling limit under the Companies Act, 2013. The remuneration of the senior management employees are recommended by the Committee based on the prevailing industry standards.

The Board evaluates its own performance vis-à-vis directors individually taking into consideration the number of meetings attended, level of engagement, measures initiated for the protection of the stakeholders' interest, etc.

The Committee discharges its function within the defined scope of reference.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee was reconstituted by the Board of Directors on 26th May, 2015. The Committee met on 10.02.2015 which was attended to by all the then members. The composition of the Committee are given below:

Name of the Director	Position	Category
Shri Rajesh Muni	Chairman	Non-Executive & Independent
Shri M M Dhanuka	Member	Non-Executive
Shri J K Saboo	Member	Executive
Shri P H Ravikumar	Member	Non-Executive & Independent
Dr. Vaijaynti Pandit*	Member	Non-Executive & Independent

*Inducted effective 26th May, 2015

The terms of reference of the CSR Committee broadly comprises of:

- To identify core areas where social activities are required to be done i.e. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

- b) Promoting education, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- c) Rural development projects.
- d) Overall developmental activities in areas surrounding our manufacturing sites for the benefit of the society.
- e) Any other projects which may be recommended and taken from time to time.

GENERAL BODY MEETINGS

i) Annual General Meeting

Financial Year	Date	Time	Venue
2011-12	28.07.2012	03.00 p.m.	Hotel Mandovi, D. B. Bandodkar Road, Panaji Goa - 403 001
2012-13	27.07.2013		
2013-14	26.07.2014		

ii) Special Resolution

Financial Year	Date of AGM	Purpose
2011-12	28.07.2012	To create charges, mortgage, hypothecation, etc. under Section 293(1)(a) of the Companies Act, 1956.

iii) Special Resolutions Passed by Postal Ballot

Financial Year	Date of Passing	Purpose
2014-15	09.04.2014	a. Creation of charge on the properties of the Company, both present and future u/s 180(1)(a) of the Companies Act, 2013. b. Increase in borrowing powers u/s 180(1)(c) of the Companies Act, 2013.

DISCLOSURES

Related Party Transactions

The Company has certain long term related party transactions which are on arm's length basis and in the ordinary course of business. During the year under review, there were no related party transactions within the meaning of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the company's website.

Strictures and Penalties:

No strictures or penalties were imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read

with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory /regulatory compliances. The Company's business processes are on SAP-ERP platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

CEO & MD / CFO Certification

The CEO & MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs.

Code of Conduct

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all senior employees of the Company. The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. The Code has been posted on the Company's website www.igpetro.com.

Vigil Mechanism / Whistle Blower Policy

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility and hence has adopted the Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. All protected disclosures should be reported in writing by the complainant as soon as possible about the instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The CFO & Secretary is the Vigilance Officer who should be reported about the disclosures. All protected disclosures shall be thoroughly investigated and action or corrective action taken as it may deem fit. The investigation reports shall be placed before the Audit Committee and the Board.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the code.

Communication with the Members/Shareholders

The information related to the Unaudited quarterly / half yearly Financial Results are announced within forty-five days of the close of the quarter. The Annual Audited Financial Results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed. The results are thereafter published within forty-eight hours in English and Marathi newspapers. The audited financial statements forms part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs from time to time all the price sensitive matters or such other matters which in its opinion are



material and of relevance to the members.

The Annual Report of the Company, the quarterly / half yearly and the annual results are also placed on the Company's website: www.igpetro.com and can be downloaded.

Non mandatory disclosures

The Company has fulfilled the following non-mandatory requirements as prescribed under Clause 49 of the Listing Agreement:

- a) The financial statements of the Company are unqualified
- b) The post of Chairman and Managing Director are being held by separate individuals
- c) The Internal Auditors are invitees to the Audit Committee meetings and report to the Audit Committee.

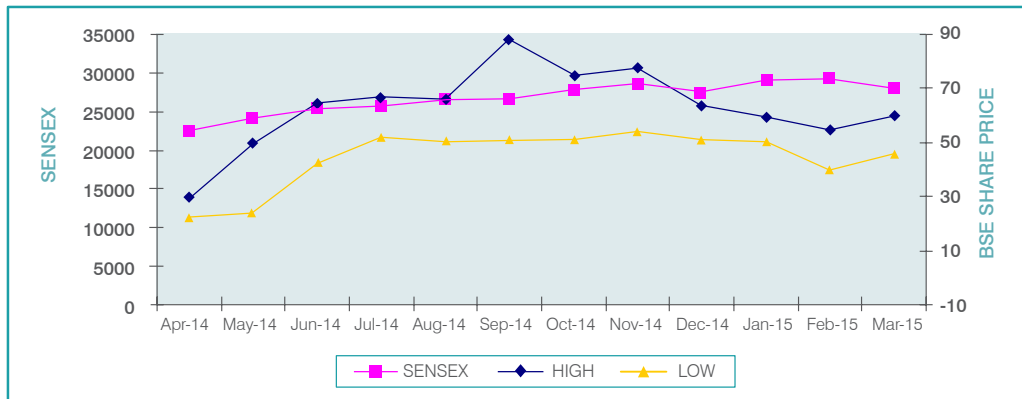
GENERAL INFORMATION TO SHAREHOLDERS

Date, Time and Venue of AGM	Monday, 17 th August 2015 at 11.00 a.m. at Hotel Mandovi, D. B. Bandodkar Road, Panaji, Goa - 403 001.
Date of Book Closure	The Register of Members and Share Transfer Books will be closed from Tuesday, 11 th August 2015 to Monday, 17 th August 2015 (both days inclusive).
Financial Year	1 st April to 31 st March
Dividend Payment Date	25 th August 2015.
Listing on Stock Exchange	Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India (NSE). The listing fees have been paid to BSE & NSE for the year 2015-16.
Stock Code	BSE - 500199 NSE - IGPL
ISIN Code	INE 204A01010
Share Transfer System	Being done by the Registrar & Transfer Agents
Dematerialisation of shares	92.48 % of the shares have been dematerialised by the members as on 31.03.2015.
Registrar & Transfer Agents	M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai 400 072. Contact person – Mrs. Indira Reddy / Ms. Ujata Pokharkar Tel No.: (91) 022-40430200/40430210 Fax No.: (91) 022-28475207 E-mail : info@bigshareonline.com
Website	The website of the Company www.igpetro.com contains information about the business activities of the Company and the financial results of the Company.
Dedicated e-mail for Investors	To enable investors to register their grievances, the Company has designated an exclusive e-mail id viz. igpl.complaints@igpetro.com . All investors are requested to avail this facility.

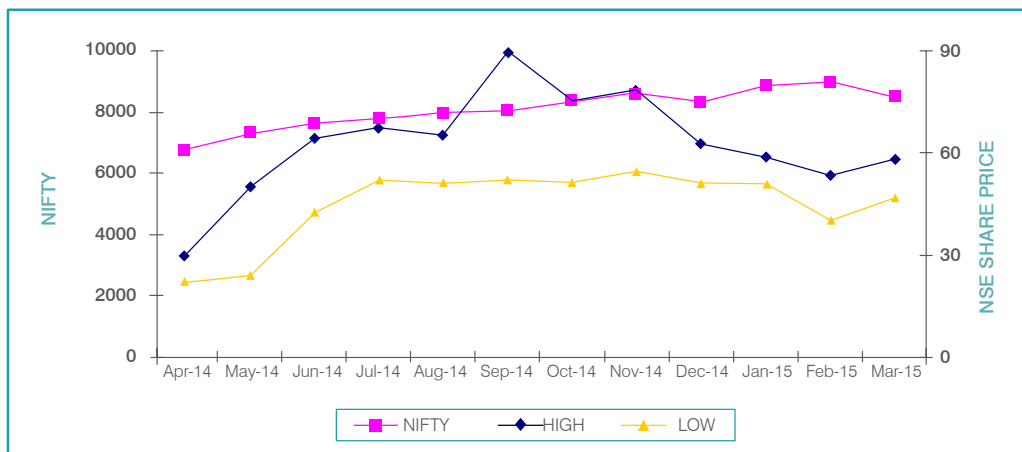
MARKET PRICE DATA DURING THE YEAR ENDED 31ST MARCH, 2015 (MONTH-WISE)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-14	29.70	22.70	29.50	22.00
May-14	49.80	24.00	49.50	23.50
June-14	64.50	42.20	64.10	42.00
July-14	67.30	52.30	66.80	51.80
August-14	66.00	50.40	64.95	50.80
September-14	88.00	51.20	89.15	51.65
October-14	75.00	51.35	75.00	50.80
November-14	77.70	54.10	77.75	54.35
December-14	63.95	51.30	62.00	51.00
January-15	59.30	50.50	58.30	50.50
February-15	54.90	40.00	53.00	40.00
March-15	59.90	46.10	57.95	46.25

PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH SENSEX (BSE)



PERFORMANCE OF IGPL SHARE PRICE IN COMPARISON WITH NIFTY (NSE)



Distribution of Shareholding as at 31st March, 2015

Shareholding	No. of Shareholders	Percentage to Total	No. of Shares	Percentage to Total
1 to 500	26356	93.82	3641586	11.83
501 to 1000	907	3.23	779092	2.53
1001 to 2000	380	1.35	586737	1.91
2001 to 3000	144	0.51	368045	1.20
3001 to 4000	68	0.24	245678	0.80
4001 to 5000	69	0.25	329203	1.07
5001 to 6000	86	0.31	602914	1.96
10001 & above	81	0.29	24241595	78.72
Total	28091	100.00	30794850	100.00

Shareholding Pattern as at 31st March, 2015

Sl. No.	Category	No. of shares	% of Holding
1.	Promoters & Persons acting in Concert	22239927	72.22
2.	Mutual funds / Banks / FIs	18000	0.06
3.	Private Corporate Bodies – Indian & Foreign	804593	2.61
4.	NRIs	465733	1.51
5.	Indian Public	7246862	23.54
6.	Others	19735	0.06
	Grand Total	30794850	100.00

Plant Location

T-2, MIDC Industrial Area,
Taloja 410 208,
Dist. Raigad, Maharashtra.

Address for correspondence

The Company Secretary
I G Petrochemicals Limited
401-404, Raheja Centre
214, Nariman Point
Mumbai – 400 021.
Tel.: 022-302 86100 • Email: igpetro@vsnl.com

DECLARATION ON CODE OF CONDUCT

I hereby declare that all the Directors of the Company and Senior Management personnel as defined in the Code of Conduct of the Company have submitted an annual declarations for the year ended 31st March, 2015 confirming their compliance with the Code of Conduct.

Mumbai, 10th July, 2015

Nikunj Dhanuka
Managing Director and CEO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The members of
I G Petrochemicals Limited

We have reviewed the relevant records of I G Petrochemicals Limited for the year ended 31st March 2015 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the company, with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and according to the information and explanations given to us, we have to state that, to the best of our knowledge the company has complied with the conditions of corporate governance stipulated in clause 49 of the above mentioned listing agreement.

We state that, in respect of investors grievances received during the year ended 31st March 2015, no investor grievances are pending without a reply from the company for a period exceeding one month as per the records maintained by the share transfer and shareholders / investors grievance committee.

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

Mumbai, 26th May, 2015

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

K Nagarajan
Partner
Membership No. 16398



Independent Auditor's Report

To the Members of

I G PETROCHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of I G Petrochemicals Limited, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to the financial statements:

Note 23 regarding certain disputed excise duty and custom duty matters amounting to ₹ 6,383.84 Lacs (Previous Year ₹ 7,672.89 Lacs) pending before the Honourable Supreme Court.

Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements—refer Note No. 23 to the financial statements.
 - ii. The Company has made provision as required under the applicable law or according to Accounting Standards for material foreseeable losses, if any on Long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

K Nagarajan
Partner
Membership No. 16398

Place : Mumbai
Date : 26th May, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March 2015.

1. (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 according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
2. (a) The inventories of the Company have been physically verified by the management at reasonable intervals. In respect of stock lying with third parties, the same have been substantially confirmed/checked with subsequent receipts

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.
6. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub section (1) of section 148 of the Companies act 2013, relating to the Product of the Company have been made and maintained. We are not required to and accordingly, have not made a detailed examination of such records.
7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- (b) According to the records and information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Income tax and Sales tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of the statute	Nature of the dues	Amount Disputed	Amount paid (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 & Customs Act, 1962	Excise & Custom Duty	6,383.34	—	Various years from 1993 to 2006	Supreme Court
Central Excise Act, 1944	Excise Duty	3644.44	854.68	Various Years from 1997 to 2009	CESTAT
Central Excise Act, 1944	Excise Duty	1870.99	—	Various years from 1997 to 2009	Commissioner of Central Excise
The Bombay Electricity Duty Act, 1958	Cess on Electricity produced	29.63	—	2001 to 2004	Mumbai High Court.
Income Tax Act, 1961	Income Tax	490.06	—	Assessment Years 2005-06 to 2013-14	Karnataka High Court / CIT (Appeals)

- (c) According to the records of the Company and information and explanations given to us, there were no amount due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and Rules made there under
8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year & in the immediately preceding financial year.
 9. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company does not have any dues to financial institutions or debenture holders.
 10. According to the information and explanations given to us, no corporate guarantee has been issued by the company for loan taken by others.
 11. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained.
 12. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Mumbai
Date : 26th May, 2015

K Nagarajan
Partner
Membership No. 16398

Balance Sheet

as at March 31, 2015

(₹ in Lacs)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	3,079.81	3,079.81
Reserves and Surplus	2	20,801.29	22,646.55
		23,881.10	25,726.36
Non Current Liabilities			
Long Term Borrowings	3 (a)	10,783.24	14,083.50
Long Term Provisions	3 (b)	172.57	213.39
		10,955.81	14,296.89
Current Liabilities			
Short Term Borrowings	4 (a)	2,301.29	4,393.61
Trade Payables	4 (b)	19,632.70	28,624.76
Other Current Liabilities	4 (c)	3,147.79	3,387.35
Short Term Provisions	4 (d)	445.98	1.10
		25,527.76	36,406.82
TOTAL		60,364.67	76,430.07
ASSETS			
Non-Current Assets			
Fixed Assets (Net)			
Tangible Assets	5	32,673.28	37,625.01
Intangible Assets	5	4.24	3.88
Capital Work-In-Progress	5	77.19	64.25
		32,754.71	37,693.14
Non Current Investments	6	6.91	6.91
Long Term Loans and Advances	7	694.00	811.84
		33,455.62	38,511.89
Current Assets			
Inventories	8	8,655.66	14,148.85
Trade Receivables	9	14,318.47	17,429.60
Cash and Bank Balances	10	1,822.16	2,852.32
Short Term Loans and Advances	11	2,112.76	3,487.41
		26,909.05	37,918.18
TOTAL		60,364.67	76,430.07
Significant Accounting Policies	A		
Notes on Financial Statements	1- 32		

As per our report of even date
For Hariharan & Co.
Chartered Accountants
Firm's Registration No: 001083S
K. Nagarajan
Partner
Membership No: 16398
Place : Mumbai
Date : 26th May 2015

R Chandrasekaran
Chief Financial Officer & Secretary

For and on behalf of the Board of Directors of

M. M. Dhanuka
Chairman
P. H. Ravikumar
Director
Dr. A.K.A. Rathi
Director
Dr. Vajjayanti Pandit
Director

Nikunj Dhanuka
Managing Director
Rajesh Muni
Director
J. K. Saboo
Executive Director

Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Lacs)

	Note	2014-2015	2013-2014
REVENUE			
Revenue from Operations (Gross)	12	1,29,727.37	1,32,153.75
Less : Excise Duty		10,921.75	11,724.16
Revenue from Operations (Net)		1,18,805.62	1,20,429.59
Other Income	13	790.40	968.25
Total Revenue		1,19,596.02	1,21,397.84
EXPENDITURE			
Cost of Material Consumed	14	95,680.79	1,07,509.72
Decrease / (Increase) in Inventories	15	4,143.94	(2,671.51)
Purchases of Traded Goods		295.34	–
Employees Benefits Expense	16	2,848.99	2,513.53
Other Expenses	17	7,934.11	7,029.34
Depreciation and Amortisation Expenses	5	1,639.36	1,803.34
Finance Cost	18	3,816.53	3,036.22
Total Expenses		1,16,359.06	1,19,220.64
Profit before exceptional item & tax		3,236.96	2,177.20
Exceptional Item			
Exchange Loss (Net)	29 (a)	–	1,785.85
Profit before extraordinary item & tax		3,236.96	391.35
Extraordinary item - Arrears of Depreciation	5 (4)	2,111.10	–
Profit before Tax		1,125.86	391.35
Tax Expenses			
Current Tax (MAT)	19	236.19	78.27
Profit for the year		889.67	313.08
Earning per share:			
Face value of shares ₹ 10 each, (Previous Year: ₹ 10 each)			
Basic & Diluted			
Before extraordinary item	21	10.51	1.02
After extraordinary item		2.89	1.02
Significant Accounting Policies	A		
Notes on Financial Statements	1- 32		

As per our report of even date

For Hariharan & Co.

Chartered Accountants

Firm's Registration No: 001083S

K. Nagarajan

Partner

Membership No: 16398

Place : Mumbai

Date : 26th May 2015

R Chandrasekaran

Chief Financial Officer & Secretary

For and on behalf of the Board of Directors of

M. M. Dhanuka

Chairman

P. H. Ravikumar

Director

Dr. A.K.A. Rathi

Director

Dr. Vaijayanti Pandit

Director

Nikunj Dhanuka

Managing Director

Rajesh Muni

Director

J. K. Saboo

Executive Director

Cash Flow Statement

for the year ended March 31, 2015

(₹ in Lacs)

	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary Items	3,236.96	391.35
Non-cash Adjustment to reconcile profit before tax to net cash flow:		
Depreciation / Amortisation Expenses	1,639.36	1,803.34
Loss / (Profit) on Sale / Write off of Fixed Assets	(3.53)	4.89
Foreign Exchange Translation Difference Loss (Net)	264.10	1,785.85
Sundry Balances / Excess Provision Written Back	(4.70)	(14.99)
Interest Expense	1,980.30	1,317.68
Interest Income	(453.37)	(524.63)
Dividend Income	(1.42)	(0.12)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,657.70	4,763.37
Movements in Working Capital		
Increase / (decrease) in Trade Payables / Other Current liabilities	(9,225.62)	9,499.29
Decrease / (increase) in Trade receivables	3,198.77	(4,896.87)
Decrease / (increase) in Inventories	5,493.19	(5,926.44)
Decrease / (increase) in loans and advances	1,388.60	(608.22)
	854.94	(1,932.24)
CASH GENERATED FROM/(USED IN) OPERATIONS	7,512.64	2,831.13
Direct Taxes Paid (Net of refunds)	(81.11)	(22.15)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	7,431.53	2,808.98
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets, including intangible assets, CWIP	(2,773.05)	(4,050.58)
Proceeds from Sale of Fixed Assets	13.27	9.32
Interest Received	383.62	476.30
Dividend Received	1.42	0.12
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	(2,374.74)	(3,564.84)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / (Repayments) of Long-term borrowings (Net)	(2,048.55)	1,419.99
Proceeds / (Repayments) of Short -term borrowings (Net)	(2,081.73)	798.83
Interest Paid	(1,950.17)	(2,069.58)
Dividend Paid	(6.50)	—
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(6,086.95)	149.24
NET INCREASE / (DECREASE) (A+B+C)	(1,030.16)	(606.62)
CASH AND BANK BALANCES AS AT 1.4.2014 (Opening Balance)	2,852.32	3,458.94
CASH AND BANK BALANCES AS AT 31.3.2015 (Closing Balance)	1,822.16	2,852.32

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

Place : Mumbai

Date : 26th May 2015

R Chandrasekaran

Chief Financial Officer & Secretary

For and on behalf of the Board of Directors of

M. M. Dhanuka

Chairman

P. H. Ravikumar

Director

Dr. A.K.A. Rathi

Director

Dr. Vajjayanti Pandit

Director

Nikunj Dhanuka

Managing Director

Rajesh Muni

Director

J. K. Saboo

Executive Director

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, 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 Plant & Equipments, Furniture, Office Equipments, Buildings and Vehicles is provided on straight line basis based on the revised remaining useful life of the assets as per Part-C of Schedule II of the Companies Act 2013.

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.



Significant Accounting Policies

(Contd.)

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.

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.
-------------------------------------	--

Catalyst	Amortised on the basis of its estimated useful life
----------	---

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 Transaction

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.

Significant Accounting Policies

(Contd.)

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.

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 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 the Statement of profit and loss and are not deferred.

k. Income taxes

Tax expense comprises of current income tax and 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.

The carrying amount of 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.



Significant Accounting Policies

(Contd.)

I. 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 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

Notes

on Financial Statements

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 1 : SHARE CAPITAL		
Authorised		
4,00,00,000 (Previous Year: 4,00,00,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
10,00,000 (Previous Year: 10,00,000) Preference Share of ₹ 100/- each	1,000.00	1,000.00
	5,000.00	5,000.00
Issued		
3,08,01,350 (Previous Year: 3,08,01,350) Equity Shares of ₹ 10/- each	3,080.14	3,080.14
Subscribed and Paid up		
3,07,94,850 (Previous Year: 3,07,94,850) Equity Shares of ₹ 10/- each	3,079.49	3,079.49
Add: Amount paid up on 6,500 shares forfeited	0.32	0.32
	3,079.81	3,079.81
Shareholders holding more than 5% Shares in the company		
Brahmaputra Enterprised Ltd. No. of Shares 1833528 (Previous Year 1833528)		
Gembel Trade Enterprises Ltd. No. of Shares 2431489 (Previous Year 2431489)		
Kamrup Enterprises Ltd. No. of Shares 1894884 (Previous Year 1894884)		
Mysore Petrochemicals Ltd. No. of Shares 4075000 (Previous Year 4075000)		
Savita Investment Co. Ltd. No. of Shares 1933414 (Previous Year 1933414)		
Shekhawati Investment Co. Ltd. No of Shares 4122210 (Previous Year 4122210)		
Vincent (India) Ltd. No. of Shares 2634294 (Previous year 2590159)		
NOTE - 2 : RESERVES & SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	116.25	116.25
Securities Premium Reserve		
Balance as per last Balance Sheet	2,275.00	2,275.00
General Reserve		
Balance as per last Balance Sheet		
Add : Transferred from Statement of Profit & Loss	500.00	–
Revaluation Reserve		
Balance as per last Balance Sheet	2,247.60	2,637.00
Less: Transferred to respective fixed assets	2,247.60	385.98
Reversal on account of Sale / Disposal of Fixed Assets	–	3.42
	–	2,247.60
Surplus in Statement of Profit and Loss		
Opening Balance at the beginning of the year	18,007.70	17,694.62
Add : Profit for the year	889.67	313.08
	18,897.37	18,007.70
Less : Appropriation		
Transferred to General Reserve	500.00	–
Proposed equity dividend (Amount per share ₹ 1)	307.95	–
Tax on Proposed Dividend	62.69	–
Depreciation in respect of Assets whose useful life is over	116.69	–
	17,910.04	18,007.70
	20,801.29	22,646.55

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 3 : NON-CURRENT LIABILITIES		
a. Long Term Borrowings		
Secured Loans		
Term Loan - Rupee Term Loan from Banks	2,661.04	4,550.00
- Foreign Currency Loan from Bank	596.55	–
External Commercial Borrowing	4,971.09	7,157.21
Hire Purchase Finance	18.51	40.24
	8,247.19	11,747.45
Unsecured Loans		
From Bodies Corporate	2,536.05	2,336.05
Total Long Term Borrowings	10,783.24	14,083.50
b. Long Term Provisions		
Provision for Gratuity	7.11	57.28
Provision for Leave Encashment	165.46	156.11
	172.57	213.39

- The Term Loans are secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu charge basis with ECB lenders. It is further secured by second charge on the Current Assets of the Company. The Term Loans are further secured by personal guarantee of two directors of the company and by others. The Term Loans are payable in 60 equal monthly instalments from commencement of commercial production of new Phthalic Anhydride Plant i.e. 28th September 2013.
- The External Commercial Borrowings (ECB) is secured by Hypothecation of movable properties (other than current assets) and registered mortgage on immovable properties of the Company on first pari passu basis with Term Loan lenders. The ECB is payable in 17 equal semi annual instalments from 15.09.2013.
- Hire Purchase finance are secured by the assets acquired through such finance.

NOTE - 4 : CURRENT LIABILITIES

a. Short Term Borrowings - Secured

Working Capital facilities from Banks	1,763.44	856.26
Factoring Facility	498.57	3,487.48
Current Maturities of Finance Lease Obligations (Secured by the assets so acquired)	39.28	49.87
	2,301.29	4,393.61

- Working Capital facilities are secured by Hypothecation of current assets of the company i.e. stock of raw materials, stock in process, finished goods, stores & spares and book debts on first pari passu basis amongst Working Capital lenders under consortium banking arrangement excluding receivables pertaining to specific customers assigned for Factoring facilities. It is further secured by hypothecation of movable properties and registered mortgage of immovable properties of the Company on second charge basis. Working Capital facilities are further secured by Personal Guarantee of two Directors of the company and by others.
- Factoring facilities are secured by way of exclusive first charge on receivables factored and subservient charge on other Current Assets. Further they are secured by personal guarantee of two directors of the Company.

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
b. Trade Payables		
Acceptances	9,734.91	15,819.87
Sundry Creditors		
Total outstanding dues of Micro, Medium and Small Enterprises	204.44	192.81
Total outstanding dues of creditors other than Micro, Medium and Small Enterprises	9,693.35	12,612.08
	19,632.70	28,624.76
c. Other Current Liabilities		
Advance from Customers	131.41	180.50
Investor Education and Protection Fund shall be credited (as and when due) for unpaid dividend	–	6.50
Security Deposits	3.50	2.50
Current maturities of long term Secured debts		
– Rupee Term Loan from Banks	1,065.27	1,300.00
– Foreign Currency Term Loan from Bank	234.73	–
– External Commercial Borrowing	903.83	1,101.11
Interest Accrued But not Due on Loans	298.50	268.37
Other Liabilities	510.55	528.37
	3,147.79	3,387.35
d. Short Term Provisions		
Provision for Income Tax (Net of Advance Tax & Tax Deducted at Source)	74.38	–
Provision for Wealth Tax	0.96	1.10
Proposed equity dividend	307.95	–
Tax on Proposed dividend	62.69	–
	445.98	1.10

Notes

on Financial Statements (Contd.)

NOTE 5: FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block		
	As at 01.04.14	Additions	Deductions	As at 31.03.15	As at 01.04.14	For the year	Arrears	Deletions/ Adjustments	As at 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Assets											
Freehold Land	1.45	842.84	–	844.29	–	–	–	–	–	844.29	1.45
Leasehold Land	1,464.66	300.97	666.95	1,098.68	174.47	16.71	–	105.80	85.38	1,013.30	1,290.19
Buildings	2,584.57	40.27	26.20	2,598.64	768.57	227.68	–	13.33	982.92	1,615.72	1,816.00
Plant & Equipments	71,024.59	1,271.49	8,567.23	63,728.85	36,881.93	1,404.15	2,111.10	5,466.36	34,930.82	28,798.03	34,142.66
Office Equipments	274.16	19.71	–	293.87	207.49	27.05	–	–	234.54	59.33	66.67
Furniture & Fixtures	389.99	63.04	–	453.03	297.43	16.10	–	–	313.53	139.50	92.56
Vehicles	476.90	59.66	57.30	479.26	261.42	62.29	–	47.56	276.15	203.11	215.48
	76,216.32	2,597.98	9,317.68	69,496.62	38,591.31	1,753.98	2,111.10	5,633.05	36,823.34	32,673.28	37,625.01
Intangible Assets											
Software	44.34	2.43	–	46.77	40.46	2.07	–	–	42.53	4.24	3.88
TOTAL	76,260.66	2,600.41	9,317.68	69,543.39	38,631.77	1,756.05	2,111.10	5,633.05	36,865.87	32,677.52	37,628.89
Previous year	53,728.84	22658.91	127.09	76,260.66	36,551.91	2,189.32	–	109.46	38,631.77	37,628.89	

Notes :

- Certain fixed assets of the company were revalued on the basis of the net replacement value determined by an approved valuer during the year ended 30.09.1999. To follow uniform valuation of all assets the company has reinstated the historic cost value of these Fixed Assets. Accordingly the revalued amount of Plant & Equipments and other assets have been reversed on 01.04.2014 resulting in deduction in Gross Block of ₹ 7,139.97 lacs under Plant & Equipments, ₹ 666.95 lacs under Lease Hold Land and ₹ 26.20 lacs under buildings, reduction of depreciation reserve of ₹ 5,466.36 lacs under plant & Equipment, ₹ 105.80 lacs under Lease Hold Land and ₹ 13.33 lacs under buildings thus resulting net reversal to revaluation of reserve of ₹ 2,247.60 lacs.
- Buildings include ₹ 250/- (Previous year ₹ 250/-) for shares in office premises in a co-operative society. Vehicles include vehicles with Gross book value of ₹ 323.55 lacs (Previous Year ₹ 342.96 lacs) and Net book value of ₹ 139.35 lacs (Previous year ₹ 172.44 lacs) acquired on Hire Purchase contracts.
- Effective from April 1, 2014, the company has charged depreciation based on the revised remaining useful life of the assets as per requirement of Schedule II of the Companies Act 2013. Depreciation is now provided on a straight line basis as against the policy of providing on written down value basis for some assets. Had there not been any change in useful life of Fixed Assets, the depreciation charged for the year would have been higher by ₹ 1,035.07 Lacs. Further carrying value of Fixed Assets, where the remaining useful life of the assets was determined to be nil as on April 1, 2014, aggregating to ₹ 116.69 Lacs is adjusted against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. Depreciation for Previous Year of ₹ 2,189.32 lacs includes ₹ 385.98 lacs charged to Revaluation Reserve.
- From April 1, 2006 to March 31, 2014 the company had provided the depreciation for the Plant & Equipments installed in Phthalic Anhydride Plant-2 (PA-2) on straight line method based on the balance useful life of the assets as determined by an approved valuer instead of providing at the rates specified in Schedule XIV of the Companies Act 1956. Arrears arisen due to this amounting to ₹ 2,111.10 lacs for the above period is now provided and accounted under extra ordinary item in the statement of Profit & Loss.
- Addition to Fixed Assets includes preoperative and trial run expenses incurred during the year in the form of Employees benefits expenses of ₹ 50.48 lacs (Previous Year ₹ 170.50 lacs), Power Fuel & Water Charges ₹ 193.82 lacs (Previous Year ₹ 1,256.18 lacs) and Other expenses ₹ 73.85 lacs (Previous Year ₹ 442.08 lacs).
 - Capital Work in Progress includes Plant & Equipments under Construction ₹ 77.19 lacs (Previous Year ₹ 64.25 lacs).
- Pursuant to the amendment to the Companies (Accounting Standard) Rules 2006 by notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company has exercised the option in terms of Para 46A inserted in the Standard for long term foreign currency monetary assets and liabilities. Consequently the Gain of foreign exchange of ₹ 1,427.26 lacs for the year and loss of foreign exchange ₹ 31.67 lacs as on 31.03.2015 has been capitalised.

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 6 : NON-CURRENT INVESTMENTS		
Long Term Investments, Other than Trade		
Unquoted Units		
40537.392 (Previous Year: 40537.392) units of ₹ 10 each fully paid in Principal Mutual Fund	2.00	2.00
Shares		
1200 (Previous Year: 1200) shares of ₹ 10 each fully paid in Blue Circle Fine-Chem (P) Ltd	3.60	3.60
1000 (Previous Year: 1000) shares of ₹ 100 each fully paid in Cosmos Co-operative Bank Ltd.	1.00	1.00
Government Securities		
Six years National Saving Certificates of the face value of ₹ 31,000 (Previous Year: ₹ 31,000) lodged as security with Government Departments	0.31	0.31
	6.91	6.91
NOTE - 7 : LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Deposits – Others	69.00	166.30
Capital Advances	–	20.54
Security Deposit – Related Party	625.00	625.00
	694.00	811.84
NOTE - 8 : INVENTORIES		
(at lower of cost and net realisable value)		
Raw Material (Including stock in transit ₹ 1,242.35 lacs, Previous Year: ₹ 994.72 lacs)	3,773.27	3,593.26
Stores and Spares	1,924.09	2,789.44
Work-in-Progress	702.48	721.87
Finished Goods (including stock in transit ₹ 316.53 lacs, Previous Year ₹ 86.89 lacs)	1,131.10	5,737.30
Catalyst (at cost less amortisation)	1,124.72	1,306.98
	8,655.66	14,148.85

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 9 : TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months		
Unsecured, Considered Good	59.58	39.20
Other debts		
Unsecured, Considered Good	14,258.89	17,390.40
	14,318.47	17,429.60
NOTE - 10 : CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	8.63	5.57
Balance with Scheduled Banks		
In Current Accounts	15.36	204.84
In Margin Money Accounts	6.43	4.63
	30.42	215.04
Other Bank Balances		
In Fixed Deposits (Held with Scheduled Banks as Margin)	1,790.38	2,629.42
In Fixed Deposits (Held with Government Department as Security)	1.36	1.36
In Unpaid Dividend Account	–	6.50
	1,791.74	2,637.28
	1,822.16	2,852.32
NOTE - 11 : SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received		
Considered Good	766.55	811.59
Balance with Custom, Excise Authorities including Deposits	1,346.21	2,641.32
Income Tax Deducted at Source/Advance Tax (Net of Provision)	–	34.49
	2,112.76	3,487.41
NOTE - 12: REVENUE FROM OPERATIONS (GROSS)		
Sale of Products		
Phthalic Anhydride	1,28,500.64	1,31,320.97
Traded Goods	304.81	–
Other Sale	921.92	832.78
	1,29,727.37	1,32,153.75

Sales includes foreign exchange translation Gain of ₹ 268.02 Lacs (Previous Year ₹ 253.59 Lacs) on Export Sales.

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 13 : OTHER INCOME		
Interest		
Bank Deposits (TDS ₹19.91 lacs Previous year: ₹ 32.10 lacs)	210.05	326.11
Others (TDS ₹ 24.33 lacs Previous year: ₹ 19.84 lacs)	243.32	198.52
Insurance Claim Received	–	173.88
Sundry Balances / Excess Provision Written Back	4.70	14.99
Dividend Received	1.42	0.12
Miscellaneous Income	330.91	254.63
	790.40	968.25
NOTE - 14: COST OF MATERIAL CONSUMED		
Orthoxylene		
Inventories as at March 31, 2014	3,593.26	3,169.82
Add: Purchases (Net)	95,860.80	1,07,933.16
	99,454.06	1,11,102.98
Less: Inventories as at March 31, 2015	3,773.27	3,593.26
	95,680.79	1,07,509.72
NOTE - 15 : DECREASE / (INCREASE) IN INVENTORIES		
Inventories as at March 31, 2014		
Work-in-Progress	721.87	638.62
Finished Goods	5,737.30	2,850.70
Work-in-Progress - Trial Run	–	4.24
Inventories as at March 31, 2015		
Work-in-Progress	702.48	721.87
Finished Goods	1,131.10	5,737.30
	4,625.59	(2,965.61)
Differential Excise duty in respect of Closing Stock & Opening Stock (Refer Note below)	(481.65)	294.10
	4,143.94	(2,671.51)

In accordance with AS 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 the Statement of Profit & Loss and Excise duty on increase/decrease in stock amounting to (₹ 481.65 Lacs), (Previous Year ₹ 294.10 lacs) has been considered as expense/ (income) as above.

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 16 : EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,180.22	1,880.03
Contribution to Provident and Other Funds	135.28	121.21
Gratuity Expenses	30.55	67.33
Workmen and Staff Welfare Expenses	502.94	444.97
	2,848.99	2,513.53
NOTE - 17 : OTHER EXPENSES		
Consumption of Stores, Spares and Consumables	222.17	189.03
Consumption of Packing Materials	684.32	530.36
Power, Fuel and Water charges	1,563.93	2,238.37
Amortisation of Catalyst cost	566.69	322.40
Repairs and Maintenance		
Plant and Equipments	868.14	856.22
Buildings	15.55	60.92
Others	41.78	52.94
Insurance Premium	199.29	183.36
Rent	19.65	16.66
Rates and Taxes	89.51	87.84
Selling Expenses		
Brokerage and Commission	92.56	77.95
Freight outward	2,164.59	1,669.75
Port charges	120.73	57.36
Other selling expenses	134.90	75.20
Loss / (Profit) on Sale/Write off of Fixed Assets (Net)	(3.53)	4.89
Directors' Sitting Fees	6.15	3.30
Payment to Auditors (Refer Note 17.1)	15.22	12.41
Travelling & Conveyance	347.06	240.25
Legal & Professional fees	213.08	96.15
Foreign Exchange Translation Difference	264.10	–
Communication Cost	37.71	31.76
Donations and Contributions to Charitable Institutions	26.24	23.72
Miscellaneous Expenses	244.27	198.50
	7,934.11	7,029.34
NOTE - 17.1 : PAYMENTS TO AUDITORS		
Audit Fees including Limited Review Fees ₹ 6.00 Lacs (Previous Year ₹ 3.00 Lacs) excluding service tax of ₹ 1.85 Lacs (Previous Year ₹ 1.48 Lacs)	15.00	12.00
Reimbursement of Expenses	0.22	0.41
	15.22	12.41

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
NOTE - 18 : FINANCE COST		
Interest		
– on Term Loans	1,368.92	882.47
– on Others	611.38	435.21
Bills Discounting and Bank Charges	1,836.23	1,718.54
	3,816.53	3,036.22

NOTE - 19 : TAX EXPENSES

The Company has carried forward losses and unabsorbed depreciation as per the Income Tax Act 1961. The deferred tax assets have not been recognized considering the principle of virtual certainty as stated in the Accounting Standard AS-22 – Accounting for Taxes on Income.

In view of availability of Carried Forward benefits as referred above, the Company has provided for the liability for the Current Year under Section 115 JB (MAT) of the Income Tax Act 1961.

NOTE - 20 : EARNING PER SHARE OF ₹ 10 EACH (EPS)

Profit after tax as per Statement of Profit & Loss	889.67	313.08
Profit before extraordinary item	3,236.96	313.08
Weighted average No. of Shares in calculating basic and diluted EPS	30794850	30794850
Basic & Diluted EPS - ₹		
Before extraordinary item	10.51	1.02
After extraordinary item	2.89	1.02

NOTE - 21 : CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	33.83	27.31
---	-------	-------

NOTE - 22 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for

a. Bills of Exchange Discounted - With Banks	1,617.54	4,694.36
b. Disputed Excise & Service tax matters *		
i) Cases decided in favour of the Company which are taken further in appeal before the appellate authorities by the department.	9,274.71	10,564.25
ii) Other Matters for which the Company is in appeal. (Deposits paid under protest ₹ 854.68 Lacs (Previous Year ₹ 854.68 Lacs))	1,845.96	1,969.97
iii) Show Cause Notices received	778.10	12,176.42
The Management is confident that the matters will be in favour of the company as per legal opinion obtained / legal precedents.		
c) Claim against the Company not acknowledged as Debt in respect of Electricity Duty on internal power generation.	29.63	29.63

Notes

on Financial Statements (Contd.)

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
d) Claim against the Company not acknowledged as Debt in other matters. (Deposits paid under protest ₹ 489.00 Lacs (Previous Year ₹ 489 Lacs)	489.00	489.00
e) The Income tax assessments of the Company have been completed upto the assessment year 2012-2013 and while completing the assessments for certain years the Income tax Department had disallowed certain claims of the company which had resulted in reduction of Carried Forward benefits available to the company as per the Income Tax Act 1961 and the additional tax liability that may arise amounts to: These matters are in appeal before the Appellate authorities. Based on the interpretation of the relevant provisions of the Income Tax Act, the Company has been legally advised by an eminent Counsel that the matters will be in favour of the Company. Future cash outflows in respect of item b, c and e above are determinable only on receipt of judgments / decisions pending at various forums/ authorities.	490.06	1,408.69
f) Workmen's Union. Demand of the Company at Taloja w.e.f 1 st June, 2015 is under negotiations amount presently not ascertainable.		

*Against certain demands on these matters, the Company / Department had filed appeal during the earlier years in the case of certain Excise / Custom demands amounting to ₹ 6,383.34 Lacs (Previous Year ₹ 7,672.89 Lacs) before the Honourable Supreme Court which are disputed by the Company and the matter is subjudice. Based on decisions of the Supreme Court and other interpretation of the relevant provisions, the Company has been legally advised by an eminent Counsel that matter will be in favour of the Company.

NOTE - 23 : SEGMENT INFORMATION

Primary Business Segment

The Company is exclusively engaged in a single business segment of manufacture and sale of organic chemicals and accordingly this is the only primary reportable segment.

Geographical Segments

Secondary segmental reporting is based on the geographical location of customers. The geographical segments have been disclosed based on revenues within India (sales to Customers within India) and revenues outside India (sales to customers located outside India). Secondary segment assets and liabilities are based on the location of such asset/liability.

Information about Secondary Geographical Segments

(₹ in Lacs)

Segment Information	Year ended March 31, 2015			Year ended March 31, 2014		
	India	Outside India	Total	India	Outside India	Total
Revenue (Gross Sales)	105,424.45	24,302.92	129,727.37	116,186.01	15,967.74	132,153.75
Carrying amount of segment assets	59,164.46	1,200.21	60,364.67	74,375.16	2054.91	76,430.07
Carrying amount of segment liabilities	23,459.01	13,024.55	36,483.56	24,394.85	26,308.86	50,703.71
Additions to fixed assets	2,600.41	–	2,600.41	22,658.91	–	22,658.91

Notes

on Financial Statements (Contd.)

NOTE - 24: RELATED PARTY DISCLOSURE

As required by Accounting Standard (AS)-18

i.	Names of related parties where control exists irrespective of whether transactions have occurred or not	
	Individuals owning, directly or indirectly, an interest in the voting power that gives them control or significant influence	–
ii.	Names of other related parties with whom transactions have taken place during the year	
a.	Key Management Personnel	Mr. Nikunj Dhanuka – Managing Director Mr. R Chandrasekaran – Chief Financial Officer & Secretary
b.	Relatives of key management personnel	Mr. Umang Dhanuka – Brother of Managing Director. Mrs. Raj Kumari Dhanuka – Mother of Managing Director. Mrs. Bina Devi Dhanuka – Uncle's Wife of Managing Director. Mr. Mayank Dhanuka – Uncle's Son of Managing Director.
c.	Associates	–
d.	Enterprises owned or significantly influenced by key management personnel or their relatives	Mysore Petro Chemicals Limited

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

Sr. No.	Nature of Transaction	₹ in Lacs		
		Related parties referred to in		
		ii(a) above	ii(b) above	ii(d) above
	Income			
1	Sale of Goods *			200.96 (79.15)
2	Service Charges Received			– (280.90)
	Expenses			
3	Remuneration	74.72 (76.17)	11.99 (12.27)	
	Rent		6.00 (6.00)	
	Guarantee Commission			53.83 (–)
4	Amount Receivable at year end Security Deposit			625.00 (625.00)

Note: Amount in bracket represents figures for previous year.

* As per contract with Mysore Petro Chemicals Limited, certain exchange transactions of services / goods mutually beneficial have been entered into which have not been quantified above.

Notes

on Financial Statements (Contd.)

NOTE - 25 : 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 recognised 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 Personnel Expenses in Note 18)

(₹ in Lacs)

	Gratuity (funded) March 31, 2015	Gratuity (funded) March 31, 2014
Current service cost	43.90	35.70
Interest cost on benefit obligation	38.56	31.94
Expected return on plan assets	8%	8%
Net actuarial (gain) / loss recognized in the year	-14.23	33.10
Actual return on plan assets	37.68	33.41
Net Benefit / Cost	30.55	67.33

b. Balance Sheet

Details of Provision for gratuity

(₹ in Lacs)

	Gratuity (funded) March 31, 2015	Gratuity (funded) March 31, 2014
Defined benefit obligation	517.92	484.25
Fair value of plan assets	510.81	426.97
Less: Unrecognized past service cost		
Plan asset / (liability)	(7.11)	(57.28)

c. Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	Gratuity (funded) March 31, 2015	Gratuity (funded) March 31, 2014
Opening defined benefit obligation	484.25	399.24
Interest cost	38.56	31.94
Current service cost	43.90	35.70
Benefits paid	37.62	15.72
Actuarial (gains) / losses on obligation	-11.17	33.10
Closing defined benefit obligation	517.92	484.26

Notes

on Financial Statements (Contd.)

d. **Changes in the fair value of plan assets are as follows:** (₹ in Lacs)

	Gratuity (funded) March 31, 2015	Gratuity (funded) March 31, 2014
Opening fair value of plan assets	426.97	382.50
Expected return	8%	8%
Contributions by employer	49.78	16.43
Benefits paid	6.67	5.37
Actuarial gains / (losses)	11.17	(33.10)
Closing fair value of plan assets	510.81	426.97
Actual Return on plan Assets	40.73	33.41
Estimated contribution to be made in next annual year	36.00	36.00

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lacs)

	Gratuity (funded) %	Gratuity (funded) %
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	8
Expected rate of return on assets	8	8
Employee turnover	1	1
Salary Escalation	4	4
Mortality	L.I.C (1994-96) Ultimate	L.I.C (1994-96) Ultimate

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 the 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 2015 and no provision has been made.

	March 31, 2015 ₹ in Lacs	March 31, 2014 ₹ in Lacs
--	-----------------------------	-----------------------------

ii. **Defined Contribution Plan**

Employees Benefits Expenses in Note 17 includes the following contributions to defined contribution plan.

Contribution to Provident and Other Funds

Contribution to Provident Fund	101.61	100.90
Employees Pension Fund	31.67	19.11
EDLI	2.01	1.20
Total	135.29	121.21
Workmen and Staff Welfare fund		
ESIC	0.41	0.53
Labour Welfare Fund	0.10	0.08
	0.51	0.61

Notes

on Financial Statements (Contd.)

NOTE - 26: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The Information on derivative instruments is as follows:

i. Forward Contracts of sale outstanding as at the balance sheet date

	March 31, 2015		March 31, 2014	
	Amount in Foreign currency US\$	₹ in Lacs	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	28,58,680	1,937.67	30,79,662	1935.73

ii. Forward Contracts of purchases outstanding as at the balance sheet date

	March 31, 2015		March 31, 2014	
	Amount in Foreign currency US\$	₹ in Lacs	Amount in Foreign currency US\$	₹ in Lacs
Forward currency contract	Nil	Nil	1,09,87,814	6976.95

iii. Particulars of Unhedged foreign currency exposure as at the balance sheet date:

	March 31, 2015		March 31, 2014	
	Amount in Foreign currency	₹ in Lacs	Amount in Foreign currency	₹ in Lacs
Amount Receivable				
US \$	-	-	-	-
Amount Payable				
Import of Goods - US \$	59,68,277	3,735.59	67,60,665	4,063.14
Import of Goods - Euro	50,57,058	3,414.04	54,68,379	3,856.52
Loans Payable - US \$	13,28,115	831.28	-	-
Loans Payable - Euro	87,02,248	5,874.92	1,00,00,813	8,258.32

Notes

on Financial Statements (Contd.)

NOTE - 27 : SUPPLEMENTARY STATUTORY INFORMATION

	2014-2015 ₹ In Lacs	2013-2014 ₹ In Lacs
i. Earnings in foreign currency (Accrual basis)		
FOB value of goods exported (Excluding Sales during Trial Run ₹ Nil , Previous Year ₹ 2,681.27 Lacs)	24,302.92	15,967.74
ii. Expenditure in foreign currency (Accrual basis)		
Travelling	159.07	89.94
Brokerage and Commission	27.36	48.73
Interest & Finance Charges	249.41	340.92
Others	15.87	7.76
Total	451.71	487.35
iii. Value of imports calculated on CIF basis		
Raw Materials & Traded Goods	14,499.39	28,744.57
Stores & Spares	126.23	163.44
Catalyst	353.01	1,203.92
Capital goods	79.39	407.42
Total	15,058.02	30,519.35

iv. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Dues to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006 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.

NOTE - 28 : IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS & SPARE PARTS CONSUMED.

i. Imported and indigenous raw materials consumed

Product		March 31, 2015		March 31, 2014	
		% of total	₹ in Lacs	% of total	₹ in Lacs
Imported	#	16.00	15,056.91	21.00	23,044.13
Indigenous		84.00	80,623.88	79.00	84,465.59
Total		100.00	95,680.79	100.00	1,07,509.72

Excluding consumed during Trial Run ₹ Nil (Previous Year ₹ 5,863.54 Lacs).

ii. Imported and indigenous spare parts consumed

Product	March 31, 2015		March 31, 2014	
	% of total	₹ in Lacs	% of total	₹ in Lacs
Imported	26	148.96	25	131.67
Indigenous	74	431.98	75	391.83
Total	100	580.94	100	523.50
Part cost of Imported Catalyst amortised		566.69		322.40

Notes

on Financial Statements (Contd.)

NOTE - 29 : EXCEPTIONAL ITEM

- a. In the previous year due to significant movement and volatility in value of Indian rupee against US dollar the net foreign exchange loss had been considered by the Company as exceptional in nature.
- b. Foreign currency liability of ₹ 3414.04 Lacs (Previous Year ₹ 3516.89 Lacs) shown under Creditors (current liabilities) has been disputed, a counter claim has been made and is not likely to be settled in near future, however this liability has been converted by applying exchange rate at the close of the year as per Accounting Standard issued by ICAI.

NOTE - 30 : RESEARCH & DEVELOPMENT

Research & Development Expenditure of ₹ 39.82 Lacs (Previous Year ₹ 33.01 Lacs) have been accounted for in the respective heads of the Statement of Profit and Loss.

NOTE - 31 : CORPORATE SOCIAL RESPONSIBILITY

The Company has incurred ₹ 29.13 Lacs (Previous Year ₹ 23.62) on Corporate Social Responsibility which have been accounted for in the respective heads of the Statement of Profit and Loss.

NOTE - 32 : 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
Place : Mumbai
Date : 26th May 2015

R Chandrasekaran
Chief Financial Officer & Secretary

For and on behalf of the Board of Directors of

M. M. Dhanuka
Chairman
P. H. Ravikumar
Director
Dr. A.K.A. Rathi
Director
Dr. Vaijayanti Pandit
Director

Nikunj Dhanuka
Managing Director
Rajesh Muni
Director
J. K. Saboo
Executive Director



IG PETROCHEMICALS LIMITED

CIN: L51496GA1988PLC00915

Registered Office: T-10, 3rd Floor, Jairam Complex, Neugi Nagar, Panaji, Goa – 403 001

Corporate Office: 401, Raheja Centre, 214, Nariman Point, Mumbai-400 021

Tel. No.: 022 30286100 • Fax: 022 22040747 • Email: igpetro@vsnl.com

ATTENDANCE SLIP

(to be presented at the entrance)

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company at Hotel Mandovi, Dr. D B Bandodkar Road, Panaji, Goa-403 001 on Monday, 17th August, 2015 at 11.00 a.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.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxy holder _____ Signature _____

1. Only Member / Proxy holder can attend the Meeting.
2. Member / Proxy holder should bring his / her copy of the Annual Report for reference at the Meeting.



IG PETROCHEMICALS LIMITED

CIN: L51496GA1988PLC00915

Registered Office: T-10, 3rd Floor, Jairam Complex, Neugi Nagar, Panaji, Goa – 403 001

Corporate Office: 401, Raheja Centre, 214, Nariman Point, Mumbai-400 021

Tel. No.: 022 30286100 • Fax: 022 22040747 • Email: igpetro@vsnl.com

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)

Name of the Member(s):
Registered Address:
E-Mail Id:
Folio No./Client ID:
DP ID:

I/We the member(s) of **IG Petrochemicals Limited** holding _____ shares hereby appoint:

(1) Name: _____ E-Mail Id: _____
Address: _____

Signature _____ or failing him;

(2) Name: _____ E-Mail Id: _____
Address: _____

Signature _____ or failing him;

(3) Name: _____ E-Mail Id: _____
Address: _____

Signature _____

TEAR HERE



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, 17th August, 2015 at 11.00 a.m. at Hotel Mandovi, Dr. D B Bandodkar Road, Panaji, Goa-403 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Type of Resolution	For	Against
	Ordinary Business			
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2015 and the Report of the Board of Directors and the Auditors' Report thereon.	Ordinary		
2.	To declare Dividend on equity shares.	Ordinary		
3.	To appoint a Director in place of Shri M M Dhanuka who retires by rotation and being eligible has offered himself for re-appointment.	Ordinary		
4.	Appointment of Statutory Auditors	Ordinary		
	Special Business			
5.	Appointment of Dr. Vaijayanti Pandit as an Independent Director.	Ordinary		
6.	Appointment of M/s. ASA & Associates LLP as a Joint Statutory Auditor	Ordinary		
7.	Ratification of the remuneration payable to M/s. Krishna S & Associates, Cost auditors of the Company for the financial year 2015-16.	Ordinary		
8.	Appointment of Shri Umang Dhanuka as Chief Marketing Officer.	Special		
9.	Appointment of Shri Mayank Dhanuka as Chief Operating Officer.	Special		
10.	Adoption of new Articles of Association.	Special		
11.	Maintenance of the Register of Members, etc. at a place other than the Registered Office of the Company.	Special		

Signed this _____ day of _____ 2015

Signature of the Member _____

Affix
Revenue
Stamp

Signature of the 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.



IG PETROCHEMICALS LIMITED

Corporate Office:

401-404, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai-400 021, India.

Tel.: (91) 22 - 3028 6100; Fax: (91) 22 - 2204 0747

E mail: igpetro@vsnl.com

Website: <http://www.igpetro.com>

CIN: L51496GA1988PLC000915

Regd. Office:

T-10, 3rd Floor, Jairam Complex, Mala, Neugi Nagar,
Panaji, Goa - 403 001, India

Tel: 0832 - 2434973 •

REGISTRATION OF E-MAIL ADDRESS

Date: _____

The Company Secretary
I G Petrochemicals Limited
401-404, Raheja Centre
214, Nariman Point
Mumbai – 400 021.

Dear Sir,

Sub: Go-green initiatives in Corporate Governance - E-mail updation

I hereby authorize you to send all communications to me in electronic mode. Please register my e-mail id in your records for sending all communications through e-mail. The relevant details in respect of my folio are given below:

Folio No. : _____

DP ID : _____

Client ID : _____

PAN : _____

No. of shares held : _____

E-mail ID : _____

Kindly communication the registration of the e-mail ID in your record by email.

Thanking you,

Yours faithfully,

Signature of the shareholder

1st joint holder

2nd joint holder

Important Notes:

- 1) On registration, all the communication will be sent to the registered e-mail ID.
- 2) Shareholders are requested to keep Company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned email ID.



I G PETROCHEMICALS LIMITED

CIN: L51496GA1988PLC00915

Registered Office: T-10, 3rd Floor, Jairam Complex, Neugi Nagar, Panaji, Goa-403 001

Corporate Office: 401, Raheja Centre, 214, Nariman Point, Mumbai-400 021

Tel. No.: 022 30286100 • Fax: 022 22040747 • Email: igpetro@vsnl.com

BALLOT FORM

1. Name & Address of the Sole / :
First named Shareholder
2. Joint holders, if any :
3. Registered Folio No. / DP ID No. & Client ID :
4. No. of Shares held :
5. I/ We hereby exercise my/ our vote in respect of the Resolution(s) to be passed for the businesses stated in the Notice dated 10th July, 2015 convening the Annual General Meeting on 17th August, 2015 by conveying my/ our assent or dissent to the Resolution(s) by placing tick (✓) mark in the appropriate boxes below:

Sl. No.	Description	No. of Shares	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2015 and the Report of the Board of Directors and the Auditors' Report thereon.			
2.	To declare Dividend on equity shares.			
3.	To appoint a Director in place of Shri M M Dhanuka who retires by rotation and being eligible has offered himself for re-appointment.			
4.	Appointment of Statutory Auditors			
5.	Appointment of Dr. Vijayanti Pandit as an Independent Director.			
6.	Appointment of M/s. ASA & Associates LLP as a Joint Statutory Auditor			
7.	Ratification of the remuneration payable to M/s. Krishna S & Associates, Cost auditors of the Company for the financial year 2015-16.			
8.	Appointment of Shri Umang Dhanuka as Chief Marketing Officer.			
9.	Appointment of Shri Mayank Dhanuka as Chief Operating Officer.			
10.	Adoption of new Articles of Association.			
11.	Maintenance of the Register of Members, etc. at a place other than the Registered Office of the Company.			

Place:

Date:

(Signature of the Shareholder)

Notes:

- Last date for receipt of Postal Ballot form by Scrutinizer is 14th August, 2015.
- Please read the instructions for E-voting procedure as stated in the Notice of the Annual General Meeting dated 10th July, 2015 before exercising your vote

TEAR HERE

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to The Scrutinizer, I G Petrochemicals Ltd., 401-404, Raheja Centre, 214, Nariman Point, Mumbai - 400 021 so as to reach by 6.00 pm on 14th August, 2015. Ballot Form received thereafter will be treated as if the reply from the Member has not been received.
2. The Company will not be responsible if the Ballot Form is lost in transit.
3. The Ballot Form shall be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the form should be signed by the first named shareholder and in his/her absence by the next named shareholder.
4. An incomplete or incorrect form is liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut off date i.e. 12th August, 2015.
6. In the event member casts his votes through both the processes, i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
7. The right of voting by Ballot Form shall not be exercised by a proxy.
8. The identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by the Depositories and that of members holding shares in physical form is verified as per the records of the Share Transfer Agent of the Company i.e. Bigshare Services Pvt. Ltd.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company.