

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2020

16<sup>th</sup> June 2020

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

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

Dear Sir,

Sub: Outcome of Board Meeting held on 16<sup>th</sup> June 2020

1.	<p><b>Audited Financial Results for the year ended 31.03.2020</b></p> <p>Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Stand Alone and Consolidated Audited Financial Results of the Company for the year ended 31<sup>st</sup> March 2020, which were approved by the Board of Directors at the meeting held today. The Reports of the Auditors and the declaration regarding unmodified opinion are also enclosed.</p> <p>The above are available in the Company's website <a href="http://www.manalipetro.com">www.manalipetro.com</a></p>
2.	<p><b>Recommendation of Dividend</b></p> <p>At the above meeting, the Board has recommended a dividend of 75 paise per equity share of Rs. 5/- each, fully paid-up, [15%] subject to the approval of the Members at the ensuing Annual General Meeting (AGM).</p> <p>The date of payment of dividend will be informed in due course, upon finalization of the date of the AGM.</p>

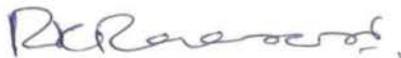
The meeting commenced at 12:05 PM and ended at 1:30 PM. The report of the auditors on the results were received at 2:05 PM and the results have been disclosed within 30 minutes thereof.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

**For Manali Petrochemicals Limited**



R Kothandaraman

**Company Secretary**

**Factories :**

Plant - 1 : Ponneri High Road, Manali, Chennai - 600 068

Plant - 2 : Sathangadu Village, Manali, Chennai - 600 068

Phone : 044 - 2594 1025 Fax : 044 - 2594 1199

E-mail: [cs@manalipetro.com](mailto:cs@manalipetro.com)

## DECLARATION

Pursuant to second proviso to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, we hereby declare that the Reports of the Auditors on the Standalone and Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2020 do not contain any modified opinion.

Place: Chennai  
Date: 16.06.2020

For Manali Petrochemicals Limited



Anis Tyebali Haideri  
*Chief Financial Officer*

### Factories :

Plant - 1 : Ponneri High Road, Manali, Chennai - 600 068

Plant - 2 : Sathangadu Village, Manali, Chennai - 600 068

Phone : 044 - 2594 1025 Fax : 044 - 2594 1199

E-mail: [cs@manalipetro.com](mailto:cs@manalipetro.com)

## Independent Auditor's Report

To the Board of Directors of  
The Manali Petrochemicals Limited  
Chennai.

Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone Annual financial results of Manali Petrochemicals Limited (the company) for the year ended 31.03.2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone annual financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31<sup>st</sup> March 2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Emphasis of Matter:**

Without qualifying the audit opinion, attention is invited to

1) a) Note No.4(a) to the standalone annual financial results, which explains the period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Unit-II) is operating has since expired on June 30, 2017 for which requests for renewal have been filed by the Company with Govt. of Tamil Nadu, (the Lessor) and extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the financial results for the year for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the management is confident of obtaining the renewal of lease of land.

b) Note no 4(b) to the Standalone Annual Financial Results, which states the Pending the renewal of land Lease and the fixation of lease rent by Government of Tamilnadu in respect of land on which Company's manufacturing plant (unit-II) is operating, no adjustments have been made in the financial results for the year and in the opening retained earnings towards the possible impact arising on account of implementation of Ind AS 116 – "Leases" as the same is not ascertainable at this point of time.

c) Note no 4(c ) to the standalone annual financial results, which explains the demand notice received from the Tahsildar, Thiruvottiyur demanding payment of Rs. 19,836 Lakhs towards arrears of lease rent. The management based on a legal advice believes that demand for alleged arrears of lease rent is baseless, unsubstantiated, erroneous and is arbitrary and not tenable. Accordingly no provision has been considered necessary. Taking into consideration the efforts of the management in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained in the demand notice) and subsequent representations made by the company to Government explaining the unreasonableness and arbitrariness of the demand and also sought revision and withdrawal of the same which is currently pending before Government of Tamilnadu. Pending the outcome of representations by the company no adjustments have been made in the financial results.

2) Note no 10 to the standalone annual financial results, which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.



### **Management's Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical



requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Financial Results include the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Brahmayya & Co.,  
Chartered Accountants**

Firm Registration No. 0005115



**Sri Krishna**

Partner

Membership No. 026575

UDIN : 20026575AAAADL5473

Place : Chennai

Date : June 16, 2020

# MANALI PETROCHEMICALS LIMITED

Registered Office: SPIC HOUSE, 88, Mount Road, Guindy, Chennai - 600 032  
 Telefax: 044-2235 1098 E-mail: companysecretary@manalipetro.com Website: www.manalipetro.com  
 Corporate Identity Number : L24294TN1986PLC013087

Statement of Standalone Financial Results for the Quarter and year ended 31.03.2020						[Rs. in Lakh]
S. No	Particulars	Three Months ended			Year ended	
		Audited #	Unaudited	Audited #	Audited	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
1	Revenue from Operations	18,251.12	14,570.85	16,382.49	67,663.95	70,211.80
2	Other Income	49.53	118.61	195.14	874.27	679.52
3	<b>Total Revenue (1+2)</b>	<b>18,300.65</b>	<b>14,689.46</b>	<b>16,577.63</b>	<b>68,538.22</b>	<b>70,891.32</b>
4	Expenses					
	Cost of materials consumed	12,817.92	8,584.37	12,165.43	45,267.08	47,270.79
	Changes in inventories of finished goods, work-in- progress	404.32	1,369.88	(1,472.72)	1,532.68	(2,196.39)
	Utilities	1,685.06	1,704.16	2,074.55	7,613.01	9,005.28
	Employee benefits expense	653.32	578.63	667.69	2,466.94	2,567.91
	Finance costs (Refer Note No 8)	124.60	128.11	37.13	566.61	173.71
	Depreciation and amortization expense (Refer Note No 8)	339.69	346.57	261.25	1,384.81	1,032.44
	Other expenses	1,221.79	1,050.08	1,034.81	4,498.87	4,446.08
	<b>Total Expenses</b>	<b>17,246.70</b>	<b>13,761.80</b>	<b>14,768.14</b>	<b>63,330.00</b>	<b>62,299.82</b>
5	Profit Before Exceptional items and Taxes (3-4)	1,053.95	927.66	1,809.49	5,208.22	8,591.50
6	Exceptional Items (Refer Note No 10 [Previous year note no. 6])	(710.79)	-	1,677.00	(710.79)	1,677.00
7	Profit Before Tax (5+6)	343.16	927.66	3,486.49	4,497.43	10,268.50
8	Tax Expense					
	Current tax	141.79	268.31	1,228.78	1,343.35	2,945.78
	Short/(Excess) provision for tax relating to prior years	(85.04)	-	178.58	(85.04)	178.58
	Deferred tax	(868.90)	54.49	(38.07)	(624.91)	603.11
	<b>Net tax expense</b>	<b>(812.15)</b>	<b>322.79</b>	<b>1,369.29</b>	<b>633.40</b>	<b>3,727.47</b>
9	Profit for the period (7-8)	1,155.31	604.87	2,117.20	3,864.03	6,541.03
10	Other Comprehensive Income					
	<b>Items that will not be classified to profit or (loss)</b>					
	Changes in Fair Value of Equity Investments	(0.29)	(0.28)	(0.12)	(1.06)	(0.28)
	Remeasurement Cost of net defined benefits	22.47	13.69	28.13	64.99	69.31
	Income Tax relating to items that will not be re-classified to Profit or Loss	(16.65)		(24.22)	(16.65)	(24.22)
11	<b>Total Comprehensive Income</b>	<b>1,160.84</b>	<b>618.28</b>	<b>2,120.99</b>	<b>3,911.31</b>	<b>6,585.84</b>
12	Paid-up equity share capital (Face value of Rs.5/- each)	8,603.47	8,603.47	8,603.47	8,603.47	8,603.47
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year				37,100.71	35,552.07
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	0.67	0.35	1.23	2.25	3.80

# refer Note 11



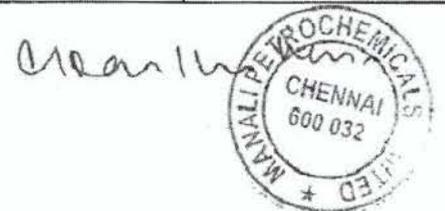
*Manali Petrochemicals*

Notes:

## I Statement of Standalone Assets and Liabilities as at March 31, 2020

{Rs. In Lakh}

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. ASSETS</b>		
<b>I Non Current Assets</b>		
a) Property, Plant and Equipment	17,393.86	18,283.57
b) Capital work-in-progress	2,642.87	634.62
c) Right of Use Assets	2,589.98	-
d) Investment Property	4.98	-
e) Financial Assets:		
i) Investments	11,044.83	11,043.25
ii) Other Financial Assets	15.63	15.63
f) Other Non-Current Assets	2,067.76	2,104.23
<b>TOTAL NON-CURRENT ASSETS</b>	<b>35,759.90</b>	<b>32,081.30</b>
<b>II Current Assets</b>		
a) Inventories	7,462.11	9,988.61
b) Financial Assets:		
i) Current Investments	4,059.16	-
ii) Trade Receivables	7,789.68	8,185.45
iii) Cash and Cash Equivalents	4,059.33	4,487.65
iv) Bank balances other than iii) above	560.91	745.49
v) Loans	38.15	3,538.40
vi) Other Financial Assets	33.79	65.41
c) Other Current Assets	904.75	1,010.06
<b>TOTAL CURRENT ASSETS</b>	<b>24,907.87</b>	<b>28,021.07</b>
<b>TOTAL ASSETS</b>	<b>60,667.77</b>	<b>60,102.37</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>I Equity</b>		
a) Equity Share Capital	8,603.47	8,603.47
b) Other Equity	37,100.71	35,552.07
<b>TOTAL-EQUITY</b>	<b>45,704.18</b>	<b>44,155.54</b>
<b>II Liabilities</b>		
<b>II. A Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Other Long-Term Liabilities	3,471.33	-
b) Provisions	276.91	227.17
c) Deferred Tax Liabilities (net)	1,039.85	2,016.78
d) Other Non-Current Liabilities	417.26	449.38
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,205.35</b>	<b>2,693.33</b>
<b>II. B Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	895.93	1,437.53
ii) Trade Payables	-	-
1 Total outstanding dues to Micro Enterprises and Small Enterprises	154.53	10.98
2 Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	4,380.37	7,853.26
iii) Other Financial Liabilities	397.71	417.97
b) Provisions	1,705.80	1,600.19
c) Other Current Liabilities	2,223.90	1,933.56
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,758.24</b>	<b>13,253.49</b>
<b>TOTAL LIABILITIES</b>	<b>14,963.59</b>	<b>15,946.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,667.77</b>	<b>60,102.37</b>



Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	4,562.42	10,268.50
Adjustments for		
Depreciation	1,072.78	1,032.44
Provisions no longer required written back	(148.45)	(1,764.97)
Dividend income	(69.37)	(229.15)
Finance costs	566.61	173.71
Interest income	(623.91)	(195.36)
Provision for doubtful debts	-	3.23
Net unrealised exchange (gain) / loss	69.71	134.33
Loss on sale / write-off of assets	790.60	135.61
<b>Operating Profit</b>	<b>6,220.38</b>	<b>9,558.34</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets</b>		
Inventories	2,526.50	(4,320.54)
Trade Receivables	395.77	(542.40)
Other Financial Assets	3,500.26	(3,478.21)
Other Current Assets	136.93	(387.58)
Other Non-Current Assets	(48.30)	128.56
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	(3,399.05)	3,210.19
Other financial liabilities	(20.25)	(2.32)
Other Current liabilities	198.58	790.43
Short-term provisions	105.61	(161.36)
Other Non Financial Liabilities	(32.12)	(32.12)
Long-term provisions	49.74	95.49
Net income tax paid	(1,251.45)	(3,003.64)
<b>Net cash from / (used in) Operating activities [A]</b>	<b>8,382.60</b>	<b>1,854.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(3,077.38)	(1,957.95)
Investments in Equity shares	(2.64)	1.19
Interest income	623.91	195.36
Dividend income	69.37	229.15
Bank balances not considered as cash and cash equivalents	184.58	(190.78)
<b>Net cash from / (used in) Investing activities [B]</b>	<b>(2,202.16)</b>	<b>(1,723.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / Proceeds from Short-term borrowings	(541.60)	(274.38)
Interest paid	(452.47)	(173.71)
Dividend paid	(1,290.00)	(860.00)
Tax on dividend	(265.53)	(176.80)
<b>Net cash from / (used in) Financing Activities [C]</b>	<b>(2,549.60)</b>	<b>(1,484.89)</b>
<b>Net (decrease) / increase in cash and cash equivalents = (A+B+C)</b>	<b>3,630.84</b>	<b>(1,353.08)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,487.65</b>	<b>5,840.73</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8,118.49</b>	<b>4,487.65</b>

**Components of Cash & Cash Equivalents:**

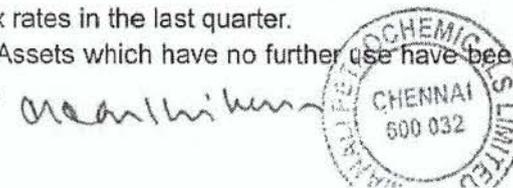
Cash on hand	1.00	2.35
Cheques on hand	16.21	-
Balance(s) In current accounts (including debit balance(s) in cash credit)	242.14	5.30
Balances in Fixed deposit original maturity period less than 3 months	3,799.98	4,480.00
Current Investments	4,059.16	-
<b>Total Cash and Cash Equivalents</b>	<b>8,118.49</b>	<b>4,487.65</b>



*Mamathi*

Notes:

- 3 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on June 16, 2020 and have been audited by the Statutory Auditors of the Company.
- 4
- a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Plant-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however is unascertainable at this point in time), are deemed necessary in the financial results.
- b) Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, as the impact unascertainable
- c) During the FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of Rs. 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for Rs. 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur. In this regard, the Company had received legal advise that the amounts claimed through the said two notices are misconceived in as much as the demand for alleged arrears of lease rent appears to be baseless, unsubstantiated, erroneous and so is arbitrary and not tenable. Accordingly, taking into account the arbitrariness involved, it is viewed that the said claims are devoid of any merits and so need not be reckoned as any kind of obligation on the Company. The Company would decide on further course of action in the matter once the details are received. Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2020 which have been accepted and realized by the Thasildhar. In the light of this and also that the later demand covers the period mentioned in the demand received in FY 2013-14, the earlier provision of Rs. 1,677 lakh in FY 2014-15 was no longer necessary and hence the same was reversed as shown under Exceptional items in the previous year. However the Company continues to provide for lease rent based on the contract terms for the fixation of lease rent and in terms of the extant Government guidelines for such leases.
- The Auditors have included an Emphasis of Matter para in their report on the above.
- 5 The Board of Directors has recommended a dividend of 75 paise (15 %) per share on 171,999,229 equity shares of Rs. 5/- each for the financial year 2019-20, subject to approval of Members at the Annual General Meeting.
- 6 Manufacture of petrochemicals is the only operating segment as defined in Ind AS 108: Operating Segments
- 7 Effective from 1st April, 2019, the Company has adopted Ind AS 116 - Leases, using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to Rs.655 lakh (net off deferred Tax Asset of Rs.352 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized Rs.2902 lakh as right to use assets and lease liability of Rs. 3909 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, Rs. 383.18 lakh has been accounted as finance cost and Rs. 312.03 lakh as Depreciation against the payment of Rs. 581.07 lakh towards lease rent.
- 8 The option available under section 115BAA of Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 adopted by the company. Hence Provision for Income Tax and Deferred Tax has been restated and remeasured as per new tax rates in the last quarter.
- 9 During the period, evaluation of use of CPP assets which was kept idle since 2014 was carried out. Assets which have no further use have been impaired and are written off from the books of accounts amounting to Rs. 711 lakh and shown under exceptionsl items.



10 **Note on impact of COVID-19 situation**

a) The spread of COVID 19 has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. In consequence of the lockdown and other measures imposed by the Governments under the Disaster Management Act, 2005, the operations of both the plants of MPL were shut down in the last week of March 2020. Production of various products of the Company restarted in phases from 2nd week of April 2020, duly following the Government guidelines. The pandemic situation has affected the normal business operations of the Company and production, sales and profitability, inter alia, have been impacted.

Though the sale of Propylene Glycol- IP, a pharmaceutical ingredient was not materially impacted, the demand for Polyols and related products have remained dormant in view of shut down by users due to lock down. The company continues to face challenges on revival of demand and it is not clear when the uncertainties prevailing will get normalised.

b) The Company also has assessed recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventory and investments as at balance sheet date. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated. The Company evaluated the internal controls including internal controls with reference to financial statements which have been found to be operating effectively given that there have been no dilution of such controls due to factors caused by COVID 19 situation.

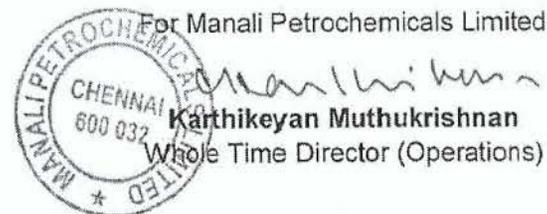
c) Management believes that it has taken into account all the factors that can have any possible impact arising from COVID 19 pandemic on the preparation of the financial statements and results including the ability of the Company to continue as going concern. However, as at the date of approval of these results, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Company's operations as normalcy is yet to return business operations. Further, the impact assessment is a continuing process and evolving, given the uncertainties associated with nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the same.

- 11 The figures for quarters ended 31st March are the balancing figures between audited annual figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the respective financial years
- 12 Previous period / year figures have been regrouped, wherever necessary.

Place: Chennai

Date: June 16, 2020



## Independent Auditor's Report

To the Board of Directors of  
The Manali Petrochemicals Limited  
Chennai.

### Report on the Audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of Manali Petrochemicals Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial results:

- i. include the annual financial results of the following entities

Name of the Entity	Relationship
AMCHEM Speciality Chemicals Private Limited, Singapore	Wholly Owned Subsidiary
AMCHEM Speciality Chemicals UK Limited, UK	Step Down Subsidiary
Notedome Limited, UK	Step Down Subsidiary

- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March 2020.



## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

Without qualifying the audit opinion, attention is invited to

1) a) Note No.4(a) to the Consolidated annual financial results, which explains the period of lease relating to the leasehold land on which one of the manufacturing units of the Holding Company (Unit-II) is operating has since expired on June 30, 2017 for which requests for renewal have been filed by the Holding Company with Govt. of Tamil Nadu, (the Lessor) and extension of lease is awaited. Pending renewal of lease, no adjustments have been made in the financial results for the year for any potential impact of non-renewal of land lease which is unascertainable at this point of time. Further the management is confident of obtaining the renewal of lease of land.

b) Note No.4(b) to the Consolidated annual financial results, which states that pending the renewal of land Lease and the fixation of lease rent by Government of Tamilnadu in respect of land on which Holding Company's manufacturing plant (unit-II) is operating, no adjustments have been made in the financial results for the year and in the opening retained earnings towards the possible impact arising on account of implementation of Ind AS 116 – "Leases" as the same is not ascertainable at this point of time.

c) Note no 4C to the Consolidated Annual financial results, which explains the demand notice received from the Tahsildar, Thiruvottiyur demanding payment of Rs. 19,836 Lakhs towards arrears of lease rent. The management based on a legal advice believes that demand for alleged arrears of lease rent is baseless, unsubstantiated, erroneous and is arbitrary and not tenable. Accordingly, no provision has been considered necessary.



Taking into consideration the efforts of the management in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained in the demand notice) and subsequent representations made by the Holding company to Government explaining the unreasonableness and arbitrariness of the demand and also sought revision and withdrawal of the same which is currently pending before Government of Tamilnadu. Pending the outcome of representations by the company no adjustments have been made in the financial results.

- 2) Note No.10 to the Consolidated annual financial results, which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

#### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either



intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the



consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of Holding Company of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matter**

The consolidated Financial Results include the audited Financial Results of three subsidiaries, whose Financial Statements reflect Group's share of total assets of Rs.33,108.73 Lakhs as at 31<sup>st</sup> March 2020, Group's share of total revenue of and Rs.10,896.23 Lakhs, Group's share of total net profit after tax of Rs. 785.40 Lakhs and Group's share of net cash inflows of Rs.395.91 Lakhs for the year ended 31<sup>st</sup> March 2020, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors'



reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Financial Results include the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Brahmayya & Co.,  
Chartered Accountants**

Firm Registration No. 000511S



**N Sri Krishna**

Partner

Membership No. 026575

UDIN : 20026575AAAADM4214

Place : Chennai

Date : June 16, 2020

# MANALI PETROCHEMICALS LIMITED

Registered Office: SPIC HOUSE, 88, Mount Road, Guindy, Chennai - 600 032

Telefax: 044-2235 1098 E-mail: companysecretary@manalipetro.com Website: www.manalipetro.com

Corporate Identity Number : L24294TN1986PLC013087

[Rs. in Lakhs]						
Statement of Consolidated Financial Results for the Quarter and Year ended 31.03.2020						
S. No	Particulars	Three Months ended			Year ended	
		Audited #	Unaudited	Audited #	Audited	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
1	Revenue from Operations	23,678.38	16,988.46	19,755.68	80,305.31	81,024.58
2	Other Income	167.62	79.44	225.44	1,286.25	1,150.89
3	<b>Total Revenue (1+2)</b>	<b>23,846.00</b>	<b>17,067.90</b>	<b>19,981.12</b>	<b>81,591.56</b>	<b>82,175.47</b>
4	Expenses					
	Cost of materials consumed	18,716.77	9,091.77	14,373.25	54,688.29	55,043.06
	Changes in inventories of finished goods, work-in- progress	(1,065.61)	2,554.67	(1,292.89)	1,546.74	(1,994.57)
	Utility Expenses	1,716.87	1,748.18	2,117.41	7,757.70	9,155.46
	Employee benefits expense	1,031.58	934.39	1,221.35	3,929.18	4,064.46
	Finance costs (Refer Note No 8)	137.43	142.41	49.54	626.07	232.47
	Depreciation and amortization expense (Refer Note No 8)	354.84	364.26	278.73	1,447.15	1,104.56
	Other expenses	1,694.65	1,148.49	1,271.45	5,464.55	4,897.40
	<b>Total Expenses</b>	<b>22,586.53</b>	<b>15,984.17</b>	<b>18,018.84</b>	<b>75,459.67</b>	<b>72,502.84</b>
5	Profit Before Exceptional items and Taxes (3-4)	1,259.47	1,083.73	1,962.28	6,131.89	9,672.63
6	Exceptional Items (Refer Note No 10 [Previous Year Note No. 6])	(710.79)	-	1,677.00	(710.79)	1,677.00
7	Profit Before Tax (5+6)	548.68	1,083.73	3,639.28	5,421.10	11,349.63
8	Tax Expense					
	Current tax	90.38	302.08	1,146.73	1,467.24	2,896.88
	Short/(Excess) provision for tax relating to prior years	(85.04)	-	178.58	(85.04)	178.58
	Deferred tax	(870.80)	53.85	(26.33)	(626.84)	614.85
	<b>Net tax expense</b>	<b>(865.46)</b>	<b>355.94</b>	<b>1,298.98</b>	<b>755.37</b>	<b>3,690.31</b>
9	Profit for the period (7-8)	2,124.95	727.80	2,340.30	5,376.52	7,659.33
10	Other Comprehensive Income					
	<b>Items that will not be classified to profit or (loss)</b>					
	Changes in Fair Value of Equity Investments	(0.29)	(0.28)	(0.12)	(1.06)	(0.28)
	Remeasurement Cost of net defined benefits	22.47	13.69	28.13	64.99	69.31
	Income Tax relating to items that will not be re-classified to Profit or Loss	(16.65)	-	(24.22)	(16.65)	(24.22)
	<b>Items that will be classified to profit or (loss)</b>					
	Changes in Foreign Currency Translation	676.24	187.46	(305.39)	276.55	(341.07)
11	Total Comprehensive Income	2,806.70	928.68	2,038.70	5,700.35	7,363.07
12	Paid-up equity share capital (Face value of Rs.5/- each)	8,603.47	8,603.47	8,603.47	8,603.47	8,603.47
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year				39,520.76	36,893.86
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)		0.42	1.36	3.13	4.45



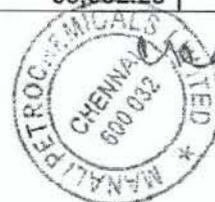
*Manalipetro*

# refer Note 12

Notes:

## I Statement of Consolidated Assets and Liabilities as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. ASSETS</b>		
<b>I Non Current Assets</b>		
a) Property, Plant and Equipment	18,859.83	19,716.08
b) Goodwill on Consolidation	8,795.45	8,549.59
c) Capital work-in-progress	2,642.87	634.62
d) Right of Use Assets	2,589.98	-
e) Investment Property	4.98	-
f) Intangible Assets	-	-
g) Financial Assets:	-	-
i) Investments	12.64	11.07
ii) Other Financial Assets	15.63	15.63
h) Other non-current assets	2,067.77	2,282.82
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,989.14</b>	<b>31,209.81</b>
<b>II Current Assets</b>		
a) Inventories	8,890.16	11,791.05
b) Financial Assets:		
i) Current Investments	4,059.16	-
i) Trade Receivables	10,843.19	11,412.49
ii) Cash and Cash equivalents	5,461.69	5,431.23
iii) Bank balances other than iii) above	560.91	745.49
iv) Loans	38.14	3,538.39
v) Other Financial Assets	34.62	65.41
c) Other Current assets	1,155.27	1,166.70
<b>TOTAL CURRENT ASSETS</b>	<b>31,043.14</b>	<b>34,150.76</b>
<b>TOTAL ASSETS</b>	<b>66,032.28</b>	<b>65,360.57</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>I Equity</b>		
a) Equity share capital	8,603.47	8,603.47
b) Other Equity	39,520.76	36,893.86
<b>TOTAL-EQUITY</b>	<b>48,124.23</b>	<b>45,497.33</b>
<b>II Liabilities</b>		
<b>II. A Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Other Long-Term Liabilities	3,471.33	-
b) Provisions	276.91	227.17
c) Deferred Tax Liabilities (net)	1,114.79	2,095.68
d) Other non-current Liabilities	417.26	682.73
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,280.29</b>	<b>3,005.58</b>
<b>II. B Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	2,564.57	3,381.61
ii) Trade Payables		
1 Total outstanding dues of Micro Enterprises and Small Enterprises	154.53	10.98
2 Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,410.44	9,320.88
iii) Other financial liabilities	397.71	417.97
b) Provisions	1,716.39	1,600.36
c) Other current liabilities	2,384.12	2,125.87
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,627.76</b>	<b>16,857.67</b>
<b>TOTAL LIABILITIES</b>	<b>17,908.05</b>	<b>19,863.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,032.28</b>	<b>65,360.58</b>



2 Statement of Consolidated Cash Flow as at March 31, 2020

Particulars	For the period ended March 31, 2020	For the period ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	5,486.09	11,349.63
Adjustments for		
Depreciation	1,135.12	1,104.56
Provisions no longer required written back	(148.45)	(1,764.97)
Dividend income	(69.37)	(229.15)
Finance costs	626.07	232.47
Remeasurement Cost of net defined employee benefits	-	69.31
Interest income	(624.38)	(154.61)
Provision for doubtful debts	191.27	3.23
Net unrealised exchange (gain) / loss	111.19	122.88
Loss on sale / write-off of assets	798.67	135.61
<b>Operating Profit</b>	<b>7,506.20</b>	<b>10,868.97</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets</b>		
Inventories	2,900.90	(4,544.01)
Trade Receivables	378.03	(1,305.40)
Other Financial Assets	3,531.04	(3,695.51)
Other Current Assets	11.43	-
Other Non-Current Assets	6.38	(767.64)
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables	(3,885.54)	2,642.38
Other financial liabilities	(20.26)	(283.84)
Other Current liabilities	(234.46)	664.26
Short-term provisions	116.00	999.83
Other Non Financial Liabilities	(265.47)	(281.52)
Long-term provisions	49.74	95.49
Net income tax paid	(1,336.49)	(3,003.64)
<b>Net cash from / (used in) Operating activities [A]</b>	<b>8,757.49</b>	<b>1,389.36</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(2,936.69)	(1,940.45)
Investments in Equity shares	(1.57)	1.46
Interest income	624.38	154.61
Dividend income	69.37	229.15
Bank balances not considered as cash and cash equivalents	184.58	(190.78)
<b>Net cash from / (used in) Investing activities [B]</b>	<b>(2,059.93)</b>	<b>(1,746.01)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / Proceeds from Short-term borrowings	(817.04)	1,074.47
Interest paid	(511.93)	(232.47)
Dividend paid	(1,290.00)	(860.00)
Tax on dividend	(265.53)	(176.80)
<b>Net cash from / (used in) Financing Activities [C]</b>	<b>(2,884.50)</b>	<b>(194.80)</b>
<b>Net (decrease) / increase in cash and cash equivalents = (A+B+C)</b>	<b>3,813.07</b>	<b>(551.45)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,431.23</b>	<b>6,323.75</b>
Effect of Changes in Foreign Currency Translation (FCTR)	276.55	(341.07)
<b>Cash and cash equivalents at the end of the period</b>	<b>9,520.85</b>	<b>5,431.23</b>

Components of Cash & Cash Equivalents:

Cash on hand	1.00	2.35
Balance(s) In current accounts (including debit balance(s) in cash credit)	1,644.51	948.88
Balance(s) In EEFC accounts	-	-
Balances in Fixed deposit original maturity period less than 3 months	3,799.98	4,480.00
Current Investments	4,059.16	-
<b>Total Cash and Cash Equivalents</b>	<b>9,520.85</b>	<b>5,431.23</b>



*Manali Pearl*

Notes:

3 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on June 16, 2020 and have been audited by the Statutory Auditors of the Company.

4 a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Company (Unit-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however is unascertainable at this point in time), are deemed necessary in the financial results.

b) Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same as the impact is unascertainable

c) During the FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of Rs. 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for Rs. 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur.

In this regard, the Company has received legal advise that the amounts claimed through the said two notices are misconceived in as much as the demand for alleged arrears of lease rent appears to be baseless, unsubstantiated, erroneous and so is arbitrary and not tenable. Accordingly, taking into account the arbitrariness involved, it is viewed that the said claims are devoid of any merits and so need not be reckoned as any kind of obligation on the Company. The Company would decide on further course of action in the matter once the details are received.

Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2020 which have been accepted and realized by the Thasildhar. In the light of this and also that the later demand covers the period mentioned in the demand received in FY 2013-14, the earlier provision of Rs. 1,677 lakh in FY 2014-15 was no longer necessary and hence the same was reversed as shown under Exceptional items in the previous year. However the Company continues to provide for lease rent based on the contract terms for the fixation of lease rent and in terms of the extant Government guidelines for such leases.

The Auditors have included an Emphasis of Matter para in their report on the above.

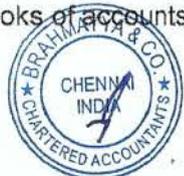
5 The Board of Directors has recommended a dividend of 75 paise (15 %) per share on 171,999,229 equity shares of Rs. 5/- each for the financial year 2019-20, subject to approval of Members at the Annual General Meeting.

6 Manufacture of petrochemicals is the only operating segment as defined in Ind AS 108: Operating Segments

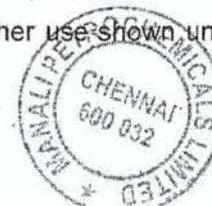
7 Effective from 1st April, 2019, the Company has adopted Ind AS 116 - Leases, using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to Rs.655 lakh (net off deferred Tax Asset of Rs.352 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized Rs.2902 lakh as right to use assets and lease liability of Rs. 3909 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the year, Rs. 383.18 lakh has been accounted as finance cost and Rs. 312.03 lakh as Depreciation against the payment of Rs. 581.07 lakh towards lease rent.

8 The option available under section 115BAA of Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 has been adopted by the company. Hence Provisions for Income Tax and Deferred Tax have been restated and remeasured as per new tax rates, in the last quarter.

9 During the period, evaluation of use of CPP assets which was kept idle since 2014 was carried out. Assets which have no further use shown under exceptional items have been impaired and written off from the books of accounts amounting Rs. 711 lakh.



*Mamthi*



**10 Note on impact of COVID-19 situation**

a) The spread of COVID 19 has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. Due to this the operations of the Parent Company were shutdown in the last week of March 2020 and restarted from second week of April, 2020 in a phased manner. The operation of Notedome Limited, UK however was not stopped and has continued throughout the Pandemic situation. The pandemic situation has affected the normal business operations of the Group and production, sales and profitability, inter alia, have been impacted.

The Group continues to face challenges on revival of demand and it is not clear when the uncertainties prevailing will get normalised.

b) Management believes that it has taken into account all the factors that can have any possible impact arising from COVID 19 pandemic on the preparation of the financial statements and results including the ability of the Group to continue as going concern. However, as at the date of approval of these results, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Group's operations as normalcy is yet to return business operations. Further, the impact assessment is a continuing process and evolving, given the uncertainties associated with nature and duration of the current situation. The Management will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required

The Auditors have included an Emphasis of Matter para in their report on the financials regarding the same.

11 The Consolidated unaudited financial results includes the results of the Company, one subsidiary and two step-down subsidiaries. The Group is submitting the quarterly consolidated financial results only from the current from 1-4-2019, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with circular no CIR/CFD/CMD1/44/2019 dated March 29, 2019. The Management has exercised necessary due diligence in preparation of the consolidated financial statements including the figures relating to the quarter and period ended December, 2018 which have been reviewed by the Audit Committee and approved by the Parent's Board of Directors which have not been subjected to limited review by the Auditors.

12 The figures for the quarters ended 31st March are the balancing figures between audited annual figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the respective financial years

13 Previous period / year figures have been regrouped, wherever necessary.

Place: Chennai  
Date: June 16, 2020



For Manali Petrochemicals Limited  
*Karthikeyan Muthukrishnan*  
**Karthikeyan Muthukrishnan**  
Wholtime Director (Operations)