

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2020
November 11, 2020

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

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

Dear Sir,

Sub: Unaudited Financial Results for the quarter ended 30th September 2020 -reg

Pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Unaudited Stand Alone and Consolidated Financial Results of the Company for the quarter and half year ended 30th September 2020 approved by the Board of Directors at the meeting held today together with copies of the Limited Review Reports of the Auditors.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited



R Kothandaraman
Company Secretary

Encl.: as stated

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

Independent Auditor's Review Report on Unaudited Quarterly and Year to Date Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
Board of Directors
The Manali Petrochemicals Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of the Manali Petrochemicals Limited ("the Company") for the quarter ended 30th September 2020 and year to date results for the period from 01st April 2020 to 30th September 2020 ("the statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (listing Regulations')
2. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the financial statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Without qualifying our review conclusion, attention is invited to

1) a) Note No.4(a) to the standalone 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 period 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 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 period 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 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.

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000511S



N Sri Krishna

Partner

Membership No. 026575

UDIN : 20026575AAAAKR7081

Place : Chennai

Date : November 11, 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 six months ended 30.09.2020							[Rs. in Lakh]
S. No	Particulars	Three Months ended			Six Months ended		Year ended
		Unaudited					Audited
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
1	Revenue from Operations	19,459.10	6,843.21	16,770.19	26,302.31	34,841.98	67,663.95
2	Other Income	306.80	189.79	478.56	496.59	706.13	874.27
3	Total Revenue (1+2)	19,765.90	7,033.00	17,248.75	26,798.90	35,548.11	68,538.22
4	Expenses						
	Cost of materials consumed	11,627.27	5,287.68	11,494.44	16,914.95	23,864.79	45,267.08
	Changes in inventories of finished goods, work-in- progress	889.14	(1,000.00)	(189.21)	(110.86)	(241.52)	1,532.68
	Utility Expenses	1,731.62	1,118.30	2,145.43	2,849.92	4,223.79	7,613.01
	Employee benefits expense	548.02	550.57	599.79	1,098.59	1,234.99	2,466.94
	Finance costs	112.51	113.78	154.52	226.29	313.90	566.61
	Depreciation and amortization expense	355.63	345.08	346.90	700.71	698.55	1,384.81
	Other expenses	1,123.78	735.37	1,185.46	1,859.15	2,227.00	4,498.87
	Total Expenses	16,387.97	7,150.78	15,737.33	23,538.75	32,321.50	63,330.00
5	Profit Before Exceptional items and Taxes (3-4)	3,377.93	(117.78)	1,511.42	3,260.15	3,226.61	5,208.22
6	Exceptional Items (Refer Note No 6)	(1,036.56)	-	-	(1,036.56)	-	(710.79)
7	Profit Before Tax (5+6)	2,341.37	(117.78)	1,511.42	2,223.59	3,226.61	4,497.43
8	Tax Expense						
	Current tax	739.17	70.99	436.72	810.16	923.17	1,343.35
	Short/(Excess) provision for tax relating to prior years	-	-	-	-	-	(85.04)
	Deferred tax	(185.55)	(76.81)	88.77	(262.36)	189.51	(624.91)
	Net tax expense	553.62	(5.82)	525.49	547.80	1,112.69	633.40
9	Profit for the period (7-8)	1,787.75	(111.96)	985.93	1,675.79	2,113.93	3,864.03
10	Other Comprehensive Income						
	Items that will not be classified to profit or (loss)						
	Changes in Fair Value of Equity Investments	(0.04)	0.10	(0.17)	0.06	(0.49)	(1.06)
	Remeasurement Cost of net defined benefits	(35.79)	(3.86)	1.26	(39.65)	28.83	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss	9.17	0.99	(0.44)	10.16	(10.07)	(16.65)
11	Total Comprehensive Income	1,761.09	(114.73)	986.59	1,646.36	2,132.19	3,911.31
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	8,603.47
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year						37,100.71
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	1.04	(0.07)	0.57	0.97	1.23	2.25



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Notes:

I Statement of Standalone Assets and Liabilities as at Sep 30, 2020

(Rs. In Lakh)

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020
	Unaudited	Unaudited	Audited
A. ASSETS			
I Non Current Assets			
a) Property, Plant and Equipment	17,359.59	20,756.45	17,393.86
b) Capital work-in-progress	2,189.80	2,361.16	2,642.87
c) Right of Use Assets	2,433.97	-	2,589.98
d) Investment Property	4.98	-	4.98
e) Financial Assets:			
i) Investments	11,044.89	11,042.77	11,044.83
ii) Other Financial Assets	15.63	15.63	15.63
f) Other Non-Current Assets	1,717.22	2,123.04	2,067.76
TOTAL NON-CURRENT ASSETS	34,766.08	36,299.05	35,759.91
II Current Assets			
a) Inventories	5,778.93	10,693.93	7,462.11
b) Financial Assets:			
i) Current Investments	-	-	4,059.16
ii) Trade Receivables	9,051.95	7,896.23	7,789.68
iii) Cash and Cash Equivalents	4,982.72	3,610.50	4,059.33
iv) Bank balances other than iii) above	1,840.86	637.92	560.91
v) Loans	27.20	33.77	38.15
vi) Other Financial Assets	183.77	18.33	33.79
c) Other Current Assets	7,130.06	2,942.62	904.75
TOTAL CURRENT ASSETS	28,995.49	25,833.30	24,907.88
TOTAL ASSETS	63,761.57	62,132.35	60,667.79
B. EQUITY AND LIABILITIES			
I Equity			
a) Equity Share Capital	8,603.47	8,603.47	8,603.47
b) Other Equity	37,456.82	35,473.35	37,100.71
TOTAL-EQUITY	46,060.29	44,076.82	45,704.18
II Liabilities			
II. A Non-Current Liabilities			
a) Financial Liabilities			
i) Other Long-Term Liabilities	3,330.92	3,595.15	3,471.33
b) Provisions	306.92	249.45	276.91
c) Deferred Tax Liabilities (net)	777.49	1,854.27	1,039.85
d) Other Non-Current Liabilities	424.19	440.99	417.26
TOTAL NON-CURRENT LIABILITIES	4,839.52	6,139.86	5,205.35
II. B Current Liabilities			
a) Financial Liabilities			
i) Borrowings	1,438.32	1,770.07	895.93
ii) Trade Payables			
1 Total outstanding dues to Micro Enterprises and Small Enterprises	266.93	175.16	154.53
2 Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	4,832.76	5,442.67	4,380.37
iii) Other Financial Liabilities	1,687.86	474.72	397.71
b) Provisions	1,871.11	2,003.25	1,705.80
c) Other Current Liabilities	2,764.78	2,049.80	2,223.92
TOTAL CURRENT LIABILITIES	12,861.76	11,915.67	9,758.26
TOTAL LIABILITIES	17,701.28	18,055.53	14,963.61
TOTAL EQUITY AND LIABILITIES	63,761.57	62,132.35	60,667.79



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{Rs. In Lakh}

Particulars	For the period ended September 30, 2020	For the period ended September 30, 2019	For the period ended March 31, 2020
	Unaudited	Unaudited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	2,223.59	3,226.61	4,497.43
Adjustments for			
Depreciation	544.70	542.54	1,072.78
Provisions no longer required written back	-	-	(148.45)
Dividend income	(1.31)	(11.91)	(69.37)
Finance costs	226.29	313.90	566.61
Interest income	(362.64)	(390.18)	(623.91)
Net unrealised exchange (gain) / loss	13.05	55.36	69.71
Loss on sale / write-off of assets	1,036.56	-	790.60
Operating Profit	3,680.24	3,736.32	6,155.40
Changes in Working Capital			
Adjustments for (increase) / decrease in operating assets			
Inventories	1,683.18	(705.32)	2,526.50
Trade Receivables	(1,262.27)	289.22	395.77
Other Financial Assets	10.95	3,504.63	3,500.26
Other Current Assets	(6,375.29)	(1,885.48)	136.93
Other Non-Current Assets	7.93	50.28	(48.30)
Adjustments for increase / (decrease) in operating liabilities			
Trade payables	551.74	(2,301.76)	(3,399.05)
Other financial liabilities	1,290.15	56.75	(20.28)
Other Current liabilities	501.21	(72.16)	263.59
Short-term provisions	165.31	403.06	105.61
Other Non Financial Liabilities	6.93	(8.39)	(32.12)
Long-term provisions	30.01	22.28	49.74
Net income tax paid	(450.00)	(994.36)	(1,251.45)
Net cash from / (used in) Operating activities [A]	(159.91)	2,095.08	8,382.60
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances	(1,106.41)	(2,003.94)	(3,077.38)
Investments in Equity shares	0.00	(0.00)	(2.64)
Interest income	362.64	390.18	623.91
Dividend income	1.31	11.91	69.37
Bank balances not considered as cash and cash equivalents	(1,279.95)	107.57	184.58
Net cash from / (used in) Investing activities [B]	(2,022.41)	(1,494.28)	(2,202.16)
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / Proceeds from Short-term borrowings	542.39	332.54	(541.60)
Interest paid	(205.59)	(254.96)	(452.47)
Dividend paid	(1,290.25)	(1,290.00)	(1,290.00)
Tax on dividend	-	(265.53)	(265.53)
Net cash from / (used in) Financing Activities [C]	(953.45)	(1,477.95)	(2,549.60)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	(3,135.77)	(877.15)	3,630.84
Cash and cash equivalents at the beginning of the period	8,118.49	4,487.65	4,487.65
Cash and cash equivalents at the end of the period	4,982.72	3,610.50	8,118.49

Components of Cash & Cash Equivalents:

Cash on hand	2.50	2.68	1.00
Cheques on hand	-	-	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	107.80	207.82	242.14
Balances in Fixed deposit original maturity period less than 3 months	4,870.57	3,400.00	3,799.98
Balance(s) In EEFC accounts	1.85	-	-
Current Investments	-	-	4,059.16
Total Cash and Cash Equivalents	4,982.72	3,610.50	8,118.49



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Notes to Standalone Financial Results:

3 **Review and approval of the financial results:**

The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Nov 11, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

4 **Leasehold Land:**

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 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 the aforesaid leased land. 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 both the aforesaid demands did not contain the basis on which the claims have been 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 advice 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 2021 which have been accepted and realized by the Thasildhar. Additionally, 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 relating to the above 4(a), 4(b), 4(c), in their review Report.

5 **Segment reporting:**

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

6 **Exceptional Items:**

During the fourth quarter of the previous year, evaluation of use of CPP assets of the Company which were kept idle since 2014 was carried out. Assets amounting to Rs. 710.79 lakh, which were found to have no further use were impaired and written off from the books of accounts and shown under exceptional items. The remaining assets for Rs. 1036.56 lakh, comprising mainly boiler, were expected to be used for conversion to LNG. On a further review, it has been found that it will not be viable to use these assets for LNG fuel and also not fit for any other purpose and hence have been impaired during the 2nd quarter of FY 2020-21, and shown under Exceptional Items.



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7 **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 1st 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, were significantly impacted. The situation improved during the 2nd quarter, as could be seen from the comparative performance during the first and second quarters of FY 2020-21.

Though the restrictions have been relaxed, the pandemic has not yet been controlled and there is no indication as to when this would happen. So the element of uncertainty continues to be present.

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 the end of the reporting periods. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated.

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 completely. 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.

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

For Manali Petrochemicals Limited

Place: Chennai
Date: November 11, 2020



Karthikeyan Muthukrishnan
Whole-Time Director (Operations)

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Independent Auditor's Review Report on Unaudited Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
Board of Directors,
The Manali Petrochemicals Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Manali Petrochemicals Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 30th September 2020 and year to date results for the period from 01st April 2020 to 30th September 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

SI No	Name of the Entity	Relationship
I	AMCHEM Speciality Chemicals Private Limited, Singapore	100% Subsidiary
II	AMCHEM Speciality Chemicals UK Limited, UK	Step down Subsidiary
III	Notedome Limited, UK	Step down Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on consideration review reports of other independent practitioner referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Without qualifying our review conclusion, attention is invited to

- 1) a) Note No.4(a) to the Consolidated 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 period 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 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 period



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 Consolidated 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.

7. We did not review the interim financial information/ results of one subsidiary included in the statement, whose financial information/results reflect total assets of Rs. 7,159.05 lakhs as at 30th September 2020 and total revenue of Rs. 2,283.17 Lakhs and Rs. 4,226.04 Lakhs, total net profit after tax of Rs. 157.95 Lakhs and Rs. 529.32 Lakhs and total comprehensive income of Rs. 157.95 Lakhs and Rs. 529.32 Lakhs for the quarter and half year ended 30th September 2020 respectively and cash flows of Rs. 4.29 Lakhs for the period from 01st April 2020 to 30th September 2020, as considered in the unaudited consolidated financial results. The financial information/ Financial Results have been reviewed by other independent practitioner whose reports have been furnished to us by the management and our conclusion on the statement, in so far it relates to the amounts and disclosures included in respect of the these subsidiary is based solely on the reports of other Independent Practitioner and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter



8. The consolidated unaudited financial results include the interim financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose financial information/results reflect total assets of Rs. 24,948.5 lakhs as at 30th September 2020 and total revenue of Rs. 281.83 Lakhs and Rs.474.02 Lakhs, total net profit after tax of Rs. 134.92 Lakhs and Rs. 185.97 Lakhs and total comprehensive income of Rs. 134.92 Lakhs and Rs. 185.97 Lakhs for the quarter and half year ended 30th September 2020 respectively and cash flows of Rs. 359.10 Lakhs for the period from 01st April 2020 to 30th September 2020, as considered in the unaudited consolidated financial results.

Our conclusion on the Statement is not modified in respect of the above matter

For Brahmayya & Co.,
Chartered Accountants

Firm Registration No. 000511S



N Sri Krishna

Partner

Membership No. 026575

UDIN: 20026575AAAKS5986

Place : Chennai

Date : November 11, 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 Consolidated Financial Results for the Quarter and Six Months ended 30.09.2020							[Rs. in Lakhs]
S. No	Particulars	Three Months ended			Six Months ended		Year ended
		Unaudited					Audited
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
1	Revenue from Operations	21,673.34	8,772.17	19,036.00	30,445.51	39,638.47	80,305.31
2	Other Income	482.00	301.63	776.66	783.63	1,039.19	1,286.25
3	Total Revenue (1+2)	22,155.34	9,073.80	19,812.66	31,229.14	40,677.66	81,591.56
4	Expenses						
	Cost of materials consumed	13,072.94	6,337.76	12,764.11	19,410.70	26,879.74	54,688.29
	Changes in inventories of finished goods, work-in- progress	889.14	(1,000.00)	109.99	(110.86)	57.68	1,546.74
	Utility Expenses	1,779.42	1,152.43	2,176.88	2,931.85	4,292.65	7,757.70
	Employee benefits expense	931.39	868.91	978.63	1,800.30	1,963.20	3,929.18
	Finance costs	119.34	122.79	168.44	242.13	346.23	626.07
	Depreciation and amortization expense	371.98	361.00	360.17	732.98	728.06	1,447.15
	Other expenses	1,274.79	836.96	1,424.39	2,111.75	2,621.42	5,464.55
	Total Expenses	18,439.00	8,679.85	17,982.62	27,118.85	36,888.97	75,459.68
5	Profit Before Exceptional items and Taxes (3-4)	3,716.34	393.95	1,830.04	4,110.29	3,788.69	6,131.88
6	Exceptional Items (Refer Note No 6)	(1,036.56)	-	-	(1,036.56)	-	(710.79)
7	Profit / (Loss) Before Tax (5+6)	2,679.78	393.95	1,830.04	3,073.73	3,788.69	5,421.09
8	Tax Expense						
	Current tax	789.32	161.37	566.27	950.69	1,064.71	1,467.24
	Short/(Excess) provision for tax relating to prior years	-	-	-	-	-	(85.04)
	Deferred tax	(185.55)	(76.81)	89.37	(262.36)	190.11	(626.84)
	Net tax expense	603.77	84.56	655.64	688.33	1,254.82	755.36
9	Profit / (Loss) for the period (7-8)	2,076.01	309.39	1,174.40	2,385.40	2,533.87	4,665.73
10	Other Comprehensive Income						
	Items that will not be classified to profit or (loss)						
	Changes in Fair Value of Equity Investments	(0.04)	0.10	0.81	0.06	0.49	(1.06)
	Remeasurement Cost of net defined benefits	(35.79)	(3.86)	1.26	(39.65)	28.83	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss	9.17	0.99	(0.44)	10.16	(10.07)	(16.65)
	Items that will be classified to profit or (loss)						
	Changes in Foreign Currency Translation	112.78	(57.29)	(250.08)	55.49	(587.14)	293.22
11	Total Comprehensive Income	2,162.13	249.33	925.94	2,411.46	1,965.97	5,006.23
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	8,603.47
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year						39,520.78
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	1.21	0.18	0.68	1.39	1.47	2.71



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Notes:

1 Statement of Consolidated Assets and Liabilities as at Sep 30, 2020

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020
	Unaudited		Audited
A. ASSETS			
I Non Current Assets			
a) Property, Plant and Equipment	18,809.21	22,190.61	18,859.83
b) Goodwill on Consolidation	8,877.80	8,214.42	8,795.45
c) Capital work-in-progress	2,189.80	2,361.16	2,642.87
d) Right of Use Assets	2,433.97	-	2,589.98
e) Investment Property	4.98	-	4.98
f) Financial Assets:			
i) Investments	12.71	10.58	12.65
ii) Other Financial Assets	15.63	15.63	15.63
g) Other non-current assets	1,717.23	2,120.10	2,067.76
TOTAL NON-CURRENT ASSETS	34,061.33	34,912.50	34,989.15
II Current Assets			
a) Inventories	6,546.21	12,130.31	8,890.16
b) Financial Assets:			
i) Current Investments	-	-	4,059.16
ii) Trade Receivables	11,622.34	10,462.60	10,843.19
iii) Cash and Cash equivalents	6,017.92	4,146.24	5,461.70
iv) Bank balances other than iii) above	1,840.86	637.92	560.91
v) Loans	401.80	712.39	38.14
vi) Other Financial Assets	186.10	18.33	34.62
c) Other Current assets	7,500.47	3,232.83	1,155.27
TOTAL CURRENT ASSETS	34,115.70	31,340.63	31,043.15
TOTAL ASSETS	68,177.03	66,253.13	66,032.30
B. EQUITY AND LIABILITIES			
I Equity			
a) Equity share capital	8,603.47	8,603.47	8,603.47
b) Other Equity	40,641.98	36,648.91	39,520.78
TOTAL-EQUITY	49,245.45	45,252.38	48,124.25
II Liabilities			
II. A Non-Current Liabilities			
a) Financial Liabilities			
i) Other Long-Term Liabilities	3,330.92	3,595.15	3,471.33
b) Provisions	306.92	249.45	276.91
c) Deferred Tax Liabilities (net)	853.13	1,926.74	1,114.79
d) Other non-current Liabilities	424.19	440.99	417.26
TOTAL NON-CURRENT LIABILITIES	4,915.16	6,212.33	5,280.29
II. B Current Liabilities			
a) Financial Liabilities			
i) Borrowings	928.63	3,011.88	2,564.57
ii) Trade Payables			
1 Total outstanding dues of Micro Enterprises and Small Enterprises	266.93	175.16	154.53
2 Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,516.31	6,372.23	5,410.45
iii) Other financial liabilities	1,687.86	474.72	397.71
b) Provisions	1,889.09	2,107.15	1,716.39
c) Other current liabilities	3,727.60	2,647.27	2,384.11
TOTAL CURRENT LIABILITIES	14,016.42	14,788.41	12,627.76
TOTAL LIABILITIES	18,931.58	21,000.74	17,908.05
TOTAL EQUITY AND LIABILITIES	68,177.03	66,253.13	66,032.30



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2 Statement of Consolidated Cash Flow as at Sep 30, 2020

Particulars	For the year ended September 30, 2020	For the year ended September 30, 2019	For the year ended March 31, 2020
	Unaudited		Audited
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	3,073.73	3,788.69	5,421.09
Adjustments for			
Depreciation	576.98	572.05	1,135.12
Provisions no longer required written back	-	-	(148.45)
Dividend income	(1.31)	(11.91)	(69.37)
Finance costs	242.13	346.23	626.07
Remeasurement Cost of net defined employee benefits	(39.65)	28.83	48.34
Interest income	(362.68)	(390.44)	(624.38)
Provision for doubtful debts	-	-	191.27
Net unrealised exchange (gain) / loss	13.05	70.30	111.19
Loss on sale / write-off of assets	1,036.56	7.29	798.67
Operating Profit	4,538.81	4,411.03	7,489.55
Changes in Working Capital			
Adjustments for (increase) / decrease in operating assets			
Inventories	2,343.95	(339.26)	2,900.90
Trade Receivables	(779.15)	949.89	378.03
Other Financial Assets	(515.13)	2,873.08	3,531.04
Other Current Assets	(6,345.20)	(2,066.13)	11.43
Other Non-Current Assets	(137.63)	91.22	6.39
Adjustments for increase / (decrease) in operating liabilities			
Trade payables	175.89	(2,854.74)	(3,885.59)
Other financial liabilities	1,290.15	56.75	(20.26)
Other Current liabilities	1,577.19	304.18	(234.45)
Short-term provisions	172.71	513.77	116.03
Other Non Financial Liabilities	6.93	(241.74)	(265.47)
Long-term provisions	30.01	22.28	49.74
Net income tax paid	(450.00)	(994.36)	(1,336.49)
Net cash from / (used in) Operating activities [A]	1,908.53	2,725.98	8,740.85
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances	(1,382.62)	(1,721.19)	(2,936.69)
Investments in Equity shares	(0.06)	-	(1.58)
Interest income	362.68	390.44	624.38
Dividend income	1.31	11.91	69.37
Bank balances not considered as cash and cash equivalents	(1,279.95)	107.57	184.58
Net cash from / (used in) Investing activities [B]	(2,298.64)	(1,211.27)	(2,059.94)
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / Proceeds from Short-term borrowings	(1,635.94)	(369.73)	(817.04)
Interest paid	(242.13)	(287.29)	(511.93)
Dividend paid	(1,290.25)	(1,290.00)	(1,290.00)
Tax on dividend	-	(265.53)	(265.53)
Net cash from / (used in) Financing Activities [C]	(3,168.32)	(2,212.55)	(2,884.50)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	(3,558.43)	(697.84)	3,796.41
Cash and cash equivalents at the beginning of the period	9,520.86	5,431.22	5,431.23
Effect of Changes in Foreign Currency Translation (FCTR)	55.49	(587.14)	293.22
Cash and cash equivalents at the end of the period	6,017.92	4,146.24	9,520.86

Components of Cash & Cash Equivalents:

Cash on hand	2.50	2.68	1.00
Cheques on hand	-	-	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	1,143.00	743.56	1,644.51
Balance(s) In EEFC accounts	1.85	-	-
Balances in Fixed deposit original maturity period less than 3 months	4,870.57	3,400.00	3,799.98
Current Investments	-	-	4,059.16
Total Cash and Cash Equivalents	6,017.92	4,146.24	9,520.86



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3 **Review and approval of the financial results:**

The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Nov 11, 2020 and have been subjected to limited review by the Statutory Auditors.

4 **Leasehold Land:**

a) The period of lease relating to the leasehold land on which one of the manufacturing units of the Parent Company (Plant-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Parent 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 Parent Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of Rs. 19,836 lakh as arrears of lease rent upto 2016 relating to aforesaid land. No details have been provided for the claim in the said letter. During the FY 2013-14, the Parent 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 both the aforesaid demands received as stated above did not contain the basis on which the demands were raised. The Parent 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 Parent Company had received legal advice 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 Parent Company. The Parent Company would decide on further course of action in the matter once the details are received.

Notwithstanding the above claims, the Parent 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 2021 which have been accepted and realized by the Thasildhar. However the Parent 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 relating to the above 4(a), 4(b), 4(c), in their review Report.

5 **Segment reporting:**

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

6 **Exceptional Items:**

During the fourth quarter of the previous year, evaluation of use of CPP assets of the Company which were kept idle since 2014 was carried out. Assets amounting to Rs. 710.79 lakh, which were found to have no further use were impaired and written off from the books of accounts and shown under exceptional items. The remaining assets for Rs. 1036.56 lakh, comprising mainly boiler, were expected to be used for conversion to LNG. On a further review, it has been found that it will not be viable to use these assets for LNG fuel and also not fit for any other purpose and hence have been impaired during the 2nd quarter of FY 2020-21, and shown under Exceptional Items.



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7 **Note on impact of COVID-19 situation:**

a) The spread of COVID 19 severely impacted businesses in India and abroad. The regular business operations were disrupted severely due to lock downs, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. The pandemic situation affected the normal business operations of the Group and production, sales and profitability, inter alia, were severely impacted in the first quarter. Though the operations of Notedome Limited, the subsidiary were not stopped, the Plants of the Parent were shut down in the last week of March 2020 and restarted from the first week of April, 2020 in a phased manner. The situation improved during the 2nd quarter, as could be seen from the comparative performance. Though the restrictions have been relaxed, the pandemic has not yet been controlled and there is no indication as to when this would happen. So the element of uncertainty continues to be present.

b) The Group had also assessed recoverability and carrying values of its assets comprising property, plant and equipment, intangible assets, trade receivables, inventory and investments as at the end of the reporting periods. Based on the assessment by the Management the net carrying values of the said assets will be recovered at the values stated.

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 Group to continue as going concern. However, as at the date of approval of these results, it is not possible to reliably estimate the sustainability of the performance and the future financial implications arising from the pandemic situation on the Group's 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

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

Place: Chennai
Date: Nov 11, 2020



For Manali Petrochemicals Limited

Karthikeyan Muthukrishnan
Whole-Time Director (Operations)

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