MANALI PETROCHEMICALS

**Manali Petrochemicals Limited**
SPIC House, 88, Mount Road, Guindy, Chennai - 600 032
Telefax : 044 - 2235 1098 Website : www.manalipetro.com
CIN : L24294TN1986PLC013087

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2020
5th August 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 June 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 ended 30th June 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**

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

**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 June 2020 ("the statement").

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. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the third quarter of the previous financial year had only been reviewed not subjected to audit.



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

1) a) Note No.2(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 quarter 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 2(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 quarter 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 2(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.

2) Note no 5 to the standalone 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.

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

**N Sri Krishna**
Partner
Membership No. 026575
UDIN : 20026575AAAADW6139

Place : Chennai
Date : August 05, 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 ended 30.06.2020** [Rs. in Lakhs]

| S. No | Particulars | Three Months ended | | | Year ended |
|---|---|---|---|---|---|
| | | Unaudited | Audited # | Unaudited | Audited |
| | | 30-Jun-20 | 31-Mar-20 | 30-Jun-19 | 31-Mar-20 |
| 1 | Revenue from Operations | 6,843.21 | 18,251.12 | 18,071.79 | 67,663.95 |
| 2 | Other Income | 189.79 | 49.53 | 227.71 | 874.27 |
| 3 | **Total Revenue (1+2)** | **7,033.00** | **18,300.65** | **18,299.50** | **68,538.22** |
| 4 | Expenses | | | | |
| | Cost of materials consumed | 5,287.68 | 12,817.92 | 12,370.35 | 45,267.08 |
| | Changes in inventories of finished goods, work-in- progress | (1,000.00) | 404.32 | (52.31) | 1,532.68 |
| | Utility Expenses | 1,118.30 | 1,685.06 | 2,078.36 | 7,613.01 |
| | Employee benefits expense | 550.57 | 653.32 | 635.20 | 2,466.94 |
| | Finance costs | 113.78 | 124.60 | 159.52 | 566.61 |
| | Depreciation and amortization expense | 345.08 | 339.69 | 351.65 | 1,384.81 |
| | Other expenses | 735.37 | 1,221.79 | 1,041.54 | 4,498.87 |
| | **Total Expenses** | **7,150.78** | **17,246.70** | **16,584.31** | **63,330.00** |
| 5 | Profit Before Exceptional items and Taxes (3-4) | **(117.78)** | **1,053.95** | **1,715.19** | **5,208.22** |
| 6 | Exceptional Items (Refer Note No 4) | - | (710.79) | - | (710.79) |
| 7 | Profit Before Tax (5+6) | **(117.78)** | **343.16** | **1,715.19** | **4,497.43** |
| 8 | Tax Expense | | | | |
| | Current tax | 70.99 | 141.79 | 486.45 | 1,343.35 |
| | Short/(Excess) provision for tax relating to prior years | - | (85.04) | - | (85.04) |
| | Deferred tax | (76.81) | (868.90) | 100.74 | (624.91) |
| | **Net tax expense** | **(5.82)** | **(812.15)** | **587.19** | **633.40** |
| 9 | Profit for the period (7-8) | **(111.96)** | **1,155.31** | **1,128.00** | **3,864.03** |
| 10 | Other Comprehensive Income | | | | |
| | **Items that will not be classified to profit or (loss)** | | | | |
| | Changes in Fair Value of Equity Investments | 0.10 | (0.29) | (0.32) | (1.06) |
| | Remeasurement Cost of net defined benefits | (3.86) | 22.47 | 27.57 | 64.99 |
| | Income Tax relating to items that will not be re-classified to Profit or Loss | 0.99 | (16.65) | (9.63) | (16.65) |
| 11 | Total Comprehensive Income | **(114.73)** | **1,160.84** | **1,145.62** | **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 |
| 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) | **(0.07)** | **0.67** | **0.66** | **2.25** |

# refer Note 7

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS For Identification Only

MANALI PETROCHEMICALS LIMITED Chennai 600 032

Notes to Standalone Financial Results:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Aug 05, 2020 and have been subjected to limited review by the Statutory Auditors of the Company.

2

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 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 2(a), 2(b), 2(c), in their review Report.

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

4 During the fourth quarter of the previous year, evaluation of use of CPP assets which was kept idle since 2014 was carried out. assets which were found to have no further use were impaired and written off from the books of accounts amounting to Rs. 710.79 lakh and shown under exceptional items.

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS For Identification Only

MANALI PETROCHEMICALS LIMITED Chennai 600 032

5 **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, have been impacted which is evident from the comparison of the sales and profitability for the current quarter and earlier periods.

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 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. 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 review report on the financials results regarding the same.

6 Rounding off adjustments are ignored

7 The figures for quarter 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 financial year

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

BRAHMAYYA & CO. * CHARTERED ACCOUNTANTS * For Identification Only

For ***Manali Petrochemicals Limited***

MANALI PETROCHEMICALS LIMITED Chennai 600 032

**Karthikeyan Muthukrishnan**
Whole-Time Director (Operations)

Place: Chennai
Date: August 05, 2020

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

**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 June 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:

| Sl 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. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the third quarter of the previous financial year had only been reviewed not subjected to audit.

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

1) a) Note No.2(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 quarter 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.2(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 quarter 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.

2) Note No.5 to the Consolidated 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.

8. We did not review the interim financial information/ results of one subsidiary included in the statement, whose financial information/results reflect total revenue of Rs. 1,942.87 Lakhs, total net profit after tax of Rs. 371.37 Lakhs and total comprehensive income of Rs. 371.37 Lakhs for the quarter ended June 30 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

48, Masilamani Road, Balaji Nagar, Royapettah,
Chennai - 600 014. India.



T: +91- 044 - 2813 1128 / 38 / 48 | F: +91- 044 - 2813 1158
E: mail@brahmayya.com | www.brahmayya.com

9. The consolidated unaudited financial results include the interim financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose interim financial results reflect total revenue of Rs.192.19 Lakhs, total net profit after tax of Rs. 51.05 Lakhs and total comprehensive income of Rs. 51.05 Lakhs for the quarter ended 30th June 2020, as considered in the statement.

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: 20026575AAAADX3915

Place : Chennai
Date : August 05, 2020

# MANALI PETROCHEMICALS LIMITED

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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 ended 30.06.2020** [Rs. in Lakhs]

| S. No | Particulars | Three Months ended | | | Year ended |
|---|---|---|---|---|---|
| | | Unaudited | Audited # | Unaudited | Audited |
| | | 30-Jun-20 | 31-Mar-20 | 30-Jun-19 | 31-Mar-20 |
| 1 | Revenue from Operations | 8,772.17 | 23,678.38 | 20,602.47 | 80,305.31 |
| 2 | Other Income | 301.63 | 167.62 | 262.67 | 1,286.25 |
| 3 | **Total Revenue (1+2)** | **9,073.80** | **23,846.00** | **20,865.14** | **81,591.56** |
| 4 | Expenses | | | | |
| | Cost of materials consumed | 6,337.76 | 18,716.77 | 14,115.63 | 54,688.29 |
| | Changes in inventories of finished goods, work-in- progress | (1,000.00) | (1,065.61) | (52.33) | 1,546.74 |
| | Utility Expenses | 1,152.43 | 1,716.87 | 2,115.76 | 7,757.70 |
| | Employee benefits expense | 868.91 | 1,031.58 | 984.57 | 3,929.18 |
| | Finance costs | 122.79 | 137.43 | 177.93 | 626.07 |
| | Depreciation and amortization expense | 361.00 | 354.84 | 367.88 | 1,447.15 |
| | Other expenses | 836.96 | 1,694.65 | 1,197.03 | 5,464.55 |
| | **Total Expenses** | **8,679.85** | **22,586.53** | **18,906.47** | **75,459.68** |
| 5 | Profit Before Exceptional items and Taxes (3-4) | 393.95 | 1,259.47 | 1,958.67 | 6,131.88 |
| 6 | Exceptional Items (Refer Note No 4) | - | (710.79) | - | (710.79) |
| 7 | Profit / (Loss) Before Tax (5+6) | 393.95 | 548.68 | 1,958.67 | 5,421.09 |
| 8 | Tax Expense | | | | |
| | Current tax | 161.37 | 90.38 | 498.42 | 1,467.24 |
| | Short/(Excess) provision for tax relating to prior years | - | (85.04) | - | (85.04) |
| | Deferred tax | (76.81) | (870.80) | 100.74 | (626.84) |
| | **Net tax expense** | 84.56 | (865.46) | 599.16 | 755.37 |
| 9 | Profit / (Loss) for the period (7-8) | 309.39 | 1,414.14 | 1,359.51 | 4,665.73 |
| 10 | Other Comprehensive Income | | | | |
| | **Items that will not be classified to profit or (loss)** | | | | |
| | Changes in Fair Value of Equity Investments | 0.10 | (0.29) | (0.32) | (1.06) |
| | Remeasurement Cost of net defined benefits | (3.86) | 22.47 | 27.57 | 64.99 |
| | Income Tax relating to items that will not be re-classified to Profit or Loss | 0.99 | (16.65) | (9.63) | (16.65) |
| | **Items that will be classified to profit or (loss)** | | | | |
| | Changes in Foreign Currency Translation | (57.29) | 676.24 | (337.06) | 293.20 |
| 11 | Total Comprehensive Income | 249.33 | 2,095.91 | 1,040.06 | 5,006.21 |
| 12 | Paid-up equity share capital (Face value of Rs.5/- each) | 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 |
| 14 | Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised) | 0.18 | 0.82 | 0.79 | 2.71 |

# refer Note 7

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS for identification only

MANALI PETROCHEMICALS LIMITED Chennai 600 032

Notes to Consolidated Financial Results:

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Aug 05, 2020 and have been subjected to limited review by the Statutory Auditors.

2

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 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 land leased out to Plant II. 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 the 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 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 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 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 2(a), 2(b), 2(c), in their review Report.

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

4 During the fourth quarter of the previous year, 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 written off from the books of accounts amounting to Rs. 710.79 lakh and shown under exceptional items.

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MANALI PETROCHEMICALS LIMITED Chennai 600 032

5 **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 the first 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, which is evident from the comparison of the sales and profitablity for the current quarter and earlier periods.
The Group continues to face challenges on revival of demand and it is not clear when the uncertainties prevailing will get normalised.

b) The Group 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.

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 review report on the financials results regarding the same.

6 Rounding off adjustments are ignored

7 The figures for the quarter 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 financial year

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

For Manali Petrochemicals Limited

MANALI PETROCHEMICALS LIMITED Chennai 600 032

**Karthikeyan Muthukrishnan**
Wholetime Director (Operations)

Place: Chennai
Date: Aug 05, 2020

BRAHMAYYA & CO., CHARTERED ACCOUNTANTS For Identification Only