

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2021

29th June 2021

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 Sirs:

Sub: Outcome of Board Meeting held on 29th June 2021 – Results and Dividend**1. Audited Financial Results**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Separate and Consolidated Audited Financial Results of the Company for the year ended 31st March 2021, 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.

The above are also available in the Company's website www.manalipetro.com

2. Recommendation of Dividend

At the above meeting, the Board has recommended a dividend of ₹ 1.50 paise per equity share of ₹ 5/- each, full paid-up, [30%], subject to the approval of the Members at the ensuing Annual General Meeting [AGM].

The date of payment of dividend will be informed in due course, upon finalization of the date of the AGM.

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

DECLARATION

Pursuant to second proviso to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Reports of the Auditors on the Standalone and Consolidated Financial Results for the year ended 31st March 2021 do not contain any modified opinion.

For Manali Petrochemicals Limited

Place: Chennai
Date: 29.06.2021



Anis Tyebali Hyderi
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

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 31.03.2021, 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 31st March 2021.

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. In the meanwhile, the company has been remitting the lease rent based on the lease agreement which has expired, and the Government has been accepting the same. 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 in the due course.

b) Note no 4(b) to the Standalone Annual Financial Results, which explains the expiry of Company's lease period of the Land which presents a position that the company is unable to determine either its lease rent obligations or the period of lease. Accordingly, no adjustments have been made in the financial results for the year 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 authorities demanding payment of Rs. 19,836 Lakhs towards arrears of lease rent relating to Unit-II. The management based on a legal/expert advice explained to us that the arrears of lease rent is unsubstantiated, erroneous and is arbitrary and accordingly, in the opinion of the management no provision is considered necessary. We have also been explained by the management about the efforts they are taking in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained by the authorities in the demand notice issued to the company). The company's request for revision and withdrawal of the demand is currently pending before Government of Tamilnadu. Though the demand has not been formally disputed before any appellate forum, relying on the management assertions that the present demand by the government is unlikely to result in any outgo of resources to the company and pending the outcome of representations by the company to Government no adjustments have been considered necessary in the financial results.



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 is 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 is 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 cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 skepticism 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 31st March 2021 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 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: 21026575AAAAMB6317

Place : Chennai

Date : June 29, 2021

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 31.03.2021						[Rs. in Lakh]
S. No	Particulars	Three Months ended			Year ended	
		Audited #	Unaudited	Audited #	Audited	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
1	Revenue from Operations	33,335.92	32,584.38	18,251.12	92,222.61	67,663.95
2	Other Income	329.84	426.36	49.53	1,252.79	874.27
3	Total Revenue (1+2)	33,665.76	33,010.74	18,300.65	93,475.40	68,538.22
4	Expenses					
	Cost of materials consumed	16,912.12	14,696.46	12,817.92	48,523.53	45,267.08
	Changes in inventories of finished goods, work-in- progress	(546.68)	1,104.33	404.32	446.79	1,532.68
	Utility Expenses	1,945.62	1,798.92	1,685.06	6,594.46	7,613.01
	Employee benefits expense	523.31	1,005.14	653.32	2,627.04	2,466.94
	Finance costs	105.35	110.04	124.60	441.68	566.61
	Depreciation and amortization expense (Refer Note 7b)	373.15	973.52	339.69	2,047.38	1,384.81
	Other expenses	1,772.28	1,380.26	1,141.98	5,011.69	4,419.06
	Total Expenses	21,085.15	21,068.67	17,166.89	65,692.57	63,250.19
5	Profit Before Exceptional items and Taxes (3-4)	12,580.61	11,942.07	1,133.76	27,782.83	5,288.03
6	Exceptional Items (Refer Note No 7)	(139.67)	(899.07)	(790.60)	(2075.30)	(790.60)
7	Profit Before Tax (5+6)	12,440.94	11,043.00	343.16	25,707.53	4,497.43
8	Tax Expense					
	Current tax	3124.02	3189.34	141.79	7123.52	1343.35
	Excess provision for tax relating to prior years written back	(26.42)	-	(85.04)	(26.42)	(85.04)
	Deferred tax	137.64	(524.64)	(868.90)	(649.36)	(624.91)
	Net tax expense	3235.24	2664.70	(812.15)	6,447.74	633.40
9	Profit for the period (7-8)	9,205.70	8378.30	1,155.31	19,259.79	3,864.03
10	Other Comprehensive Income					
	Items that will not be classified to profit or (loss)					
	Changes in Fair Value of Equity Investments	(0.03)	0.18	(0.29)	0.21	(1.06)
	Remeasurement Cost of net defined benefits	(15.69)	2.57	22.47	(52.77)	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss	4.02	(0.66)	(16.65)	13.52	(16.65)
11	Total Comprehensive Income	9,194.00	8380.39	1,160.84	19,220.75	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
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year				55,031.11	37,100.71
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	5.35	4.87	0.67	11.20	2.25

refer Note 8



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Notes:

1 Statement of Standalone Assets and Liabilities as at March 31, 2021

(Rs. In Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
A. ASSETS		
I Non Current Assets		
a) Property, Plant and Equipment	15,859.24	17,393.86
b) Capital work-in-progress	2,841.59	2,642.87
c) Right of Use Assets	2,278.20	2,589.98
d) Investment Property	4.98	4.98
e) Financial Assets:		
i) Investments	11,049.67	11,044.83
ii) Other Financial Assets	15.63	15.63
f) Other Non-Current Assets	1,637.43	2,067.76
TOTAL NON-CURRENT ASSETS	33,686.74	35,759.91
II Current Assets		
a) Inventories	6,023.41	7,462.11
b) Financial Assets:		
i) Current Investments	-	4,059.16
ii) Trade Receivables	14,918.00	7,789.68
iii) Cash and Cash Equivalents	25,301.16	4,059.33
iv) Bank balances other than iii) above	540.53	560.91
v) Loans	40.90	38.15
vi) Other Financial Assets	91.07	33.79
c) Other Current Assets	1,548.64	904.75
TOTAL CURRENT ASSETS	48,463.71	24,907.88
TOTAL ASSETS	82,150.45	60,667.79
B. EQUITY AND LIABILITIES		
I Equity		
a) Equity Share Capital	8,603.47	8,603.47
b) Other Equity	55,031.11	37,100.71
TOTAL-EQUITY	63,634.58	45,704.18
II Liabilities		
II. A Non-Current Liabilities		
a) Financial Liabilities		
i) Other Long-Term Liabilities	3,186.95	3,471.33
b) Provisions	254.13	276.91
c) Deferred Tax Liabilities (net)	390.49	1,039.85
d) Other Non-Current Liabilities	385.13	417.26
TOTAL NON-CURRENT LIABILITIES	4,216.70	5,205.35
II. B Current Liabilities		
a) Financial Liabilities		
i) Borrowings	1,309.98	895.93
ii) Trade Payables		
1 Total outstanding dues to Micro Enterprises and Small Enterprises	481.98	154.53
2 Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	7,111.23	4,380.37
iii) Other Financial Liabilities	387.53	397.71
b) Provisions	1,713.81	1,705.80
c) Other Current Liabilities	3,294.64	2,223.92
TOTAL CURRENT LIABILITIES	14,299.17	9,758.26
TOTAL LIABILITIES	18,515.87	14,963.61
TOTAL EQUITY AND LIABILITIES	82,150.45	60,667.79



2 Statement of Standalone Cash Flow as at March 31, 2021

(Rs. In Lakh)

Particulars	For the year ended March 31, 2021	For the period ended March 31, 2020
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	25,707.53	4,497.43
Adjustments for		
Depreciation	1,735.60	1,072.78
Provisions no longer required written back	-	(148.45)
Dividend income	(1.38)	(69.37)
Finance costs	441.68	566.61
Remeasurement Cost of net defined benefits	(52.77)	64.99
Interest income	(1,007.18)	(623.91)
Net unrealised exchange (gain) / loss	29.99	69.71
Loss on sale / write-off of assets	2,075.31	790.60
Operating Profit	28,931.77	6,220.39
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Inventories	1,438.70	2,526.50
Trade Receivables	(7,131.31)	395.77
Other Financial Assets	(2.76)	3,500.26
Other Current Assets	(701.17)	136.93
Other Non-Current Assets	143.33	(48.30)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	3,028.32	(3,399.05)
Other financial liabilities	(10.18)	(20.28)
Other Current liabilities	1,062.96	198.60
Short-term provisions	8.01	105.61
Other Non Financial Liabilities	(32.13)	(32.12)
Long-term provisions	(22.78)	49.74
Net income tax paid	(6,786.17)	(1,251.45)
Net cash from / (used in) Operating activities [A]	19,926.59	8,382.60
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(2,485.38)	(3,077.38)
Investments in Equity shares	(4.63)	(2.64)
Interest income	1,007.18	623.91
Dividend income	1.38	69.37
Bank balances not considered as cash and cash equivalents	20.38	184.58
Net cash from / (used in) Investing activities [B]	(1,461.07)	(2,202.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from Short-term borrowings	414.05	(541.60)
Interest paid	(406.55)	(452.47)
Dividend paid	(1,290.35)	(1,290.00)
Tax on dividend	-	(265.53)
Net cash from / (used in) Financing Activities [C]	(1,282.85)	(2,549.60)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	17,182.67	3,630.84
Cash and cash equivalents at the beginning of the period	8,118.49	4,487.65
Cash and cash equivalents at the end of the period	25,301.16	8,118.49

Components of Cash & Cash Equivalents:

Cash on hand	2.60	1.00
Cheques on hand	-	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	398.56	242.14
Balances in Fixed deposit original maturity period less than 3 months	24,900.00	799.98
Current Investments	-	480.16
Total Cash and Cash Equivalents	25,301.16	8,118.49

For
Identification
Only

CHARTERED ACCOUNTANTS

At the end of the period



Notes to Standalone Financial Results:

3 **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 June 29, 2021 and have been audited 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 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 were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been received.

In this regard, the Company has received a 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 2022 which have been accepted and realized by the Thasildhar. Additionally, the Company continues to provide for lease rent based on the contract terms for 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 audit Report.

5 **Dividend:**

The Board of Directors has recommended a dividend of Rs. 1.50 (30%) per share on 17,19,99,229 equity shares of Rs. 5/- each for the financial year 2020-21, subject to approval of Members at the Annual General Meeting.

6 **Segment reporting:**

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



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7 Exceptional Items:

a) Evaluation of Captive Power Plant (CPP) Assets

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

b) Evaluation of other plant assets:

During the third quarter of FY 2020-21 the Company carried out an evaluation of the major assets in both the manufacturing Plants including reassessment of the useful life of the Effluent Treatment Plants (ETP). Based on such evaluation, it was observed that some of the assets have exceeded the normal life and needed to be adjusted accordingly. Also, it has been decided that owing to the extreme conditions of usage, the remaining useful life of the ETP Assets is lower than previously estimated useful life of the assets was found to be not usable and hence impaired. This reassessment of useful life as well as impairment analysis has resulted in additional depreciation/amortization/ impairment of Rs. 1535.55 lakh of which Rs. 899.07 lakh has been shown under Exceptional Items (Representing Impairment) and the remaining amount of Rs. 636.48 lakh shown under Depreciation and amortization expenses in the results for the said quarter.

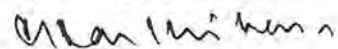
Further, during the 4th quarter of FY 2020-21 the Company carried out physical verification of property plant and equipment and assets having a carrying value of Rs. 139.67 lakh found to be no longer useful, have been written off. Similarly in the previous year property plant and equipment having a carrying value of Rs. 79.81 lakh found to be no longer useful, have been written off. These have been disclosed under exceptional items.

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

Place: Chennai
Date: June 29, 2021



For Manali Petrochemicals Limited


Karthikeyan Muthukrishnan
Whole Time Director (Operations)

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 31st March 2021, 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 31st March 2021.



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

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. In the meanwhile, the Holding company has been remitting the lease rent based on the lease agreement which has expired, and the Government has been accepting the same. 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 in the due course.

b) Note no 4(b) to the Consolidated Annual Financial Results, which explains the expiry of Holding Company's lease period of the Land which presents a position that the Holding company is unable to determine either its lease rent obligations or the period of lease. Accordingly, no adjustments have been made in the financial results for the year 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 annual financial results, which explains the demand notice received from the authorities demanding payment of Rs. 19,836 Lakhs towards arrears of lease rent relating to Unit-II. The management based on a legal/expert advice



explained to us that the arrears of lease rent is unsubstantiated, erroneous and is arbitrary and accordingly, in the opinion of the management no provision is considered necessary. We have also been explained by the management about the efforts they are taking in seeking clarifications on the rationale and the basis for issuing the demand (which have not been explained by the authorities in the demand notice issued to the Holding company). The Holding company's request for revision and withdrawal of the demand is currently pending before Government of Tamilnadu. Though the demand has not been formally disputed before any appellate forum, relying on the management assertions that the present demand by the government is unlikely to result in any outgo of resources to the Holding company and pending the outcome of representations by the Holding company to Government no adjustments have been considered necessary in the financial results.

Board of Directors' Responsibilities for the Consolidated Financial Results

These Consolidated annual financial results have been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is 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 is 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 is 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 is responsible for overseeing the financial reporting process of the Group.

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 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.34,554.39 Lakhs as at 31st March 2021, Group's share of total revenue of and Rs.10,861.93 Lakhs, Group's share of total net profit after tax of Rs. 854.92 Lakhs and Group's share of net cash flows of Rs.1,532.18 Lakhs for the year ended 31st March 2021, 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 31st March 2021 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 : 21026575AAAAALZ6000

Place : Chennai

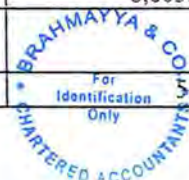
Date : June 29, 2021

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 Year ended 31.03.2021						[Rs. in Lakhs]
S. No	Particulars	Three Months ended			Year ended	
		Audited #	Unaudited	Audited #	Audited	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
1	Revenue from Operations	36,569.99	34,936.79	23,678.38	1,01,952.29	80,305.31
2	Other Income	398.60	663.68	167.62	1,845.91	1,286.25
3	Total Revenue (1+2)	36,968.59	35,600.47	23,846.00	1,03,798.20	81,591.56
4	Expenses					
	Cost of materials consumed	19,313.11	15,986.35	18,716.77	54,710.16	54,688.29
	Changes in inventories of finished goods, work-in- progress	(605.80)	1,104.47	(1,065.61)	387.81	1,546.74
	Utility Expenses	1,987.77	1,846.70	1,716.87	6,766.32	7,757.70
	Employee benefits expense	1,074.59	1,724.68	1,031.58	4,599.57	3,929.18
	Finance costs	113.35	115.07	137.43	470.55	626.07
	Depreciation and amortization expense (Refer Note No 7b)	377.97	990.43	354.84	2,101.38	1,447.15
	Other expenses	2,221.25	1,569.81	1,614.84	5,902.81	5,384.74
	Total Expenses	24,482.24	23,337.51	22,506.72	74,938.60	75,379.87
5	Profit Before Exceptional items and Taxes (3-4)	12,486.35	12,262.96	1,339.28	28,859.60	6,211.69
6	Exceptional Items (Refer Note No 7)	(139.67)	(899.07)	(790.60)	(2,075.30)	(790.60)
7	Profit Before Tax (5+6)	12,346.68	11,363.89	548.68	26,784.30	5,421.09
8	Tax Expense					
	Current tax	3,116.03	3,288.88	90.38	7,355.60	1,467.24
	Excess provision for tax relating to prior years written back	(26.42)	-	(85.04)	(26.42)	(85.04)
	Deferred tax	118.74	(524.64)	(870.80)	(668.26)	(626.84)
	Net tax expense	3,208.35	2,764.24	(865.47)	6,660.92	755.36
9	Profit / (Loss) for the period (7-8)	9,138.33	8,599.65	1,414.16	20,123.38	4,665.73
10	Other Comprehensive Income					
	Items that will not be classified to profit or (loss)					
	Changes in Fair Value of Equity Investments	(0.03)	0.18	(0.29)	0.21	(1.06)
	Remeasurement Cost of net defined benefits	(15.69)	2.57	22.47	(52.77)	64.99
	Income Tax relating to items that will not be re-classified to Profit or Loss	4.02	(0.66)	(16.65)	13.52	(16.65)
	Items that will be classified to profit or (loss)					
	Changes in Foreign Currency Translation	181.91	841.05	692.88	1,078.45	293.22
11	Total Comprehensive Income	9,308.54	9,442.79	2,112.56	21,162.79	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
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year				59,393.22	39,520.78
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted, Not annualised)	5.31	5.00		11.70	2.71

refer Note 8



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Notes:

I Statement of Consolidated Assets and Liabilities as at March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
A. ASSETS		
I Non Current Assets		
a) Property, Plant and Equipment	17,339.28	18,859.83
b) Goodwill on Consolidation	9,539.39	8,795.45
c) Capital work-in-progress	2,841.59	2,642.87
d) Right of Use Assets	2,278.19	2,589.98
e) Investment Property	4.98	4.98
f) Financial Assets:		
i) Investments	17.49	12.65
ii) Other Financial Assets	15.63	15.63
g) Other non-current assets	1,637.44	2,067.76
TOTAL NON-CURRENT ASSETS	33,673.99	34,989.15
II Current Assets		
a) Inventories	7,035.16	8,890.16
b) Financial Assets:		
i) Current Investments	-	4,059.16
ii) Trade Receivables	17,191.90	10,843.19
iii) Cash and Cash equivalents	28,155.56	5,461.70
iv) Bank balances other than iii) above	540.53	560.91
v) Loans	40.89	38.14
vi) Other Financial Assets	91.07	34.62
c) Other Current assets	1,923.24	1,155.27
TOTAL CURRENT ASSETS	54,978.35	31,043.15
TOTAL ASSETS	88,652.34	66,032.30
B. EQUITY AND LIABILITIES		
I Equity		
a) Equity share capital	8,603.47	8,603.47
b) Other Equity	59,393.22	39,520.78
TOTAL-EQUITY	67,996.69	48,124.25
II Liabilities		
II. A Non-Current Liabilities		
a) Financial Liabilities		
i) Other Long-Term Liabilities	3,186.95	3,471.33
b) Provisions	254.13	276.91
c) Deferred Tax Liabilities (net)	452.11	1,114.79
d) Other non-current Liabilities	385.13	417.26
TOTAL NON-CURRENT LIABILITIES	4,278.32	5,280.29
II. B Current Liabilities		
a) Financial Liabilities		
i) Borrowings	1,428.36	2,564.57
ii) Trade Payables		
1 Total outstanding dues of Micro Enterprises and Small Enterprises	481.98	154.53
2 Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	8,509.30	5,410.45
iii) Other financial liabilities	387.53	397.71
b) Provisions	1,728.40	1,716.39
c) Other current liabilities	3,841.76	2,384.11
TOTAL CURRENT LIABILITIES	16,377.33	12,627.76
TOTAL LIABILITIES	20,655.65	17,908.05
TOTAL EQUITY AND LIABILITIES	88,652.34	66,032.30



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2 Statement of Consolidated Cash Flow as at March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	26,784.30	5,421.09
Adjustments for		
Depreciation	1,789.38	1,135.12
Provisions no longer required written back	-	(148.45)
Dividend income	(1.38)	(69.37)
Finance costs	470.55	626.07
Remeasurement Cost of net defined employee benefits	(52.77)	64.99
Interest income	(1,007.24)	(624.38)
Provision for doubtful debts	198.79	191.27
Net unrealised exchange (gain) / loss	41.33	111.19
Loss on sale / write-off of assets	2,143.14	798.67
Operating Profit	30,366.10	7,506.20
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Inventories	1,855.00	2,900.90
Trade Receivables	(6,547.50)	378.03
Other Financial Assets	(59.20)	3,531.04
Other Current Assets	(767.97)	11.43
Other Non-Current Assets	(128.70)	6.39
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	3,384.97	(3,885.59)
Other financial liabilities	(10.18)	(20.26)
Other Current liabilities	539.31	(251.10)
Short-term provisions	12.01	116.03
Other Non Financial Liabilities	(32.13)	(265.47)
Long-term provisions	(22.78)	49.74
Net income tax paid	(6,786.17)	(1,336.49)
Net cash from / (used in) Operating activities [A]	21,802.76	8,740.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(2,448.73)	(2,936.69)
Investments in Equity shares	(4.84)	(1.58)
Interest income	1,007.24	624.38
Dividend income	1.38	69.37
Bank balances not considered as cash and cash equivalents	20.38	184.58
Net cash from / (used in) Investing activities [B]	(1,424.57)	(2,059.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds from Short-term borrowings	(1,136.21)	(817.04)
Interest paid	(395.38)	(511.93)
Dividend paid	(1,290.35)	(1,290.00)
Tax on dividend	-	(265.53)
Net cash from / (used in) Financing Activities [C]	(2,821.94)	(2,884.50)
Net (decrease) / increase in cash and cash equivalents = (A+B+C)	17,556.25	3,796.41
Cash and cash equivalents at the beginning of the period	9,520.86	5,431.23
Effect of Changes in Foreign Currency Translation (FCTR)	1,078.45	293.22
Cash and cash equivalents at the end of the period	28,155.56	9,520.86

Components of Cash & Cash Equivalents:

Cash on hand	2.60	1.00
Cheques on hand	-	16.21
Balance(s) In current accounts (including debit balance(s) in cash credit)	3,252.96	1,644.51
Balances in Fixed deposit original maturity period less than 3 months	1,900.00	3,799.98
Current Investments	-	4,059.16
Total Cash and Cash Equivalents	28,155.56	9,520.86

RAHMAYYA & CO
Identification
Only
ENTERED ACCOUNTANTS



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Notes to Consolidated Financial Results:

3 **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 June 29, 2021 and have been audited 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 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 the 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 claims were raised. The Parent Company has disputed the above claims and has sought details for the same, which have not so far been received.

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 2022 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 audit Report.

5 **Dividend:**

The Board of Directors has recommended a dividend of Rs. 1.50 (30%) per share on 17,19,99,229 equity shares of Rs. 5/- each for the financial year 2020-21, subject to approval of Members at the Annual General Meeting.

6 **Segment reporting:**

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



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7 **Exceptional Items:**

a) Evaluation of Captive Power Plant (CPP) Assets

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

b) Evaluation of other plant assets:

During the third quarter of FY 2020-21 the Parent Company carried out an evaluation of the major assets in both the manufacturing Plants including reassessment of the useful life of the Effluent Treatment Plants (ETP). Based on such evaluation, it was observed that some of the assets have exceeded the normal life and needed to be adjusted accordingly. Also, it has been decided that owing to the extreme conditions of usage, the remaining useful life of the ETP Assets is lower than previously estimated useful life of the assets was found to be not usable and hence impaired. This reassessment of useful life as well as impairment analysis has resulted in additional depreciation/amortization/ impairment of Rs. 1535.55 lakh of which Rs. 899.07 lakh has been shown under Exceptional Items (Representing Impairment) and the remaining amount of Rs. 636.48 lakh shown under Depreciation and amortization expenses in the results for the said quarter.

Further, during the 4th quarter of FY 2020-21 the Parent Company carried out physical verification of property plant and equipment and assets having a carrying value of Rs. 139.67 lakh found to be no longer useful, have been written off. Similarly in the previous year property plant and equipment having a carrying value of Rs. 79.81 lakh found to be no longer useful, have been written off. These have been disclosed under exceptional items.

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

Place: Chennai
Date: June 29, 2021



For Manali Petrochemicals Limited

Karthikeyan Muthukrishnan
Whole-Time Director (Operations)