



Manali Petrochemicals Limited

SPIC House, 88, Mount Road, Guindy, Chennai - 600 032

Telefax : 044 - 2235 1098 Website : www.manalipetro.com

CIN : L24294TN1986PLC013087

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

February 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 31st December 2019 -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 nine months ended 31st December 2019 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,

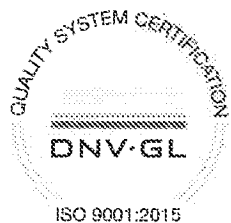
Yours faithfully,

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: companysecretary@manalipetro.com



Independent Auditor's Review Report on Unaudited Standalone Quarterly and Year to Date 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 and period ended 31st December 2019 (the statement) being submitted by the Company pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
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 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 principles generally accepted in India 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

a) Note No.2 to the 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) 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 and in the opening retained earnings towards the possible impact arising on account of implementation of Ind AS 116 – "Leases" as the same is not ascertainable at this point of time.

For Brahmayya & Co.,
Chartered Accountants

Firm Registration No. 0005115



N Sri Krishna

Partner

Membership No. 026575

UDIN : 20026575AAAA47272

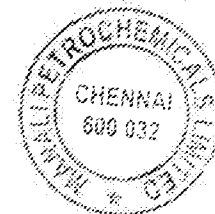
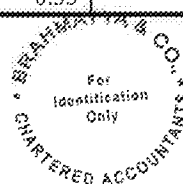
Place : Chennai

Date : February 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 Unaudited Standalone Financial Results for the Quarter and Nine months ended 31.12.2019							
S. No	Particulars	Three Months ended			Nine Months ended		[Rs. in Lakhs]
		Unaudited					Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	Audited
1	Revenue from Operations	14,370.85	16,770.19	17,760.74	49,412.83	53,829.31	70,211.80
2	Other Income	118.61	478.56	122.28	824.74	484.38	679.52
3	Total Revenue (1+2)	14,689.46	17,248.75	17,883.02	50,237.57	54,313.69	70,891.32
4	Expenses						
	Cost of materials consumed	8,584.37	11,494.44	12,193.53	32,449.16	35,105.36	47,270.79
	Changes in inventories of finished goods, work-in- progress	1,369.88	(189.21)	(186.56)	1,128.36	(723.67)	(2,196.39)
	Power & Fuel	1,457.01	1,752.55	2,029.96	4,961.48	6,077.92	7,861.58
	Employee benefits expense	578.63	599.79	567.58	1,813.62	1,900.22	2,567.91
	Finance costs (Refer Note No 5)	128.11	154.52	45.47	442.01	136.58	173.71
	Depreciation and amortization expense (Refer Note No 5)	346.57	346.90	267.32	1,045.12	771.19	1,032.44
	Other expenses	1,297.23	1,578.34	1,229.42	4,243.55	4,264.08	5,589.78
	Total Expenses	13,761.80	15,737.33	16,146.72	46,083.30	47,531.68	62,299.82
5	Profit Before Exceptional items and Taxes (3-4)	927.66	1,511.42	1,736.30	4,154.27	6,782.01	8,591.50
6	Exceptional Items (Refer Note No 3)	-	-	-	-	-	1,677.00
7	Profit Before Tax (5+6)	927.66	1,511.42	1,736.30	4,154.27	6,782.01	10,268.50
8	Tax Expense						
	Current tax	268.31	437.16	427.12	1,201.56	1,717.00	2,970.00
	Short/(Excess) provision for tax relating to prior years	-	-	-	-	-	178.58
	Deferred tax	54.49	88.77	159.49	244.00	641.18	603.11
	Net tax expense	322.79	525.93	586.61	1,445.55	2,358.17	3,751.69
9	Profit for the period (7-8)	604.87	985.50	1,149.70	2,708.72	4,423.84	6,516.81
10	Other Comprehensive Income						
	Items that will not be classified to profit or (loss)						
	Changes in Fair Value of Equity Investments	(0.28)	(0.17)	0.03	(0.77)	(0.16)	(0.28)
	Remeasurement Cost of net defined benefits	13.69	1.26	(38.98)	42.52	41.18	69.31
11	Total Comprehensive Income	618.28	986.59	1,110.75	2,750.47	4,464.86	6,585.84
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						35,552.06
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	0.35	0.57	0.67	1.57	2.57	3.79



- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Feb 11, 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, impact unascertainable
- 3 During FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of Rs. 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for Rs. 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur.

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


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

- 4 Manufacture of petrochemicals is the only operating segment as defined in Ind AS 108: Operating Segments
- 5 Effective from 1st April, 2019, the Company has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to Rs.655 lakh (net off deferred Tax Asset of Rs.352 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized Rs.2902 lakh as right to use assets and lease liability of Rs. 3909 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the period ended December 31, 2019, Rs. 288.29 lakh has been accounted as Finance cost and Rs. 234.02 lakh as Depreciation against the payment of Rs. 435.8 lakh towards lease rent.
- 6 The impact of option available under section 115BAA of Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 are being evaluated and accordingly, no adjustments arising out of such options if so exercised by the Company, were made in these Financial Results.
- 7 Rounding off adjustments are ignored.
- 8 Previous period / year figures have been regrouped, wherever necessary.

Place: Chennai
Date: February 11, 2020



For Manali Petrochemicals Limited


Muthukrishnan Ravi
Managing Director



Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date 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 Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and period ended 31st December 2019 ("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. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended and period ended 31st December 2018 as reported in these Consolidated unaudited financial results have been approved by the Board of Directors of the Company and have not been subject to review since the requirement of submission of quarterly consolidated financial results has become mandatory with effect from April 01, 2019.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent'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. 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, 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 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.

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

a) Note No.2 to the financial results, which explains the period of lease relating to the leasehold land on which one of the manufacturing units of the Parent Company (Unit-II) is operating has since expired on June 30, 2017 for which requests for renewal have been filed by the Parent 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.

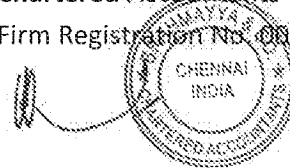
b) Pending the renewal of land Lease and the fixation of lease rent by Government of Tamilnadu in respect of land on which Parent Company's manufacturing plant (unit-II) is operating, no adjustments have been made in the financial results for the period and in the opening retained earnings towards the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



7. The consolidated unaudited financial results include the interim financial results of three subsidiaries which have not been reviewed/audited, whose interim financial results reflect Total revenue of Rs.2,586.90 Lakhs and Rs. 7,864.37 Lakhs, total net profit after tax of Rs. 87.80 Lakhs and Rs. 499.06 Lakhs, total comprehensive income of Rs. 87.80 Lakhs and Rs. 499.06 Lakhs for the quarter ended 31st December 2019 and for the period from 01st April 2019 to 31st December 2019 respectively, 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. 080511S



N Sri Krishna

Partner

Membership No. 026575

UDIN: 20026575AAAAA23994

Place : Chennai

Date : February 11, 2020

MANALI PETROCHEMICALS LIMITED

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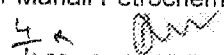
Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended 31.12.2019							
S. No	Particulars	Three Months ended			Nine Months ended		Rs. in Lakhs
		Unaudited					Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
1	Revenue from Operations	16,988.46	19,036.00	20,036.75	56,626.93	61,268.90	81,024.58
2	Other Income	79.44	776.66	181.78	1,118.63	925.46	1,150.89
3	Total Revenue (1+2)	17,067.90	19,812.66	20,218.53	57,745.56	62,194.35	82,175.47
4	Expenses						
	Cost of materials consumed	9,091.77	12,764.11	13,908.96	35,971.51	40,669.81	55,043.06
	Purchase of stock-in-trade (traded goods)	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress	2,554.67	109.99	(186.57)	2,612.35	(701.69)	(1,994.57)
	Excise Duty on Sales (Refer Note no. 5)	-	-	-	-	-	-
	Power & Fuel	1,474.67	1,764.15	2,049.53	5,008.32	6,127.27	7,931.69
	Employee benefits expense	934.39	978.63	906.27	2,897.60	2,843.11	4,064.46
	Finance costs (Refer Note No 5)	142.41	168.44	61.52	488.64	182.93	232.47
	Depreciation and amortization expense (Refer Note No 5)	364.26	360.17	284.15	1,092.31	825.83	1,104.56
	Other expenses	1,421.99	1,837.12	1,294.30	4,802.41	4,536.74	6,121.17
	Total Expenses	15,984.17	17,982.62	18,318.16	52,873.14	54,484.01	72,502.84
5	Profit Before Exceptional items and Taxes (3-4)	1,083.73	1,830.04	1,900.37	4,872.42	7,710.34	9,672.63
6	Exceptional Items (Refer Note No 3)	-	-	-	-	-	1,677.00
7	Profit Before Tax (5+6)	1,083.73	1,830.04	1,900.37	4,872.42	7,710.34	11,349.63
8	Tax Expense						
	Current tax	302.08	566.72	460.27	1,376.86	1,750.15	2,921.10
	Short/(Excess) provision for tax relating to prior years	-	-	-	-	-	178.58
	Deferred tax	53.85	89.37	159.50	243.97	641.18	614.85
	Net tax expense	355.94	656.10	619.77	1,620.83	2,391.32	3,714.53
9	Profit for the period (7-8)	727.80	1,173.96	1,280.60	3,251.59	5,319.02	7,635.11
10	Other Comprehensive Income						
	Items that will not be classified to profit or (loss)						
	Changes in Fair Value of Equity Investments	(0.28)	(0.17)	0.03	(0.77)	(0.16)	(0.28)
	Remeasurement Cost of net defined benefits	13.69	1.26	(38.98)	42.52	41.18	69.31
	Items that will be classified to profit or (loss)						
	Changes in Foreign Currency Translation	187.46	(250.08)	802.42	(399.68)	(35.68)	(341.07)
11	Total Comprehensive Income	928.68	924.96	2,044.07	2,893.66	5,324.36	7,363.07
12	Paid-up equity share capital (Face value of Rs.5/- each)	8,603.47	8,603.47	8,603.47	8,603.47	8,603.47	8,603.47
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting Year						36,893.86
14	Earnings Per Share of Rs. 5/- each (Basic and Diluted) (Not annualised)	0.42	0.68	0.74		3.09	4.44

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on Feb 11, 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 (Unit-2) is operating expired on June 30, 2017 for which request for renewal have been filed by the Company with Govt. of Tamilnadu, which is under process. The Management is confident of renewal of the lease as the land has been put to use for the purpose for which it has been allotted and hence no adjustments for impact of non-renewal, (which however is unascertainable at this point in time), are deemed necessary in the financial results.
b) Pending renewal of the lease, Ind AS 116 has not been applied to the above lease. Accordingly the financial results do not contain any adjustments towards the same, impact unascertainable
- 3 During FY 2018-19 the Company received a letter from Thasildhar, Tiruvottiyur, demanding payment of Rs. 19,836 lakh as arrears of lease rent upto 2016 relating to land leased out to Plant II. No details have been provided for the claim in the said letter. During the FY 2013-14, the Company had received a similar claim for Rs. 1,677 lakh as lease rent arrears upto Fasli 1423 (June 30, 2013) without any details. As a matter of abundant caution, provision was made in the FY 2014-15 for this claim. Thus the demands received during the earlier years as stated above did not contain the basis on which the demands were raised. The Company has disputed the above claims and has sought details for the same, which have not so far been provided by the Thasildhar, Tiruvottiyur.
In this regard, the Company had received legal advise that the amounts claimed through the said two notices are misconceived in as much as the demand for alleged arrears of lease rent appears to be baseless, unsubstantiated, erroneous and so is arbitrary and not tenable. Accordingly, taking into account the arbitrariness involved, it is viewed that the said claims are devoid of any merits and so need not be reckoned as any kind of obligation on the Company. The Company would decide on further course of action in the matter once the details are received.
Notwithstanding the above claims, the Company continues to make payment of the lease rent at contracted rates as per the agreement entered into with the Government and payments have been made upto 30 June 2020 which have been accepted and realized by the Thasildhar. In the light of this and also that the later demand covers the period mentioned in the demand received in FY 2013-14, the earlier provision of Rs. 1,677 lakh in FY 2014-15 was no longer necessary and hence the same was reversed as shown under Exceptional items in the previous year. However the Company continues to provide for lease rent based on the contract terms for the fixation of lease rent and in terms of the extant Government guidelines for such lands.
- 4 Manufacture of petrochemicals is the only operating segment as defined in Ind AS 108: Operating Segments
- 5 Effective from 1st April, 2019, the Group has adopted Ind AS 116 using modified retrospective method where comparative periods have not been restated. The cumulative effect of initial application of the standard amounting to Rs.655 lakh (net off deferred Tax Asset of Rs.352 lakh) has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. The Company has recognized Rs.2902 lakh as right to use assets and lease liability of Rs. 3909 lakh as on the date of transition i.e. April 1, 2019. Accordingly, during the period ended December 31, 2019, Rs. 288.29 lakh has been accounted as Finance cost and Rs. 234.02 lakh as Depreciation against the payment of Rs. 435.80 lakh towards lease rent.
- 6 The Consolidated unaudited financial results includes the results of the Company, one subsidiary and two step-down subsidiaries. The Group is submitting the quarterly consolidated financial results only from the current from 1-4-2019, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with circular no CIR/CFD/CMD1/44/2019 dated March 29, 2019. The Management has exercised necessary due diligence in preparation of the consolidated financial statements including the figures relating to the quarter and period ended December, 2018 which have been reviewed by the Audit Committee and approved by the Parent's Board of Directors which have not been subjected to limited review by the Auditors.
- 7 The impact of option available under section 115BAA of Income Tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 are being evaluated and accordingly, no adjustments arising out of such options if so exercised by the Company, were made in these Financial Results.
- 8 Previous period / year figures have been regrouped, wherever necessary.

Place: Chennai
Date: Feb 11, 2020



For Manali Petrochemicals Limited


Muthukrishnan Ravi
Managing Director

