



Mangalore Chemicals
& Fertilizers Limited

722/Q1-BM/2020

August 6, 2020

The Asst. Vice President,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051

Department of Corporate Services - CRD
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Dear Sir/Madam,

Sub: Outcome of the Board Meeting under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

With reference to the subject mentioned above, we hereby write to inform you that the Board of Directors of the Company in its meeting held today, i.e., August 6, 2020, inter alia, has considered and approved the unaudited financial results of the Company for the quarter ended June 30, 2020 as recommended by the Audit Committee at its meeting held today, i.e., August 6, 2020.

We attach herewith copy of the unaudited financial results for the quarter ended June 30, 2020 along with the Limited Review Report of the Auditors thereon.

Thanking you,

Yours faithfully,
for Mangalore Chemicals and Fertilizers Limited

Vijayamahantesh Khannur
Company Secretary

Encl: As above



MANGALORE CHEMICALS AND FERTILIZERS LIMITED

Mangalore Chemicals & Fertilizers Limited

Registered Office : Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001

Phone: 080-45855599, Fax: 080-45855588 CIN: L24123KA1966PLC002036

Email: shares.mcf@adventz.com Website: www.mangalorechemicals.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

Particulars	(Rupees in Lakhs)			
	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited *	Unaudited	Audited
1 INCOME				
(a) Revenue from contracts with customers (Refer Note 4)	52,979.47	56,319.78	74,107.40	2,71,084.42
(b) Other income	554.91	462.37	502.81	2,321.72
Total income	53,534.38	56,782.15	74,610.21	2,73,406.14
2 EXPENSES				
(a) Cost of materials consumed	28,756.29	32,629.49	30,600.89	1,40,030.22
(b) Purchases of stock-in-trade	3,953.25	2,536.18	9,815.59	22,602.71
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	2,686.33	2,375.92	15,081.67	22,056.77
(d) Employee benefits expense	1,715.57	1,621.44	1,864.28	7,086.26
(e) Finance costs	2,646.46	1,735.50	3,783.87	11,147.69
(f) Depreciation and amortisation expense	1,144.77	1,184.87	1,080.44	4,537.36
(g) Other expenses	10,865.85	14,160.92	12,371.07	58,901.31
Total expenses	51,768.52	56,244.32	74,597.81	2,66,362.32
3 Profit before tax (1-2)	1,765.86	537.83	12.40	7,043.82
4 Tax expense/(credit)				
(a) Current tax (MAT)	314.00	278.00	-	1,483.00
(b) Deferred tax charge/(credit)	350.86	(2,127.50)	17.04	(894.50)
Total tax expense/(credit)	664.86	(1,849.50)	17.04	588.50
5 Profit/(loss) from the period/year (3-4)	1,101.00	2,387.33	(4.64)	6,455.32
6 Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement gains/(losses) on defined benefit plan	(10.92)	89.79	(45.85)	23.83
Income tax effect on above	3.81	(31.38)	16.02	(8.33)
Total other comprehensive (loss)/income	(7.11)	58.41	(29.83)	15.50
7 Total comprehensive income/(loss) (5+6)	1,093.89	2,445.74	(34.47)	6,470.82
8 Paid-up equity share capital (Face value of Rs. 10 per share)	11,854.87	11,854.87	11,854.87	11,854.87
9 Other equity				42,703.38
10 Earnings per equity share				
(of Rs. 10/- each) (not annualised for quarters):				
(a) Basic (in Rs.)	0.93	2.02	(0.01)	5.45
(b) Diluted (in Rs.)	0.93	2.02	(0.01)	5.45

*Refer Note 9

See accompanying notes to the unaudited financial results



Notes:

1. The unaudited financial results for the quarter ended June 30, 2020 of Mangalore Chemicals and Fertilizers Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 06, 2020.
2. The unaudited financial results have been prepared in accordance with the applicable Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder 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.
3. The Company is engaged in the manufacture, sale and trading of fertilisers which constitutes a single operating segment as per Ind AS 108 and hence separate segment disclosures have not been furnished.
4. The urea concession income for the period / year has been recognized based on management’s estimate, in respective periods/year, pending finalization by the Government of India (‘GOI’). Revenue for the quarter and year ended March 31, 2020 include additional urea concession income of Rs. 1,053.65 Lakhs relating to immediately preceding financial year recognized on finalization of escalation/de-escalation claims.
5. During the previous year, assessment has been performed by the Company regarding utilization of Minimum Alternate Tax (MAT) on the basis of future profitability projections. Further, the management also assessed it to be probable that post utilization of MAT the Company will be exercising option to pay Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019 and consequently, tax credit of Rs. 2,056.87 lakhs has been recorded in the financial results for the quarter and year ended March 31, 2020.
6. The Company had claimed and received refund of GST input tax credit on input services of Rs. 1,206.29 Lakhs till April 17, 2018 and has further recognized such input tax credit of Rs. 5,535.03 Lakhs for subsequent period till June 30, 2020. Based on a tax opinion and order of the High Court of Gujarat in respect of writ petition of other companies and considering such credit is also available for utilisation, the management is confident of refund / utilisation of aforesaid input tax credit. The Company has been utilising such credit based on a tax advise obtained in this regard.
7. The Ammonia, Urea and ABC plants of the Company were shutdown for planned maintenance activities on February 20, 2020 and restarted the operations from April 18, 2020 after completion of maintenance activities.
8. In this unprecedented COVID-19 pandemic situation, with the support and relaxations extended by the Central and respective State Governments, the Company has been able to operate at normal levels by mobilizing critical work force and adopting stringent social distancing/ safety measures.

Further, the Company has assessed the impact of this pandemic on recoverability of carrying value of financial and non-financial assets using various internal and external information up to the date of approval of these unaudited financial results and concluded that there is no material adjustments required at this stage in the unaudited financial results of the Company for the quarter ended June 30, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of COVID-19 may be different from that estimated as at the date of approval of these unaudited financial results and the Company will continue to monitor the impact of the same.



9. The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year-to-date figures up to December 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review.

For and on behalf of the Board of Directors

Suresh Krishnan
N Suresh Krishnan
Managing Director

August 06, 2020



S.R. BATLIBOI & Co. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

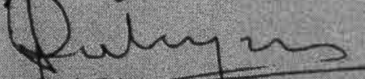
Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Mangalore Chemicals and Fertilizers Limited

1. We have reviewed the accompanying statement of unaudited financial results of Mangalore Chemicals and Fertilizers Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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.
4. Based on our review conducted as 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 Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of Matter**
 - a. We draw attention to Note 8 to the accompanying unaudited financial results, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management.
 - b. We draw attention to Note 6 to the accompanying unaudited financial results regarding Goods and Services Tax ("GST") input tax credit on input services recognized by the Company, which the management is confident to recover based on a tax opinion obtained on this matter and reliance placed on order of the High Court of Gujarat.

Our conclusion is not modified in respect of these matters.

For S.R. Batliboi & Co. LLP
Chartered Accountants
CMA Firm registration number: 301003E/E300005



per Ravin Tulsyan
Partner

Membership No.: 108044

Unique Document Identification Number (UDIN): 20106044AAAAGM5767

Place of signature: Gurugram

Date: August 6, 2020

