



Mangalore Chemicals
& Fertilizers Limited

722/Q3-BM/2023

January 30, 2023

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,

Company's Scrip Code in BSE : 530011 MANGCHEM
Company's Symbol in NSE : MANGCHEFER
ISIN : INE558B01017

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., January 30, 2023, inter alia, has considered and approved the unaudited financial results of the Company for the quarter and nine months ended December 31, 2022 as recommended by the Audit Committee at its meeting held today, i.e., January 30, 2023.

We attach herewith copy of the unaudited financial results for the quarter and nine months ended December 31, 2022 along with the Limited Review Report of the Auditors thereon.

The meeting commenced at 4:30 P.M. (IST) and concluded at 8:45 P.M. (IST).

Thanking you,

Yours faithfully,
For Mangalore Chemicals and Fertilizers Limited

Vijayamahantesh Khannur
Company Secretary

Encl: As above

MANGALORE CHEMICALS AND 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

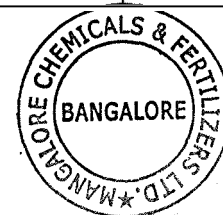
Email: shares.mcfli@adventz.com Website: www.mangalorechemicals.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rupees in Lakhs)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from contracts with customers (Refer Note 4 and 5)	117,323.52	28,338.55	76,169.63	247,790.88	217,670.72	289,558.30
(b) Other income	700.22	639.36	467.75	1,928.38	1,654.10	2,427.06
Total income	118,023.74	28,977.91	76,637.38	249,719.26	219,324.82	291,985.36
2 EXPENSES						
(a) Cost of materials consumed	64,152.55	24,337.63	42,878.26	146,844.92	126,169.17	186,934.66
(b) Purchases of traded goods	7,303.09	2,033.45	42.59	9,422.31	6,299.77	6,416.91
(c) Change in inventories of finished goods, traded goods and work-in-progress	(3,113.71)	(4,053.24)	3,895.41	6,993.07	3,753.94	(13,122.69)
(d) Employee benefits expense	1,637.64	1,876.34	1,697.07	5,355.98	5,300.39	6,962.64
(e) Finance costs	3,323.70	2,093.37	1,051.42	7,364.79	3,389.52	4,940.42
(f) Depreciation and amortisation expense	1,748.11	1,275.82	1,292.47	4,278.35	3,826.53	5,055.75
(g) Other expenses	33,271.30	6,362.10	21,059.16	61,026.03	57,535.61	81,331.66
Total expenses	108,322.68	33,925.47	71,916.38	241,285.45	206,274.93	278,519.35
3 Profit/(Loss) before tax (1-2)	9,701.06	(4,947.56)	4,721.00	8,433.81	13,049.89	13,466.01
4 Tax expense						
(a) Current tax (Minimum Alternate Tax)	1,469.00	(656.00)	817.00	1,469.00	2,307.00	2,350.00
(b) Deferred tax charge / (credit)	615.51	(1,072.77)	796.90	286.91	2,305.40	2,329.88
Total tax expense / (credit)	2,084.51	(1,728.77)	1,613.90	1,755.91	4,612.40	4,679.88
5 Profit/(Loss) for the period/year (3-4)	7,616.55	(3,218.79)	3,107.10	6,677.90	8,437.49	8,786.13
6 Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plan	(10.44)	(39.97)	(2.09)	(4.13)	(65.14)	(31.15)
Income tax effect on above	3.64	13.97	0.73	1.44	22.76	10.88
Total other comprehensive income/(loss)	(6.80)	(26.00)	(1.36)	(2.69)	(42.38)	(20.27)
7 Total comprehensive income/(loss) (5+6)	7,609.75	(3,244.79)	3,105.74	6,675.21	8,395.11	8,765.86
8 Paid-up equity share capital (Face value of INR 10 per share)	11,854.87	11,854.87	11,854.87	11,854.87	11,854.87	11,854.87
9 Other equity						56,452.12
10 Earnings per equity share						
(of INR 10/- each) (not annualised for quarters/ periods):						
(a) Basic (in INR)	6.42	(2.71)	2.62	5.63	7.12	7.41
(b) Diluted (in INR)	6.42	(2.71)	2.62	5.63	7.12	7.41

See accompanying notes to the unaudited financial results



Notes:

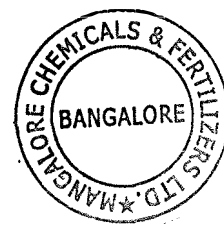
1. The unaudited financial results for the quarter ended December 31, 2022 and year to date from April 1, 2022 to December 31, 2022 of Mangalore Chemicals and Fertilizers Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 30, 2023 and has been subjected to limited review by auditors.
2. The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") 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, pending finalization by the Government of India ('GOI').
5. The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass-through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.
6. The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final Rules/ interpretation have not yet been notified / issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
7. Previous year / period's figures have been regrouped / rearranged wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors



Nitin M Kantak
Whole Time Director

Date: January 30,2023



PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Independent Auditor's Review Report on review of Unaudited Financial Results

To the Board of Directors of Mangalore Chemicals & Fertilizers Limited

We have reviewed the accompanying Statement of Unaudited Financial results of Mangalore Chemicals & Fertilizers Limited ("the company") for the quarter and period ended 31st December 2022, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015, as amended.

Management's Responsibility

The Statement, which is the responsibility of the 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" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 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.

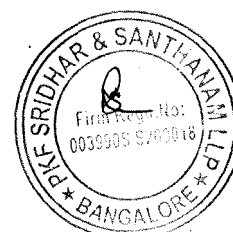
Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles of the applicable Accounting Standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

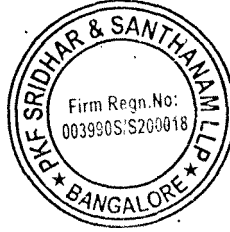
We draw attention to Note no 5, which states that the Company had recognized urea subsidy income of Rs. 2914 lakhs in Financial Year ended March 31, 2021, considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met.

Our conclusion is not modified in respect of this matter.



Other Matter

Figures for the quarter ended and period ended 31st December 2021 and year ended 31st March 2022 have been reviewed/audited by S.R.Batliboi & Co. LLP, Chartered Accountants (Firm Registration No 301003E/E300005). The reports of predecessor auditor of these comparative financial information expressed unmodified conclusion/opinion. Our conclusion is not modified in respect of the said matter.



For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi. M
Partner

Place: Bengaluru
Date: 30th Jan 2023

Membership No.208545
ICAI UDIN: 23208545B6VAFT9985