



Mangalore Chemicals  
& Fertilizers Limited

722/Q1-BM/2022

August 01, 2022

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., August 01, 2022, inter alia, has considered and approved the following:

- i. Unaudited financial results of the Company for the quarter ended June 30, 2022 as recommended by the Audit Committee at its meeting held today, i.e., August 01, 2022. A copy of the approved results alongwith Limited Review Report are enclosed as Annexure-1.
- ii. Appointment of M/s PKF Sridhar & Santhanam LLP Chartered Accountants (FRN 003990S/S200018) as Statutory Auditors of the Company in place of retiring auditors M/s. S. R. Batliboi & Co. LLP, subject to the approval of shareholders at the ensuing Annual General Meeting. The details required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated 09/09/2015 are given in the enclosed Annexure-2.

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

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2022**

Particulars	(Rupees in Lakhs)			
	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
	Unaudited	Audited*	Unaudited	Audited
<b>1 INCOME</b>				
(a) Revenue from contracts with customers (Refer Note 4 and 5)	102,128.81	71,887.58	68,719.11	289,558.30
(b) Other income	183.06	772.96	593.44	2,427.06
<b>Total income</b>	<b>102,311.87</b>	<b>72,660.54</b>	<b>69,312.55</b>	<b>291,985.36</b>
<b>2 EXPENSES</b>				
(a) Cost of materials consumed	58,354.74	60,765.49	36,807.31	186,934.66
(b) Purchases of traded goods	85.77	117.14	6,066.97	6,416.91
(c) Change in inventories of finished goods, traded goods and work-in-progress	14,160.02	(16,876.63)	985.65	(13,122.69)
(d) Employee benefits expense	1,842.00	1,662.25	1,751.29	6,962.64
(e) Finance costs	1,947.72	1,550.90	1,059.85	4,940.42
(f) Depreciation and amortisation expense	1,254.42	1,229.22	1,273.82	5,055.75
(g) Other expenses	20,986.89	23,796.05	17,592.76	81,331.66
<b>Total expenses</b>	<b>98,631.56</b>	<b>72,244.42</b>	<b>65,537.65</b>	<b>278,519.35</b>
<b>3 Profit before tax (1-2)</b>	<b>3,680.31</b>	<b>416.12</b>	<b>3,774.90</b>	<b>13,466.01</b>
<b>4 Tax expense</b>				
(a) Current tax (Minimum Alternate Tax)	656.00	43.00	678.00	2,350.00
(b) Deferred tax charge	744.17	24.48	664.16	2,329.88
<b>Total tax expense</b>	<b>1,400.17</b>	<b>67.48</b>	<b>1,342.16</b>	<b>4,679.88</b>
<b>5 Profit from the quarter/year (3-4)</b>	<b>2,280.14</b>	<b>348.64</b>	<b>2,432.74</b>	<b>8,786.13</b>
<b>6 Other comprehensive income/(loss)</b>				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plan	46.28	33.99	(6.34)	(31.15)
Income tax effect on above	(16.17)	(11.88)	2.22	10.88
<b>Total other comprehensive income/(loss)</b>	<b>30.11</b>	<b>22.11</b>	<b>(4.12)</b>	<b>(20.27)</b>
<b>7 Total comprehensive income (5+6)</b>	<b>2,310.25</b>	<b>370.75</b>	<b>2,428.62</b>	<b>8,765.86</b>
<b>8 Paid-up equity share capital (Face value of INR 10 per share)</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>
<b>9 Other equity</b>				<b>56,452.12</b>
<b>10 Earnings per equity share</b>				
(of INR 10/- each) (not annualised for quarters):				
(a) Basic (in INR)	1.92	0.29	2.05	7.41
(b) Diluted (in INR)	1.92	0.29	2.05	7.41

\*Refer Note 8

See accompanying notes to the unaudited financial results



Notes:

1. The unaudited financial results for the quarter ended June 30, 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 August 01, 2022.
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 Company has shutdown the Ammonia and Urea plants on June 01, 2022 for implementing Ammonia Energy Improvement project and operations will resume in August 2022 after implementation of the project.
7. 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.
8. The figures of the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021 being the date of the end of third quarter of the financial year which was subjected to limited review.

For and on behalf of the Board of Directors



Shubhabrata Saha  
Managing Director

Date: August 01, 2022



**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, 2022, and year to date from April 01, 2022 to June 30, 2022 (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 no 5, which states that the Company had recognized urea subsidy income of INR 2,914 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 the 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.

**For S.R. BATLIBOI & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

**PRAVIN** Digitally signed by  
**TULSYAN** PRAVIN TULSYAN  
Date: 8/1/22 02:12

**per Pravin Tulsyan**  
Partner  
Membership No.: 108044

UDIN: 22108044ANYZLZ4410

Place of Signature: Gurugram  
Date: August 01, 2022



Mangalore Chemicals  
& Fertilizers Limited

**Annexure 2 - Details under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

#	Particulars	Details
1	Name of the Auditor	PKF Sridhar & Santhanam LLP (FRN 003990S/ S200018)
2	Reason for change viz appointment, resignation, removal, death or otherwise	Appointment of M/s PKF Sridhar & Santhanam LLP Chartered Accountants as Statutory Auditors of the Company in place of retiring auditors M/s. S. R. Batliboi & Co. LLP, for a period of 5 years commencing from the conclusion of the 55th Annual General Meeting, subject to the approval of the shareholders.
3	Effective date of appointment & term of appointment	Effective from ensuing 55th Annual General Meeting of the Company, subject to the approval of the shareholders.  For a term of 5 years commencing from conclusion of 55th Annual General Meeting till the conclusion of the 60th Annual General Meeting.
4	Brief Profile	M/s PKF Sridhar & Santhanam LLP has been in existence from 1978, initially as a Partnership Firm and presently as a Limited Liability Partnership. They are one of the leading Professional Service Providers with Global experience.  They are one of the leading Professional Service Providers with Global experience.  The firm has its Head Office at Chennai and has offices in four cities, viz., Mumbai, New Delhi, Bengaluru and Hyderabad.  The Firm has a very impressive list of clients across multiple industry verticals. The firm has been peer reviewed in 2019. Also, as a part of the "Forum of Firms", an association of international networks of accounting firms that perform audits of financial statements that are or may be used across national borders, the firm maintains international quality control standards.
5	Disclosure of relationships between Directors (in case of appointment of director).	N.A.

