



Mangalore Chemicals
& Fertilizers Limited

MCFL/SE/2018

July 31, 2018

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,

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, July 31, 2018, inter alia, has considered and approved the following:-

1. Unaudited financial results of the Company for the quarter ended June 30, 2018 as recommended by the Audit Committee at its meeting held today, July 31, 2018.
2. Subject to approval of the shareholders, the amendment of Memorandum of Association in accordance with the requirements of Table A of First Schedule in the Companies Act, 2013 with respect to the following:
 - (i) Clause IIIA – Main Objects of the Company and Matters which are necessary for furtherance of the Main Objects by way of insertion(s) / deletion(s) / alteration(s) / re-numbering; and
 - (ii) Clause III(B) – Other objects have been deleted;
 - (iii) Clause V(1) – Word “Cumulative” appearing before “Preference Shares” has been deleted.
 - (iv) Other amendments required to align with the provisions of the Companies act, 2013.
3. Subject to approval of the shareholders, adoption of new set of Articles of Association in accordance with the requirements of Table F of First Schedule in the Companies Act, 2013

We attach herewith copy of the unaudited financial results for the quarter ended June 30, 2018 along with the Limited Review Report of the Statutory Auditors thereon.

Thanking you,

Yours faithfully,
for **Mangalore Chemicals and Fertilizers Limited**

Vijayamahantesh V. Khannur
Company Secretary

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

(Rupees in lakhs)

PART I Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited*	Unaudited	Audited
1 INCOME				
(a) Revenue from operations (gross of excise duty) (Refer Notes 6 and 7)	67,064.19	63,416.79	59,297.63	269,290.26
(b) Other income	267.24	889.66	46.90	1,184.77
Total income	67,331.43	64,306.45	59,344.53	270,475.03
2 EXPENSES				
(a) Cost of materials consumed	29,468.43	33,995.87	30,424.75	127,168.92
(b) Purchases of stock-in-trade	24,143.36	12,335.85	37,623.71	72,396.40
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(3,834.39)	(4,401.91)	(26,016.08)	(11,390.39)
(d) Excise duty on sale of goods	-	-	397.15	397.15
(e) Employee benefits expense	1,790.44	1,464.64	1,676.70	6,820.77
(f) Finance costs	3,320.90	2,721.37	2,300.32	9,042.30
(g) Depreciation and amortisation expense	903.94	831.54	886.60	3,699.35
(h) Power, fuel and water	4,473.91	6,717.54	5,080.91	22,846.84
(i) Outward freight	4,363.19	4,031.25	4,174.05	19,658.30
(j) Other expenses	3,387.27	5,302.90	3,203.46	12,330.69
Total expenses	68,017.05	62,999.05	59,751.57	262,970.33
3 Profit before tax (1-2)	(685.62)	1,307.40	(407.04)	7,504.70
4 Tax expense / (credit)				
(a) Current tax (MAT)	-	457.20	-	1,767.20
(b) Deferred tax charge/(credit)	(294.35)	(1,180.29)	(88.10)	(320.76)
Total tax expense / (credit)	(294.35)	(723.09)	(88.10)	1,446.44
5 Net Profit from the period / year (3-4)	(391.27)	2,030.49	(318.94)	6,058.26
6 Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurement gains/(losses) on defined benefit plan	18.03	65.27	4.02	(24.53)
Income tax effect on above	(6.30)	(22.51)	(1.39)	8.57
Total other comprehensive income/(expense)	11.73	42.76	2.63	(15.96)
7 Total comprehensive income / (expense) (5+6)	(379.54)	2,073.25	(316.31)	6,042.30
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				35,877.71
10 Earnings / (loss) per equity share				
(of Rs. 10/- each) (not annualised for quarters):				
(a) Basic (in Rs.)	(0.33)	1.71	(0.27)	5.11
(b) Diluted (in Rs.)	(0.33)	1.71	(0.27)	5.11

*Refer Note 11

See accompanying notes to the financial results



Notes:

1. The financial results for the quarter ended June 30, 2018 of Mangalore Chemicals and Fertilisers Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on July 31, 2018 and have been subjected to limited review by the statutory auditors of the Company.
2. The financial results have 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, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
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 made.
4. The Ammonia, Urea and ABC plants of the Company were shutdown from April 25, 2018 to June 10, 2018 for planned maintenance activities.
5. The urea concession has been estimated and accounted as per the Government of India (GOI) notification dated June 17, 2015. The subsidy on phosphatic and complex fertilisers has been accounted based on the rates announced by the GOI under Nutrient Based Subsidy Policy, from time to time.
6. The Company recognises Urea concession income from the GOI based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Accordingly, revenue from operations for the quarter and the year ended March 31, 2018 include additional urea concession income of Rs. 2,068.68 Lakhs relating to immediately preceding financial year recognised on finalization of escalation/de-escalation claims.
7. Revenue from operations for the quarters ended June 30, 2018 and March 31, 2018 and the year ended March 31, 2018 is not comparable with quarter ended June 30, 2017, since revenue in these quarters/year is net of Goods and Service Tax (GST) effective July 1, 2017 whereas Excise duty formed part of expenses in the quarter ended June 30, 2017.
8. Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
9. Vide GST Notification No. 26/2018 dated June 13, 2018, the department has amended definition of ‘Net Input Tax Credit (ITC)’ for the purpose of GST refund on account of inverted duty structure with effect from July 1, 2017 to include input tax credit availed only on inputs which excludes input services. The Company had claimed GST refund with respect to input services effective July 1, 2017 till April 17, 2018 which aggregates to Rs. 978.22 Lakhs (net of amount eligible for recovery as subsidy). Based on a tax opinion, the management is confident that no liability including interest, if any, would arise from the same.



10. The Company had engaged an independent firm to carry out forensic review of certain transactions relating to investment in preference shares of Bangalore Beverages Limited and advances to United Breweries (Holdings) Limited, which indicated that these transactions may have involved irregularities. These investment and advances aggregating to Rs. 21,668.20 Lakhs were fully provided for during the year ended March 31, 2016.

Zuari Fertilisers and Chemicals Limited, the holding company (now merged with Zuari Agro Chemicals Limited) had filed a petition before the National Company Law Tribunal, Bengaluru ("NCLT") to claim accountability of erstwhile promoter group for the aforesaid irregularities. The matter is currently pending before the NCLT.

11. The figures of the last quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2018 and the unaudited published year-to-date figures up to December 31, 2017 being the date of the end of the third quarter of the financial year which were subjected to limited review.

12. The previous period/year's figures have been regrouped where necessary to confirm to this period's classification.

For and on behalf of the Board of Directors



N Suresh Krishnan
Managing Director



Place : Gurugram
Date : July 31, 2018



Limited Review Report**Review Report to
The Board of Directors
Mangalore Chemicals and Fertilisers Limited**

We have reviewed the accompanying statement of unaudited financial results of Mangalore Chemicals and Fertilisers Limited ("the Company") for the quarter ended June 30, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular").

The preparation of the Statement, 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.


We conducted our review 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 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.

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 applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 6 to the accompanying financial results regarding Urea concession income from the Government of India (GOI), which is being recognised based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Our conclusion is not qualified in respect of this matter.

The comparative Ind AS financial information of the Company for the corresponding quarter ended June 30, 2017 were reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on July 29, 2017.

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


per Vishal Sharma
Partner
Membership No.: 96766



Place : Mumbai
Date : July 31, 2018