



Mangalore Chemicals
& Fertilizers Limited

MCFL/SE/2020

February 4, 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,

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., February 4, 2020, inter alia, has considered and approved the unaudited financial results of the Company for the quarter and nine months ended December 31, 2019 as recommended by the Audit Committee at its meeting held today, February 4, 2020.

We attach herewith copy of the unaudited financial results for the quarter ended December 31, 2019 along with the Limited Review Report of the Auditors thereon as Annexure 1.

Thanking you,

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

**Vijayamahantesh V. Khannur
Company Secretary**



MANGALORE CHEMICALS AND FERTILIZERS LIMITED

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

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2019

(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
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from contracts with customers (Refer Note 4)	67,585.04	73,072.20	76,111.58	2,14,764.64	2,43,054.30	3,07,363.76
(b) Other income	695.21	661.33	381.20	1,859.35	884.43	1,203.47
Total income	68,280.25	73,733.53	76,492.78	2,16,623.99	2,43,938.73	3,08,567.23
2 EXPENSES						
(a) Cost of materials consumed	37,101.10	39,698.74	46,497.34	1,07,400.73	1,22,280.40	1,57,092.20
(b) Purchases of stock-in-trade	8,123.16	2,127.78	20,035.13	20,066.53	60,156.37	74,365.48
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	(1,032.13)	5,631.31	(14,271.16)	19,680.85	(9,844.06)	(9,870.88)
(d) Employee benefits expense	1,815.98	1,784.56	1,794.46	5,464.82	5,350.11	7,070.62
(e) Finance costs	2,403.15	3,225.17	2,272.73	9,412.19	7,979.98	11,101.93
(f) Depreciation and amortisation expense	1,126.15	1,145.90	986.72	3,352.49	2,836.31	3,877.90
(g) Other expenses	15,944.16	16,425.16	16,904.05	44,740.39	49,114.83	59,915.94
Total expenses	65,481.57	70,038.62	74,219.27	2,10,118.00	2,37,873.94	3,03,553.19
3 Profit before tax (1-2)	2,798.68	3,694.91	2,273.51	6,505.99	6,064.79	5,014.04
4 Tax expense						
(a) Current tax (MAT)	394.00	811.00	662.05	1,205.00	1,492.00	1,268.00
(b) Deferred tax charge	594.78	621.18	245.47	1,233.00	689.65	458.11
Total tax expense	988.78	1,432.18	907.52	2,438.00	2,181.65	1,726.11
5 Profit from the period/year (3-4)	1,809.90	2,262.73	1,365.99	4,067.99	3,883.14	3,287.93
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	(29.34)	9.23	(141.18)	(65.96)	(116.70)	(116.15)
Income tax effect on above	10.25	(3.22)	49.34	23.05	40.78	40.59
Total other comprehensive income/(loss)	(19.09)	6.01	(91.84)	(42.91)	(75.92)	(75.56)
7 Total comprehensive income (5+6)	1,790.81	2,268.74	1,274.15	4,025.08	3,807.22	3,212.37
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	11,854.87	11,854.87
9 Other equity						37,661.32
10 Earnings per equity share (of Rs. 10/- each) (not annualised for quarters):						
(a) Basic (in Rs.)	1.53	1.91	1.16	3.43	3.28	2.77
(b) Diluted (in Rs.)	1.53	1.91	1.16	3.43	3.28	2.77

See accompanying notes to the financial results



Notes:

1. The financial results for the quarter ended December 31, 2019 and year to date period from April 1, 2019 to December 31, 2019 of Mangalore Chemicals and Fertilizers Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on February 4, 2020 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, 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 nine months period ended December 31, 2019 and the year ended March 31, 2019 has been recognized based on management’s estimate in the respective periods, pending finalisation by the Government of India (‘GOI’).
5. Effective April 1, 2019, the Company has adopted Ind AS 116 which replaces Ind AS 17 on Leases. The Company has used the modified retrospective approach for transition and consequently comparatives for previous period / year have not been restated. This has resulted in recognition of right-of-use assets and corresponding lease liabilities of Rs. 2,015.20 Lakhs as at April 1, 2019. The net impact of adopting this standard on the financial results and earnings per share is not material.
6. The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, Inserted a new Section 115BA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is in process of evaluating the impact of this ordinance.
7. The Company had claimed refund of GST input tax credit on input services of Rs. 1,206.29 Lakhs till April 17, 2018 which was subsequently refunded and has further recognized such input tax credit of Rs. 4,420.35 Lakhs for subsequent period till December 31, 2019. Based on a tax opinion, a stay order dated September 18, 2018 of the High Court of Gujarat in respect of application of another company and considering such credit is available for utilisation also, the management is confident of refund / utilisation of aforesaid input tax credit. The Company has started utilising such credit during the nine months period ended December 31, 2019 based on a tax advice obtained in this regard.

For and on behalf of the Board of Directors



N Suresh Krishnan
Managing Director

Place : Gurugram
Date : February 4, 2020



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

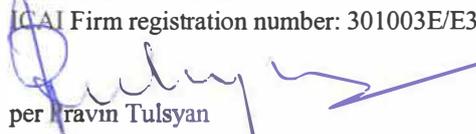
Review Report to
The Board of Directors
Mangalore Chemicals and Fertilizers Limited

1. We have reviewed the accompanying statement of unaudited financial results of Mangalore Chemicals and Fertilizers Limited (the "Company") for the quarter ended December 31, 2019 and year to date period from April 1, 2019 to December 31, 2019 (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. We draw attention to Note 7 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 of refund based on a tax opinion obtained on this matter and reliance placed on an order dated September 18, 2018 of the High Court of Gujarat in respect of application of another company on this matter; and which would also be otherwise available for utilisation against output tax liability arising in future. Our conclusion is not modified in respect of this matter.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


per Pravin Tulsyan
Partner

Membership No.: 108044

Unique Document Identification Number (UDIN): 20108044AAAABU8186



Place of signature: Gurugram

Date: February 4, 2020