



Mangalore Chemicals
& Fertilizers Limited

722/Q3-BM/2021

February 04, 2021

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., February 04, 2021, inter alia, has considered and approved the unaudited financial results of the Company for the quarter and nine months ended December 31, 2020 as recommended by the Audit Committee at its meeting held today, i.e., February 04 2021.

We attach herewith copy of the unaudited financial results for the quarter and nine months ended December 31, 2020 along with the Limited Review Report of the Auditors thereon.

Thanking you,

Yours faithfully,
For Mangalore Chemicals & 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

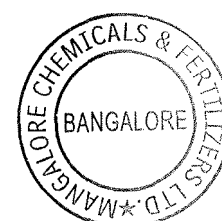
Email: shares.mcf@adventz.com Website: www.mangalorechemicals.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(Rupees in Lakhs)

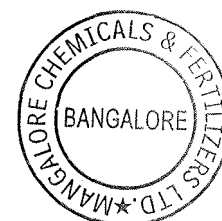
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (Refer Note 5 and 7)	32,708.32	68,873.96	67,585.04	1,54,561.75	2,14,764.64	2,71,084.42
(b) Other income	695.29	794.80	695.21	2,237.71	1,859.35	2,321.72
Total income	33,403.61	69,668.76	68,280.25	1,56,799.46	2,16,623.99	2,73,406.14
2 EXPENSES						
(a) Cost of materials consumed	19,585.51	32,789.28	37,101.10	81,131.08	1,07,400.73	1,40,030.22
(b) Purchases of stock-in-trade	7,768.15	10,509.30	8,123.16	22,230.70	20,066.53	22,602.71
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	(5,707.30)	1,265.68	(1,032.13)	(1,755.29)	19,680.85	22,056.77
(d) Employee benefits expense	1,806.33	1,786.87	1,815.98	5,308.77	5,464.82	7,086.26
(e) Finance costs	1,749.17	2,178.98	2,403.15	6,574.61	9,412.19	11,147.69
(f) Depreciation and amortisation expense	1,178.58	1,090.38	1,126.15	3,413.73	3,352.49	4,537.36
(g) Other expenses	6,917.38	13,760.67	15,944.16	31,736.61	44,740.39	58,901.31
Total expenses	33,297.82	63,381.16	65,481.57	1,48,640.21	2,10,118.00	2,66,362.32
3 Profit before tax (1-2)	105.79	6,287.60	2,798.68	8,159.25	6,505.99	7,043.82
4 Tax expense						
(a) Current tax	7.00	1,125.00	394.00	1,446.00	1,205.00	1,483.00
(b) Deferred tax charge/(credit)	18.84	1,106.43	594.78	1,476.13	1,233.00	(894.50)
Total tax expense	25.84	2,231.43	988.78	2,922.13	2,438.00	588.50
5 Profit from the period/year (3-4)	79.95	4,056.17	1,809.90	5,237.12	4,067.99	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	9.11	19.74	(29.34)	17.93	(65.96)	23.83
Income tax effect on above	(3.19)	(6.89)	10.25	(6.27)	23.05	(8.33)
Total other comprehensive income/(loss)	5.92	12.85	(19.09)	11.66	(42.91)	15.50
7 Total comprehensive income/(loss) (5+6)	85.87	4,069.02	1,790.81	5,248.78	4,025.08	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	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)	0.07	3.42	1.53	4.42	3.43	5.45
(b) Diluted (in Rs)	0.07	3.42	1.53	4.42	3.43	5.45

See accompanying notes to the unaudited financial results



Notes:

1. The unaudited financial results for the quarter ended December 31, 2020 and year to date period from April 1, 2020 to December 31, 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 February 04, 2021.
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. Ammonia and Urea plants were shutdown on October 05, 2020 for preparations required for natural gas operation besides replacement of compatible ammonia plant catalyst. The Company has commenced operation of Ammonia and Urea Plants with natural gas post testing and commissioning activities and Urea production commenced on December 12, 2020. The Company has become a gas based urea manufacturing unit and will be eligible for fiscal incentives by higher energy norms.
5. The urea concession income for the year has been recognized based on management's estimate, in respective year, pending finalization by the Government of India ('GOI'). Revenue for the 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.
6. Phosphatics plant was shutdown on September 15, 2020 for planned maintenance and resumed operation on October 9, 2020.
7. The Company during the period ended December 31, 2020 has recognised urea subsidy income of Rs. 2,694 Lakhs based on higher energy norms that was effective till the period ended March 31, 2020 which was extended to gas based urea units till September 30, 2020 and Rs. 3,048 Lakhs without benchmarking its cost of production of urea by using naphtha with that of gas price of fertilizer companies recently converted to natural gas. On October 1, 2020, the Company filed a writ petition against the Department of Fertilizers [DoF] before the Hon'ble High Court of Delhi [DHC] since several representations were not accepted by DoF. The Company is in the process of filing additional submissions before the DHC sequel to the DoF order dated November 17, 2020. The management, based on legal opinion and its assessment, is confident of realisation of the aforesaid subsidy income.
8. 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. 6,652.78 Lakhs for subsequent period till December 31, 2020. The Company has utilized Rs. 6,000.86 Lakhs based on a tax advice obtained in this regard. Based on a tax opinion and considering such credit is available for utilization, the management is confident of utilization / refund of aforesaid balance input tax credit.
9. 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.



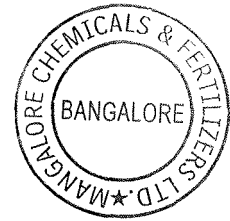
10. The Company has assessed the impact of COVID – 19 and concluded that there is no material impact on the operations of the Company and no material adjustment is required at this stage in the unaudited results of the Company for the period/quarter ended December 31, 2020. However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact may be different from the estimates considered while preparing these results.

For and on behalf of the Board of Directors



K. Prabhakar Rao
Director - Works

Date: February 04, 2021



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 December 31, 2020 and year to date from April 01, 2019 to December 31, 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 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.
 - b. We draw attention to Note 7, which states that the Company has recognized urea subsidy income of INR 2,694 Lakhs based on higher energy norms which was effective till the period ended March 31, 2020 and INR 3,048 lakhs without benchmarking its cost of production of urea with that of gas price of fertilizer companies recently converted to natural gas. In addition to several representations made to the Department of Fertilizers (DoF) with regard to these matters, the Company has also filed a writ petition against the DoF which is pending before the Hon'ble High court of Delhi. Based on legal opinion obtained on both matters, the management believes that the criteria for recognition of subsidy revenue is met.

Our conclusion is not modified in respect of these matters.

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


per Pravin Tulsyan
Partner

Membership No.: 108044

UDIN: 21108044AAAABF1345

Place of Signature: Gurugram
Date: February 04, 2021

