



MANGALORE CHEMICALS AND FERTILIZERS LIMITED

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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

Place : Gurugram
Date : July 31, 2018

N Suresh Krishnan
Managing Director