

**STATEMENT OF AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

Particulars	3 Months ended 31.03.2022	Preceding 3 months ended 31.12.2021	Corresponding 3 months ended in the previous year 31.03.2021	Current year ended 31.03.2022	Previous year ended 31.03.2021
1 INCOME (a) Revenue from contracts with customers (Refer Note 4, 5 and 6) (b) Other income	71,887.58 772.96 72,660.54	76,169.63 467.75 76,637.38	59,841.07 432.25 60,273.32	289,558.30 2,427.06 291,985.36	214,402.82 2,669.96 217,072.78
2 EXPENSES (a) Cost of materials consumed (b) Purchases of traded goods (c) Change in inventories of finished goods, traded goods and work-in-progress (d) Employee benefits expense (e) Finance costs (f) Depreciation and amortisation expense (g) Other expenses	60,765.49 117.14 (16,876.63) 1,662.25 1,550.90 1,229.22 23,796.05	42,873.26 42.59 3,895.41 1,697.07 1,051.42 1,292.47 21,059.16	29,886.20 2,433.57 3,067.23 1,488.81 1,108.31 1,617.49 18,274.90	186,934.66 6,416.91 (13,122.69) 6,862.64 4,940.42 5,055.75 81,331.66	111,017.28 24,664.27 1,311.94 6,797.58 7,682.92 5,031.22 50,011.51
Total expenses	72,244.42	71,916.38	57,876.51	278,519.35	206,516.72
3 Profit before tax (1-2)	416.12	4,721.00	2,386.81	13,466.01	10,556.06
4 Tax expense (a) Current tax (Minimum Alternate Tax) (b) Deferred tax charge	43.00 24.48 67.48	817.00 796.90 1,613.90	509.00 415.08 924.08	2,350.00 2,329.88 4,679.88	1,955.00 1,891.21 3,846.21
5 Profit from the quarter/year (3-4)	348.64	3,107.10	1,472.73	8,786.13	6,709.85
6 Other comprehensive income/(loss) Items that will not be reclassified to profit or loss Re-measurement gains/(losses) on defined benefit plan Income tax effect on above	33.99 (11.88) 22.11	(2.09) 0.73 (1.36)	60.08 (20.99) 39.09	(31.15) 10.88 (20.27)	78.01 (27.26) 50.75
7 Total other comprehensive income/(loss)	370.75	3,105.74	1,511.82	8,765.86	6,760.60
8 Paid-up equity share capital (Face value of INR 10 per share)	11,854.87	11,854.87	11,854.87	11,854.87	11,854.87
9 Other equity	56,452.12	56,452.12	56,452.12	56,452.12	48,871.41
10 Earnings per equity share (of INR 10/- each) (not annualised for quarter): (a) Basic (in INR) (b) Diluted (in INR)	0.29 0.29 0.29	2.62 2.62 2.62	1.24 1.24 1.24	7.41 7.41 7.41	5.66 5.66 5.66

Refer Note 9
See accompanying notes to the audited financial results

STATEMENT OF ASSETS AND LIABILITIES

(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
ASSETS	Audited	Audited
Non-current assets	55,294.34	57,779.90
(a) Property, plant and equipment	31,738.51	7,826.17
(b) Capital work-in-progress	1,899.41	1,971.56
(c) Right-of-use assets	107.91	148.95
(d) Intangible assets	616.86	571.69
(e) Financial assets	1,286.27	8,204.79
(f) Other non-current assets	90,903.30	76,503.06
Current assets	42,977.47	18,138.26
(a) Inventories	0.10	0.10
(b) Financial assets	66,502.77	50,858.53
(i) Investments	48,207.20	35,241.02
(ii) Trade receivables	7,514.35	4,979.80
(iii) Cash and cash equivalents	5,491.58	4,882.76
(iv) Other bank balances	10,293.67	9,089.76
(v) Others	180,987.14	123,190.23
Total assets	271,890.44	199,693.29
EQUITY AND LIABILITIES		
Equity	11,854.87	11,854.87
(a) Equity share capital	56,452.12	48,871.41
(b) Other equity	66,306.99	60,726.28
Liabilities		
Non-current liabilities		
(a) Financial liabilities	21,815.13	12,716.01
(i) Borrowings	2,068.09	2,100.24
(ii) Lease liabilities	15.14	100.76
(b) Others	1,134.73	1,212.91
(c) Provisions	5,106.70	2,787.70
(d) Deferred tax liability (net)	30,139.79	18,917.62
Current liabilities	112,346.47	73,514.36
(a) Financial liabilities	45.66	33.88
(i) Borrowings	1,057.85	925.80
(ii) Trade payables	39,419.36	31,962.40
(iii) Others	17,072.72	11,386.67
(b) Liabilities for current tax (net)	730.91	195.28
(c) Other current liabilities	1,742.73	1,148.66
(d) Provisions	1,027.96	882.34
Total equity and liabilities	271,890.44	199,693.29

Statement of Cash Flows		For the year ended March 31, 2022	For the year ended March 31, 2021
		Audited	Audited
A Operating activities		13,466.01	10,556.06
Profit before tax		5,055.75	5,031.22
Adjustments to reconcile profit before tax to net cash flows:		548.79	226.08
Depreciation and amortisation expense		-	1,101.96
Net loss on disposal of property, plant and equipment		-	1,881.10
Provision for impairment of trade receivables		-	2,309.66
Bad debts written off		-	(656.63)
Fair value loss / (gain) on financial instruments		(663.65)	812.83
Unrealised foreign exchange differences (net)		4,940.42	7,682.92
Finance costs		(1,928.40)	(2,117.32)
Interest income		(345.76)	(180.17)
Liabilities no longer required written back		21,885.99	25,634.88
Operating profits before working capital changes		21,885.99	25,634.88
Working capital changes:			
(Increase)/decrease in inventories		(24,839.21)	6,473.13
(Increase)/decrease in Trade receivables		(15,644.24)	90,789.06
Decrease/(increase) in Other financial assets		455.76	(956.62)
(Increase)/decrease in Other assets		(1,095.95)	3,561.23
(Increase)/decrease in Trade payables		7,641.02	(24,667.47)
(Increase)/decrease in Other financial liabilities		3,713.43	(222.82)
(Increase)/decrease in Other current liabilities and provisions		976.12	(287.44)
Cash (used in) / generated from operations		(28,793.07)	72,305.07
Income tax paid		(6,907.08)	97,939.95
Net cash flow (used in) / from operating activities (A)		(1,814.37)	(1,736.68)
B Investing activities		(8,721.45)	96,203.27
Purchase of property, plant and equipment including capital work-in-progress and capital advances		(16,966.35)	(9,875.91)
Proceeds from sale of property, plant and equipment		12.41	16.65
Investments in bank deposits		(20,755.35)	(4,721.31)
(Having original maturity of more than three months)		18,195.81	1,449.76
Redemption/maturity of bank deposits (having original maturity of more than three months)		822.29	1,088.17
Interest received		(18,691.19)	(12,062.64)
Net cash flow (used in) investing activities (B)		(18,691.19)	(12,062.64)
C Financing activities			
Proceeds from long-term borrowings		15,920.20	512.34
Repayment of long-term borrowings		(7,665.01)	(7,492.28)
Payment of principal portion of lease liabilities		(36.26)	(30.76)
Proceeds from/(repayment of) short-term borrowings (net)		38,811.17	(54,355.36)
Finance cost paid		(5,466.13)	(8,240.38)
Dividend paid to equity shareholders		(1,185.15)	(582.57)
Net cash flow (used in) financing activities (C)		40,378.82	(70,199.07)
Net increase in cash and cash equivalents (A+B+C)		12,966.18	13,941.62
Cash and cash equivalents at the beginning of the year		35,241.02	21,299.40
Cash and cash equivalents at the end of the year		48,207.20	35,241.02
Components of cash and cash equivalents			
Cash on hand		2.80	1.49
Balances with banks on current accounts		8,254.40	2,014.45
Balances with banks on deposit accounts with original maturity of three months or less		39,950.00	33,225.08
Total cash and cash equivalents		48,207.20	35,241.02

Notes:

- The audited financial results for the quarter ended and year ended March 31, 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 May 17, 2022.
- The audited 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.
- 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.
- The urea concession income for the quarter / year has been recognized based on management's estimate, pending finalization by the Government of India ("GOI").
- 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 Honble High Court of Delhi (DHQ). Pending finalization of writ petition before the DHQ, 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.
- Consequent to reassessment of uncertainty over eventual realization arising due to the order of DoF against the Company (challenged by a writ petition which is pending before DHQ), during the year ended March 31, 2021, the Company derecognized subsidy income of INR 2,686 Lakhs relating to higher energy norms which was recognized till December 31, 2020 of fiscal year ended 31 March 2021.
- The Board of Directors of the Company has proposed dividend of INR 1.20 per equity share of INR 10 each amounting to INR 1,422.18 Lakhs for the year ended March 31, 2022. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly have not been recognized as a liability.
- 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.
- The figures of the quarter ended March 31, 2022 / 2021 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2022 / 2021 and the unaudited published year-to-date figures up to December 31, 2021 / 2020 being the date of the end of third quarter of the financial year which were subjected to limited review.
- Previous period/year figures have been regrouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

Date : May 17, 2022

For and on behalf of the Board of Directors
Shubhabrata Saha
Managing Director