

MCF

Mangalore Chemicals
& Fertilizers Limited

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STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(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
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
1 INCOME	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Revenue from contracts with customers (Refer Note 4, 5 and 6)	76,169.63	72,781.98	32,708.32	217,670.72	154,561.75	214,402.82
(b) Other income	467.75	592.91	695.29	1,654.10	2,237.71	2,669.96
Total income	76,637.38	73,374.89	33,403.61	219,324.82	156,799.46	217,072.78
2 EXPENSES						
(a) Cost of materials consumed	42,878.26	46,483.60	19,585.51	126,169.17	81,131.08	111,017.28
(b) Purchases of traded goods	42.59	190.21	7,768.15	6,299.77	22,230.70	24,664.27
(c) Change in inventories of finished goods, traded goods and work-in-progress	3,895.41	(1,127.12)	(5,707.30)	3,753.94	(1,755.29)	1,311.94
(d) Employee benefits expense	1,697.07	1,852.03	1,806.33	5,300.39	5,308.77	6,797.58
(e) Finance costs	1,051.42	1,278.25	1,749.17	3,389.52	6,574.61	7,682.92
(f) Depreciation and amortisation expense	1,292.47	1,260.24	1,178.58	3,826.53	3,413.73	5,031.22
(g) Other expenses	21,059.16	18,883.69	6,917.38	57,535.61	31,736.61	50,011.51
Total expenses	71,916.38	68,820.90	33,297.82	206,274.93	148,640.21	206,516.72
3 Profit before tax (1-2)	4,721.00	4,553.99	105.79	13,049.89	8,159.25	10,556.06
4 Tax expense						
(a) Current tax (Minimum Alternate Tax)	817.00	812.00	7.00	2,307.00	1,446.00	1,955.00
(b) Deferred tax charge	796.90	844.34	18.84	2,305.40	1,476.13	1,891.21
Total tax expense	1,613.90	1,656.34	25.84	4,612.40	2,922.13	3,846.21
5 Profit from the period / year (3-4)	3,107.10	2,897.65	79.95	8,437.49	5,237.12	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	(2.09) 0.73 (1.36)	(56.71) 19.81 (36.90)	9.11 (3.19) 5.92	(65.14) 22.76 (42.38)	17.93 (6.27) 11.66	78.01 (27.2) 50.75
Total other comprehensive (loss) / income	3,105.74	2,860.75	85.87	8,395.11	5,248.78	6,760.60
7 Total comprehensive income (5+6)						
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						
10 Earnings per equity share (of Rs. 10/- each) (not annualised for quarters / period): (a) Basic (in Rs.) (b) Diluted (in Rs.)	2.62 2.62	2.45 2.45	0.07 0.07	7.12 7.12	4.42 4.42	5.66 5.66

See accompanying notes to the unaudited financial results

Notes:

- The unaudited financial results for the quarter ended December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 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 01, 2022.
- 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.
- 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 period / year has been recognized based on management's estimate, pending finalization by Government of India ("GOI").
- The Company had during the year ended March 31, 2021 recognised urea subsidy income of Rs.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 Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, 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 DHC), during the year ended March 31, 2021, the Company derecognized subsidy income of Rs.2,686 Lakhs relating to higher energy norms which was recognized till December 31, 2020 of fiscal year ended 31 March 2021.
- There were intermittent stoppages of Phosphatites plant during the current quarter for upgrade, maintenance and raw material stock outs.
- 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 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 financial results of the Company for the period/quarter ended December 31, 2021. However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration and the impact may be different from the estimates considered while preparing these results.

Date : February 01, 2022

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