

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rupees in Lakhs)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited *	Unaudited	Audited
1 INCOME				
(a) Revenue from contracts with customers (Refer Note 4)	52,979.47	56,319.78	74,107.40	2,71,084.42
(b) Other income	554.91	462.37	502.81	2,321.72
Total income	53,534.38	56,782.15	74,610.21	2,73,406.14
2 EXPENSES				
(a) Cost of materials consumed	28,756.29	32,629.49	30,600.89	1,40,030.22
(b) Purchases of stock-in-trade	3,953.25	2,536.18	9,815.59	22,602.71
(c) Change in inventories of finished goods, stock-in-trade and work-in-progress	2,686.33	2,375.92	15,081.67	22,056.77
(d) Employee benefits expense	1,715.57	1,621.44	1,864.28	7,086.26
(e) Finance costs	2,646.46	1,735.50	3,783.87	11,147.69
(f) Depreciation and amortisation expense	1,144.77	1,184.87	1,080.44	4,537.36
(g) Other expenses	10,865.85	14,160.92	12,371.07	58,901.31
Total expenses	51,768.52	56,244.32	74,597.81	2,66,362.32
3 Profit before tax (1-2)	1,765.86	537.83	12.40	7,043.82
4 Tax expense/(credit)				
(a) Current tax (MAT)	314.00	278.00	-	1,483.00
(b) Deferred tax charge/(credit)	350.86	(2,127.50)	17.04	(894.50)
Total tax expense/(credit)	664.86	(1,849.50)	17.04	588.50
5 Profit/(loss) from the period/year (3-4)	1,101.00	2,387.33	(4.64)	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	(10.92)	89.79	(45.85)	23.83
Income tax effect on above	3.81	(31.38)	16.02	(8.33)
Total other comprehensive (loss)/income	(7.11)	58.41	(29.83)	15.50
7 Total comprehensive income/(loss) (5+6)	1,093.89	2,445.74	(34.47)	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
9 Other equity				42,703.38
10 Earnings per equity share				
(of Rs. 10/- each) (not annualised for quarters):				
(a) Basic (in Rs.)	0.93	2.02	(0.01)	5.45
(b) Diluted (in Rs.)	0.93	2.02	(0.01)	5.45

*Refer Note 9

See accompanying notes to the unaudited financial results

Notes:

1. The unaudited financial results for the quarter ended June 30, 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 August 06, 2020.
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. The urea concession income for the period / year has been recognized based on management’s estimate, in respective periods/year, pending finalization by the Government of India (‘GOI’). Revenue for the quarter and 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.
5. During the previous year, assessment has been performed by the Company regarding utilization of Minimum Alternate Tax (MAT) on the basis of future profitability projections. Further, the management also assessed it to be probable that post utilization of MAT the Company will be exercising option to pay Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019 and consequently, tax credit of Rs. 2,056.87 lakhs has been recorded in the financial results for the quarter and year ended March 31, 2020.
6. 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. 5,535.03 Lakhs for subsequent period till June 30, 2020. Based on a tax opinion and order of the High Court of Gujarat in respect of writ petition of other companies and considering such credit is also available for utilisation, the management is confident of refund / utilisation of aforesaid input tax credit. The Company has been utilising such credit based on a tax advise obtained in this regard.
7. The Ammonia, Urea and ABC plants of the Company were shutdown for planned maintenance activities on February 20, 2020 and restarted the operations from April 18, 2020 after completion of maintenance activities.
8. In this unprecedented COVID-19 pandemic situation, with the support and relaxations extended by the Central and respective State Governments, the Company has been able to operate at normal levels by mobilizing critical work force and adopting stringent social distancing/ safety measures.

Further, the Company has assessed the impact of this pandemic on recoverability of carrying value of financial and non-financial assets using various internal and external information up to the date of approval of these unaudited financial results and concluded that there is no material adjustments required at this stage in the unaudited financial results of the Company for the quarter ended June 30, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of COVID-19 may be different from that estimated as at the date of approval of these unaudited financial results and the Company will continue to monitor the impact of the same.

9. The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and the unaudited published year-to-date figures up to December 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review.

For and on behalf of the Board of Directors

August 06, 2020

N Suresh Krishnan
Managing Director