

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

Date: February 04, 2021

K. Prabhakar Rao
Director - Works