Mangalore Chemicals
& Fertilizers Limited

MCFL/SE/2018 May 24, 2018

The Asst. Vice President,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051

Department of Corporate Services - CRD
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Dear Sir,

Sub: Outcome of the Board Meeting under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

With reference to the subject mentioned above, we hereby write to inform you that the Board of Directors of the Company in its meeting held today, May 24, 2018, inter alia, has considered and approved the following:

1. Audited financials results of the Company for the quarter and the year ended March 31, 2018 as recommended by the Audit Committee at its meeting held today, May 24, 2018.

2. Recommended a dividend of Re. 1 per equity share of Rs. 10 each for the financial year ended March 31, 2018 which is subject to approval of the members at the ensuing Annual General Meeting.

We attach herewith copy of the audited financial results for the quarter and year ended March 31, 2018 along with the Auditor's Report on Quarterly financial results and year to date results for the year ended March 31, 2018.

Thanking you,

Yours faithfully,
for Mangalore Chemicals and Fertilizers Limited

Vijayamahantesh V. Khannur
Company Secretary

Registered & Corporate Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.
Tel: +91 80 3985 5575/68 Fax: +91 80 3985 5588 E-mail: shares@mangalorechemicals.com
Website: www.mangalorechemicals.com
Corporate Identity Number: L24123KA1966PLC002036

MANGALORE CHEMICALS AND FERTILISERS LIMITED

Registered Office : Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001
Phone: 080-39855599, Fax: 080-39855588 CIN: L24123KA1966PLC0002036
Email: shares@mangalorechemicals.com Website: www.mangalorechemicals.com

STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rupees in lakhs)

PART I

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Current year ended	Previous year ended
	31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
	Audited*	Unaudited	Audited*	**Audited**	Audited
1 INCOME					
(a) Revenue from operations (gross of excise duty) (Refer Notes 5 and 6)	**63,416.79**	66,401.43	53,632.27	**269,290.26**	249,399.35
(b) Other income	**889.66**	103.79	722.36	**1,184.77**	826.80
Total income	**64,306.45**	66,505.22	54,354.63	**270,475.03**	250,226.15
2 EXPENSES					
(a) Cost of materials consumed	**33,995.87**	33,579.87	25,947.03	**127,168.92**	111,331.89
(b) Purchases of stock-in-trade	**12,335.85**	16,575.66	4,955.88	**72,396.40**	67,703.13
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	**(4,401.91)**	(5,027.16)	6,255.73	**(11,390.39)**	(746.45)
(d) Excise duty on sale of goods	**-**	-	356.90	**397.15**	1,466.90
(e) Employee benefits expense	**1,464.64**	1,828.98	1,856.45	**6,820.77**	6,873.03
(f) Finance costs	**2,721.37**	2,097.05	1,471.65	**9,042.30**	11,629.25
(g) Depreciation and amortisation expense	**831.54**	1,078.53	923.24	**3,699.35**	3,526.65
(h) Power, fuel and water	**6,717.54**	6,212.39	4,261.37	**22,846.84**	17,966.62
(i) Outward freight	**4,031.25**	5,407.87	3,872.32	**19,658.30**	18,253.71
(j) Other expenses	**5,302.90**	1,258.07	3,685.47	**12,330.69**	9,209.50
Total expenses	**62,999.05**	63,011.26	53,586.04	**262,970.33**	247,214.23
3 Profit before tax (1-2)	**1,307.40**	3,493.96	768.59	**7,504.70**	3,011.92
4 Tax expense / (credit)					
(a) Current tax (MAT)	**457.20**	692.55	185.00	**1,767.20**	680.00
(b) Deferred tax charge/(credit)	**(1,180.29)**	507.07	114.90	**(320.76)**	390.45
Total tax expense / (income)	**(723.09)**	1,199.62	299.90	**1,446.44**	1,070.45
5 Net Profit from the period / year (3-4)	**2,030.49**	2,294.34	468.69	**6,058.26**	1,941.47
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	**65.27**	(29.93)	172.88	**(24.53)**	16.27
Income tax effect on above	**(22.51)**	10.36	(59.83)	**8.57**	(5.63)
Total other comprehensive income/(expense)	**42.76**	(19.57)	113.05	**(15.96)**	10.64
7 Total comprehensive income (5+6)	**2,073.25**	2,274.77	581.74	**6,042.30**	1,952.11
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
9 Other equity				**35,877.71**	30,548.62
10 Earnings per equity share (of Rs. 10/- each) (not annualised for quarters):					
(a) Basic (in Rs.)	**1.71**	1.94	0.40	**5.11**	1.64
(b) Diluted (in Rs.)	**1.71**	1.94	0.40	**5.11**	1.64

*Refer Note 9

See accompanying notes to the financial results

MANGALORE CHEMICALS & FERTILIZERS LTD. Bangalore

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STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rupees in lakhs)

	As at March 31, 2018 Audited	As at March 31, 2017 Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	**60,994.71**	62,474.53
(b) Capital work-in-progress	**3,303.21**	1,332.54
(c) Intangible assets	**96.13**	29.25
(d) Financial assets		
(i) Loans	**739.60**	630.05
(ii) Others	**40.98**	-
(e) Income tax assets (net)	**44.03**	13.83
(f) Other non-current assets	**70.15**	349.14
	65,288.81	64,829.34
Current assets		
(a) Inventories	**39,690.86**	25,978.76
(b) Financial assets		
(i) Trade receivables	**121,253.12**	124,537.77
(ii) Cash and cash equivalents	**11,264.04**	5,892.32
(iii) Other bank balances	**823.99**	647.66
(iv) Others	**991.38**	283.72
(c) Other current assets	**14,271.78**	1,524.90
	188,295.17	158,865.13
Total assets	**253,583.98**	223,694.47
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	**11,854.87**	11,854.87
(b) Other equity	**35,877.71**	30,548.62
	47,732.58	42,403.49
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	**19,686.81**	9,957.50
(ii) Others	**461.87**	1,639.10
(b) Provisions	**1,482.75**	1,509.77
(c) Deferred tax liabilities (net)	**1,337.85**	1,667.18
	22,969.28	14,773.55
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	**113,257.79**	106,193.98
(ii) Trade payables	**52,173.07**	43,059.79
(iii) Others	**15,083.08**	15,425.95
(b) Other current liabilities	**1,494.66**	977.11
(c) Provisions	**873.52**	860.60
	182,882.12	166,517.43
Total equity and liabilities	**253,583.98**	223,694.47

Mangalore Chemicals
& Fertilizers Limited

Notes:

1. The financial results for the quarter and year ended March 31, 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 May 24, 2018 and have been audited 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 the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder 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.

4. 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.

5. 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 quarters and the years ended March 31, 2018 and March 31, 2017 includes differential urea concession income of Rs. 20,68.68 Lakhs and Rs. 23,09.77 Lakhs, respectively, relating to their immediately preceeding financial year recognised on finalization of escalation/de-escalation claims.

6. Revenue from operations for the quarters ended March 31, 2018 and December 31, 2017 and the year ended March 31, 2018 is not comparable with the corresponding previous period/year, 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 previous period/year.

7. 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.

8. The Board of Directors of the Company has proposed dividend of Re. 1 per equity share of Rs. 10 each amounting to Rs. 1428.76 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2018. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and have not been recognised as a liability (including dividend distribution tax thereon) as at year end.

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9. The figures of the last quarter ended March 31, 2018 / 2017 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2018 / 2017 and the unaudited published year-to-date figures up to December 31, 2017 / 2016 being the date of the end of the third quarter of the financial year which were subjected to limited review.

10. The previous period/year's figures have been regrouped where necessary to confirm to this period/year's classification.

For and on behalf of the Board of Directors

N Suresh Krishnan
Managing Director

Place : Gurugram
Date : May 24, 2018

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Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Mangalore Chemicals and Fertilisers Limited

1. We have audited the accompanying statement of quarterly financial results of Mangalore Chemicals and Fertilisers Limited ("the Company") for the quarter ended March 31, 2018 and for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The financial results for the quarter ended March 31, 2018 and the year ended March 31, 2018 have been prepared on the basis of the financial results for the nine-month period ended December 31, 2017, the audited annual Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation read with the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:

   i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
   ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.

4. We draw attention to Note 5 to the accompanying financial results regarding Urea concession income from the Government of India (GOI), which is being recognised based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Our opinion is not qualified in respect of this matter.



5. The comparative Ind AS financial information of the Company for the corresponding quarter and year ended March 31, 2017 included in these financial results, are based on the previously issued Ind AS financial results prepared in accordance with the recognition and measurement principles, specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 18, 2017 expressed an unmodified opinion on those Ind AS financial statements.

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S.R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Anil Gupta
Partner
Membership No.: 87921

Place : New Delhi
Date : May 24, 2018