



Mangalore Chemicals
& Fertilizers Limited

MCFL/SE/2016

May 06, 2016

The Asst. Vice President,
National Stock Exchange of India
Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051
Fax :No. 022 – 26598237 / 8

Department of Corporate Services -
CRD
BSE Limited,
Floor 25, Phiroze Jeejeebhoy
Towers, Dalal Street
MUMBAI - 400 001
Fax No. 022 – 22723121

Dear Sir,

Sub: Outcome of the Board Meeting

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 06, 2016, inter alia, has considered and approved the following:

1. Appointment of Mr. D A Prasanna (DIN: 00253371) as Independent Director. Mr. Prasanna is Founder Chairman of Ecron Acrunova CRO who is an alumnus of IIM, Ahmedabad. Mr. Prasanna has held many positions like CEO, MD and Executive Chairman in the companies like Wipro, GE – BEL and GE Healthcare and others.
2. Audited financials results of the Company for the quarter and the year ended March 31, 2016.

Pursuant to the directions of the Audit Committee at its meeting held on March 09, 2016, the Company had engaged M/s Ernst & Young LLP to carry out forensic investigation into:

- a. investments of Rs.200 crores in to Bangalore Beverages Limited by way of subscription to its preference shares,
- b. various advances made by the Company to United Breweries (Holdings Limited of which a sum of Rs.16.68 crores is outstanding as of March 31, 2016.

Registered & Corporate Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.

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Website: www.mangalorechemicals.com

Corporate Identity Number: L24123KA1966PLC002036



Mangalore Chemicals
& Fertilizers Limited

Upon completion of its investigations, M/s Ernst & Young LLP has made a presentation to the Board of Directors at its meeting held on May 06, 2016 to the effect that the aforesaid transactions may have involved irregularities and elements of mismanagement in the Company.

The Company is taking necessary legal advice in connection with the findings of M/s Ernst & Young LLP.

Thanking you,

**Yours faithfully,
for Mangalore Chemicals and Fertilizers Limited**

**Vijayamahantesh V. Khannur
Company Secretary**

K. P. RAO
DESMOND J. REBELLO
H.N. ANIL
K.P. SIDDHARTH

K. VISWANATH
V. NARAYANAN
S. PRASHANTH
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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 Fertilizers Limited

We have audited the quarterly financial results of Mangalore Chemicals and Fertilizers Limited for the quarter ended March 31, 2016 and the year to date results for the period April 01, 2015 to March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

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 misstatement(s). 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.

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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



Branches

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- ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 01, 2015 to March 31, 2016.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Financial Statements

- a) Note No 5 to the financial statements regarding the recoverability of the advances made to United Breweries Holding Limited (UBHL). Due to the uncertainty of recovering the amount, the management has provided for doubtful advances to the extent of Rs 1668 lakhs.
- b) Note No 6 to the financial statements regarding provision of Rs 20000 lakhs made towards diminution in the value of Investment, other than temporary, based on the indicators as given in the note.

Our opinion is not modified in respect of these matters.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No: 003135S



(Desmond J Rebello)
Partner
Membership Number: 015140



Place: Gurgaon
Date :6th May, 2016

(₹ in lakhs)

PART I					
STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2016					
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Current Year ended	Previous Year ended
(Refer Notes Below)	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
	Audited	Unaudited	Audited	Audited	Audited
1 Income from operations					
Net sales/income from operations (Net of excise duty)	752,34.49	566,05.27	666,24.76	3000,31.63	2576,87.07
2 Expenses :					
a. Cost of materials consumed	298,24.87	239,92.86	337,64.89	1180,08.93	1119,91.13
b. Purchases of stock-in-trade	95,70.49	116,16.06	182,71.44	934,87.06	886,45.74
c. Change in inventories of finished goods, work-in-progress and stock-in-trade	131,14.47	45,13.75	(58,44.02)	105,09.60	(141,36.03)
d. Employee benefits expense	18,89.74	17,02.17	11,37.77	70,38.70	63,33.41
e. Depreciation and amortisation expense	9,48.90	7,34.75	7,74.22	31,27.44	28,65.57
f. Other expenses					
i) Power, fuel and water	47,19.30	38,82.68	57,08.57	207,13.16	240,94.94
ii) Other expenses	100,79.63	85,91.73	57,40.68	395,91.89	245,72.59
Total expenses	701,47.40	550,34.00	595,53.55	2924,76.78	2443,67.35
3 Profit/(Loss) from operations before other income, finance costs and exceptional items(1-2)	50,87.09	15,71.27	70,71.21	75,54.85	133,19.72
4 Other income	22.10	1,66.29	7,66.47	6,20.40	11,47.10
5 Profit/(Loss) from ordinary activities before finance costs but before exceptional items (3+4)	51,09.19	17,37.56	78,37.68	81,75.25	144,66.82
6 Finance costs	34,03.29	29,43.27	35,79.59	112,08.32	126,37.74
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	17,05.90	(12,05.71)	42,58.09	(30,33.07)	18,29.08
8 Exceptional item	16,68.20	-	-	16,68.20	-
9 Profit/(Loss) from ordinary activities before tax (7-8)	37.70	(12,05.71)	42,58.09	(47,01.27)	18,29.08
10 Tax expense	6,16.59	(3,91.29)	8,52.11	(6,89.18)	(19,24.96)
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	(5,78.89)	(8,14.42)	34,05.98	(40,12.09)	37,54.04
12 Extraordinary item	-	(4,83.20)	-	20,000.00	-
13 Net Profit/(Loss) for the period (11-12)	(5,78.89)	(3,31.22)	34,05.98	(240,12.09)	37,54.04
14 Paid-up equity share capital (Face Value : ₹ 10 Per Share)	118,54.86	118,54.86	118,54.86	118,54.86	118,54.86
15 Reserves excluding Revaluation Reserves				225,12.55	464,72.43
16 (i) Earnings per share (before extraordinary items) (of ₹ 10/- each) (not annualised):					
Basic and Diluted (in ₹)	(0.49)	(0.69)	2.87	(3.39)	3.17
(ii) Earnings per share (after extraordinary items) (of ₹ 10/- each) (not annualised):					
Basic and Diluted (in ₹)	(0.49)	(0.28)	2.87	(20.26)	3.17

STANDALONE STATEMENT OF ASSETS AND LIABILITIES	As At	
	31.03.2016	31.03.2015
	(Audited)	
A EQUITY & LIABILITIES		
1 Shareholders' funds		
(a) Share capital	118,54.86	118,54.86
(b) Reserves and surplus	301,06.26	541,42.31
Sub-total - Shareholders' funds	419,61.12	659,97.17
2 Non-current liabilities		
(a) Long-term borrowings	136,14.23	209,27.33
(b) Deferred tax liabilities (Net)	36,28.36	43,12.90
(c) Other Long term liabilities	33,38.15	30,52.59
(d) Long-term provisions	30,82.67	35,41.54
Sub-total - Non-current liabilities	236,63.41	318,34.36
3 Current liabilities		
(a) Short-term borrowings	1196,40.14	856,48.55
(b) Trade payables	523,04.57	502,65.06
(c) Other current liabilities	126,82.47	80,86.09
(d) Short-term provisions	10,86.26	19,46.60
Sub-total - Current liabilities	1857,13.44	1459,46.30
TOTAL - EQUITY AND LIABILITIES	2513,37.97	2437,77.83
B ASSETS		
1 Non-current assets		
(a) Fixed assets	651,03.41	628,87.32
(b) Non current investments	-	200,00.00
(c) Long-term loans and advances	47,56.85	51,16.82
(d) Other non-current assets	11,67.73	17,13.05
Sub-total - Non-current assets	710,27.99	897,17.19
2 Current assets		
(a) Inventories	239,81.44	334,24.59
(b) Trade receivables	486,26.66	235,56.19
(c) Cash and Cash equivalents	11,12.32	31,77.25
(d) Short-term loans and advances	13,14.08	34,75.75
(e) Other current assets	1052,75.48	904,26.86
Sub-total - Current assets	1803,09.98	1540,60.64
TOTAL - ASSETS	2513,37.97	2437,77.83

Notes :

- The above results were reviewed and recommended by the Audit Committee and thereafter approved and taken on record by the Board of Directors at its meeting on 6.5.2016.
- The urea concession for the period has been estimated and accounted as per the Government of India (GoI) notifications dated 7th January 2015 and 17th June 2015. The Company is contesting the discriminatory conditions of the notifications before the Honble High Court of Delhi.
- Phosphatics & Complex Fertilizers subsidy has been accounted based on rates announced by GOI under Nutrient Based Subsidy policy.
- The results for the quarter were affected primarily by the drought condition in the company's major operating territory and aforesaid urea policy.
- The exceptional item represents the provision for amounts recoverable from United Breweries (Holdings) Limited.
- The extraordinary item represents the provision for potential diminution in the value of investments in Bangalore Beverages Limited.
- The figures of last quarter ended 31.3.2016 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- Previous period figures have been regrouped, wherever necessary.

On behalf of the Board of Directors

Place : Gurgaon
Date : 6.5.2016


N SURESH KRISHNAN
MANAGING DIRECTOR