

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(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 half year ended	Year to date figures for previous half year ended	Previous year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from contracts with customers (Refer Note 4 and 5)	141,040.77	95,803.04	28,338.55	236,843.81	130,467.36	364,152.40
(b) Other income	1,045.06	736.81	639.36	1,781.87	1,228.16	3,064.62
Total income	142,085.83	96,539.85	28,977.91	238,625.68	131,695.52	367,217.02
2 EXPENSES						
(a) Cost of materials consumed	50,011.22	54,502.09	24,337.63	104,513.31	82,692.37	199,625.52
(b) Purchases of traded goods	1,516.95	44,852.94	2,033.45	46,369.89	2,119.22	25,813.56
(c) Changes in inventories of finished goods, traded goods and work-in-progress	46,333.90	(42,937.44)	(4,053.24)	3,396.46	10,106.78	11,842.37
(d) Employee benefits expense	1,645.76	1,831.97	1,876.34	3,477.73	3,718.34	6,917.18
(e) Finance costs	2,818.83	3,034.23	2,420.00	5,853.06	4,367.72	10,437.76
(f) Depreciation and amortisation expense	1,748.55	1,720.82	1,275.82	3,469.37	2,530.24	5,967.50
(g) Other expenses	27,385.36	25,922.88	6,035.47	53,308.24	27,428.10	89,010.54
Total expenses	131,460.57	88,927.49	33,925.47	220,388.06	132,962.77	349,614.43
3 Profit/(Loss) before tax (1-2)	10,625.26	7,612.36	(4,947.56)	18,237.62	(1,267.25)	17,602.59
4 Tax expense						
(a) Current tax / Minimum Alternate Tax	1,862.00	1,312.00	(656.00)	3,174.00	-	3,077.00
(b) Deferred tax charge / (credit)	1,992.33	1,371.54	(1,072.77)	3,363.87	(328.60)	1,060.08
Total tax expense	3,854.33	2,683.54	(1,728.77)	6,537.87	(328.60)	4,137.08
5 Profit/(Loss) for the period/year (3-4)	6,770.93	4,928.82	(3,218.79)	11,699.75	(938.65)	13,465.51
6 Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plan	18.94	(53.60)	(39.97)	(34.66)	6.31	(48.42)
Income tax effect on above	(6.62)	18.73	13.97	12.11	(2.20)	16.92
Total other comprehensive income/(loss)	12.32	(34.87)	(26.00)	(22.55)	4.11	(31.50)
7 Total comprehensive income/(loss) (5+6)	6,783.25	4,893.95	(3,244.79)	11,677.20	(934.54)	13,434.01
8 Paid-up equity share capital (Face value of INR 10 per share)	11,854.87	11,854.87	11,854.87	11,854.87	11,854.87	11,854.87
9 Other equity						68,463.95
10 Earnings per equity share						
(Face value of INR 10/- each) (not annualised for quarters /periods):						
(a) Basic (in INR)	5.71	4.16	(2.71)	9.87	(0.79)	11.36
(b) Diluted (in INR)	5.71	4.16	(2.71)	9.87	(0.79)	11.36

See accompanying notes to the unaudited financial results

Statement of Assets and Liabilities
(Rupees in Lakhs)

	As at	As at
	September 30, 2023	March 31, 2023
	Unaudited	Audited
<u>ASSETS</u>		
Non-current assets		
(a) Property, plant and equipment	103,287.36	105,970.52
(b) Capital work-in-progress	5,609.93	1,408.49
(c) Right-of-use assets	1,603.70	1,620.84
(d) Intangible assets	100.19	107.24
(e) Financial assets		
(i) Others	606.53	594.71
(f) Income tax assets (net)	144.08	144.08
(g) Other non-current assets	1,182.43	627.64
	112,534.22	110,473.52
Current assets		
(a) Inventories	15,114.10	24,113.96
(b) Financial assets		
(i) Investments	0.10	0.10
(ii) Trade receivables	18,462.03	75,724.26
(iii) Cash and cash equivalents	89,828.33	32,979.95
(iv) Other bank balances	6,026.56	3,605.39
(v) Others	5,662.46	5,982.83
(c) Other current assets	14,191.42	13,034.94
	149,285.00	155,441.43
	261,819.22	265,914.95
<u>EQUITY AND LIABILITIES</u>		
Equity		
(a) Equity share capital	11,854.87	11,854.87
(b) Other equity	78,363.37	68,463.95
	90,218.24	80,318.82
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	32,776.55	35,667.55
(ia) Lease liabilities	1,794.17	1,886.60
(b) Provisions	1,165.04	1,180.60
(c) Deferred tax liabilities (net)	9,501.62	6,149.86
	45,237.38	44,884.61
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	63,304.19	100,099.37
(ia) Lease liabilities	52.88	36.07
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	1,730.55	4,582.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	31,207.12	19,674.70
(iii) Others	25,377.06	12,820.50
(b) Liabilities for current tax (net)	1,740.53	439.33
(c) Other current liabilities	1,762.21	1,941.22
(d) Provisions	1,189.06	1,117.67
	126,363.60	140,711.52
Total equity and liabilities	261,819.22	265,914.95

Statement of Cash Flows

(Rupees in Lakhs)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
	Unaudited	Unaudited
A Operating activities		
Profit/(loss) before tax	18,237.62	(1,267.25)
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expense	3,469.37	2,530.24
Net loss on disposal of property, plant and equipment	464.21	164.01
Provision for impairment of advances	941.44	-
Fair value loss/(gain) on financial instruments at fair value through profit or loss	(405.11)	(1,848.86)
Unrealised foreign exchange differences (net)	405.01	809.99
Finance costs	5,853.06	4,367.72
Interest income	(1,611.75)	(1,002.06)
Liabilities no longer required written back	(68.07)	(107.09)
Operating profits before working capital changes	27,285.78	3,646.70
Working capital changes:		
(Increase)/Decrease in Inventories	8,999.86	17,006.90
(Increase)/Decrease in Trade receivables	57,262.23	(3,842.85)
(Increase)/Decrease in Other financial assets	1,038.95	0.93
(Increase)/Decrease in Other assets	(2,077.70)	(3,014.71)
(Decrease)/increase in Trade payables	8,595.53	(20,538.14)
(Decrease)/increase in Other financial liabilities	9,632.81	(2,952.00)
(Decrease)/increase in Other current liabilities and provisions	(89.78)	34.60
Cash generated from/ (used in) operations	110,647.68	(9,658.57)
Income tax paid	(1,872.80)	(2,316.51)
Net cash flow from/(used in) operating activities (A)	108,774.88	(11,975.08)
B Investing activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(5,010.19)	(27,121.52)
Proceeds from sale of property, plant and equipment	(108.21)	204.76
Investments in bank deposits (having original maturity of more than three months)	(1,527.05)	(316.80)
Redemption/maturity of bank deposits (having original maturity of more than three months)	880.21	3,486.54
Interest received	1,056.80	1,030.57
Net cash flow (used in) investing activities (B)	(4,708.44)	(22,716.45)
C Financing activities		
Proceeds from long-term borrowings	44.14	15,848.44
Repayment of long-term borrowings	(3,962.00)	(3,424.68)
Payment of principal portion of lease liabilities	(215.38)	(141.83)
Proceeds from/(repayment of) short-term borrowings (net)	(36,088.55)	(6,374.15)
Finance cost paid	(5,218.49)	(4,192.03)
Dividend paid to equity shareholders	(1,777.78)	(1,422.18)
Net cash flow (used in)/ from financing activities (C)	(47,218.06)	293.57
Net increase/(decrease) in cash and cash equivalents (A+B+C)	56,848.38	(34,397.96)
Cash and cash equivalents at the beginning of the year	32,979.95	48,207.20
Cash and cash equivalents at the end of the year	89,828.33	13,809.24
Components of cash and cash equivalents		
Cash on hand	1.60	2.02
Balances with banks on current accounts	13,451.73	3,182.22
Balances with banks on deposit accounts with original maturity of three months or less	76,375.00	10,625.00
Total cash and cash equivalents	89,828.33	13,809.24

Notes:

1. The unaudited financial results for the quarter ended September 30, 2023 and year to date from April 1, 2023 to September 30, 2023 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 October 30, 2023 and has been subjected to limited review by auditors.
2. The unaudited financial results have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) 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 and subsidy income for Phosphatic fertilizers under Nutrient Based Subsidy Scheme for the period / year has been recognized based on management’s estimate, pending finalization by the Government of India (‘GOI’).
5. The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 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.
6. The Company has shutdown the Ammonia and Urea plants in the last week of September 23 for planned maintenance and the start-up is under progress.
7. 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 will assess the impact of the Code and recognize the same, if any, once the Code comes into effect.
8. Previous year / period’s figures have been regrouped / rearranged wherever considered necessary, to conform with current period’s classification.

For and on behalf of the Board of Directors

Date: October 30, 2023

Nitin M Kantak
Whole Time Director