



Mangalore Chemicals  
& Fertilizers Limited  
722/Q2-BM/2024

October 28, 2024

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/Madam,

Company's Scrip Code in BSE : 530011 MANGCHEM  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**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 inform you that the Board of Directors of the Company at its meeting held today, i.e., October 28, 2024, *inter alia*, has considered and approved the unaudited financial results of the Company for the quarter and half year ended September 30, 2024 as recommended by the Audit Committee at its meeting held today, i.e., October 28, 2024.

We attach herewith copy of the unaudited financial results for the quarter and half year ended September 30, 2024 along with the Limited Review Report of the Auditors thereon.

The meeting commenced at 12:00 Noon (IST) and concluded at 01:04 P.M. (IST).

Thanking you,

Yours faithfully,  
For Mangalore Chemicals & Fertilizers Limited

Vighneshwar G Bhat  
Company Secretary

Encl: As above

**MANGALORE CHEMICALS AND FERTILIZERS LIMITED**

Registered Office: Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001  
Phone: 080-45855599, Fax: 080-45855588 CIN: L24123KA1966PLC002036  
Email: shares.mcf@adventz.com Website: www.mangalorechemicals.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2024**

(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
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
(a) Revenue from contracts with customers (Refer Note 4 and 5)	77,639.10	81,404.62	1,41,040.77	1,59,043.72	2,36,843.81	3,79,544.16
(b) Other income	530.64	647.55	1,045.06	1,178.19	1,781.87	4,126.20
<b>Total income</b>	<b>78,169.74</b>	<b>82,052.17</b>	<b>1,42,085.83</b>	<b>1,60,221.91</b>	<b>2,38,625.68</b>	<b>3,83,670.36</b>
<b>2 EXPENSES</b>						
(a) Cost of materials consumed	36,143.83	47,343.62	50,011.22	83,487.45	1,04,513.31	1,85,488.98
(b) Purchases of traded goods	1,528.46	3,943.90	1,516.95	5,472.36	46,369.89	47,051.99
(c) Changes in inventories of finished goods, traded goods and work-in-progress	7,950.91	(7,628.08)	46,333.90	322.83	3,396.46	3,483.78
(d) Employee benefits expense	1,775.09	1,921.17	1,645.76	3,696.26	3,477.73	6,782.89
(e) Finance costs	2,045.64	2,521.78	2,818.83	4,567.42	5,853.06	10,492.99
(f) Depreciation and amortisation expense	1,927.57	1,902.12	1,748.55	3,829.69	3,469.37	7,157.77
(g) Other expenses	22,652.94	25,252.36	27,385.36	47,905.30	53,308.24	99,144.94
<b>Total expenses</b>	<b>74,024.44</b>	<b>75,256.87</b>	<b>1,31,460.57</b>	<b>1,49,281.31</b>	<b>2,20,388.06</b>	<b>3,59,603.34</b>
<b>3 Profit/(Loss) before tax (1-2)</b>	<b>4,145.30</b>	<b>6,795.30</b>	<b>10,625.26</b>	<b>10,940.60</b>	<b>18,237.62</b>	<b>24,067.02</b>
<b>4 Tax expense</b>						
(a) Current tax / Minimum Alternate Tax	1,507.91	1,598.18	1,862.00	3,106.09	3,174.00	4,310.00
(b) Deferred tax charge / (credit)	(1.09)	806.14	1,992.33	805.05	3,363.87	4,275.50
<b>Total tax expense</b>	<b>1,506.82</b>	<b>2,404.32</b>	<b>3,854.33</b>	<b>3,911.14</b>	<b>6,537.87</b>	<b>8,585.50</b>
<b>5 Profit/(Loss) for the period/year (3-4)</b>	<b>2,638.48</b>	<b>4,390.98</b>	<b>6,770.93</b>	<b>7,029.46</b>	<b>11,699.75</b>	<b>15,481.52</b>
<b>6 Other comprehensive income/(loss)</b>						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plan	(116.62)	49.27	18.94	(67.35)	(34.66)	(83.30)
Income tax effect on above	40.75	(17.22)	(6.62)	23.53	12.11	29.11
<b>Total other comprehensive income/(loss)</b>	<b>(75.87)</b>	<b>32.05</b>	<b>12.32</b>	<b>(43.82)</b>	<b>(22.55)</b>	<b>(54.19)</b>
<b>7 Total comprehensive income/(loss) (5+6)</b>	<b>2,562.61</b>	<b>4,423.03</b>	<b>6,783.25</b>	<b>6,985.64</b>	<b>11,677.20</b>	<b>15,427.33</b>
<b>8 Paid-up equity share capital (Face value of INR 10 per share)</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>	<b>11,854.87</b>
<b>9 Other equity</b>						82,113.55
<b>10 Earnings per equity share (Face value of INR 10/- each) (not annualised for quarters /periods):</b>						
(a) Basic (in INR)	2.23	3.70	5.71	5.93	9.87	13.06
(b) Diluted (in INR)	2.23	3.70	5.71	5.93	9.87	13.06

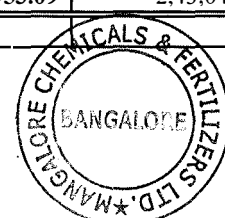
See accompanying notes to the unaudited financial results



**Statement of Assets and Liabilities**

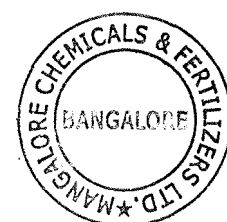
(Rupees in Lakhs)

	As at	As at
	September 30, 2024	March 31, 2024
	Unaudited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	1,03,542.51	1,06,580.61
(b) Capital work-in-progress	1,385.81	1,117.25
(c) Right-of-use assets	1,462.74	1,543.94
(d) Intangible assets	139.84	104.18
(e) Financial assets		
(i) Others	590.46	588.74
(f) Income tax assets (net)	67.33	99.75
(g) Other non-current assets	5,570.99	2,521.62
	<b>1,12,759.68</b>	<b>1,12,556.09</b>
<b>Current assets</b>		
(a) Inventories	24,029.58	16,855.85
(b) Financial assets		
(i) Investments	0.10	0.10
(ii) Trade receivables	28,992.94	60,425.82
(iii) Cash and cash equivalents	30,273.46	27,942.94
(iv) Other bank balances	3,803.88	4,886.42
(v) Others	5,703.53	5,480.99
(c) Other current assets	16,389.92	14,894.71
	<b>1,09,193.41</b>	<b>1,30,486.83</b>
<b>Total assets</b>	<b>2,21,953.09</b>	<b>2,43,042.92</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	11,854.87	11,854.87
(b) Other equity	87,321.39	82,113.55
	<b>99,176.26</b>	<b>93,968.42</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	26,074.41	29,880.96
(ii) Lease liabilities	1,726.17	1,862.23
(b) Provisions	1,291.85	1,272.19
(c) Deferred tax liabilities (net)	11,177.77	10,396.26
	<b>40,270.20</b>	<b>43,411.64</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	50,455.71	72,063.77
(ii) Lease liabilities	42.95	55.32
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	2,288.57	1,115.11
b) total outstanding dues of creditors other than micro enterprises and small enterprises	10,223.43	13,802.30
(iv) Others	15,718.46	15,153.08
(b) Liabilities for current tax (net)	830.83	752.42
(c) Other current liabilities	1,686.83	1,627.44
(d) Provisions	1,259.85	1,093.42
	<b>82,506.63</b>	<b>1,05,662.86</b>
<b>Total equity and liabilities</b>	<b>2,21,953.09</b>	<b>2,43,042.92</b>



**Statement of Cash Flows**
*(Rupees in Lakhs)*

	For the half year ended September 30, 2024	For the half year ended September 30, 2023
	Unaudited	Unaudited
<b>A Operating activities</b>		
Profit/(loss) before tax	10,940.60	18,237.62
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expense	3,829.69	3,469.37
Net loss on disposal of property, plant and equipment	572.57	464.21
Provision for impairment of advances	-	941.44
Fair value loss/(gain) on financial instruments at fair value through profit or loss	2.52	(405.11)
Unrealised foreign exchange differences (net)	25.64	405.01
Finance costs	4,567.42	5,853.06
Interest income	(1,120.34)	(1,611.75)
Liabilities no longer required written back	-	(68.07)
<b>Operating profits before working capital changes</b>	<b>18,818.10</b>	<b>27,285.78</b>
<b>Working capital changes:</b>		
(Increase)/Decrease in Inventories	(7,173.73)	8,999.86
(Increase)/Decrease in Trade receivables	31,432.88	57,262.23
(Increase)/Decrease in Other financial assets	129.73	1,038.95
(Increase)/Decrease in Other assets	(1,478.25)	(2,077.70)
(Decrease)/increase in Trade payables	(2,421.52)	8,595.53
(Decrease)/increase in Other financial liabilities	(857.40)	9,632.81
(Decrease)/increase in Other current liabilities and provisions	178.13	(89.78)
	<b>19,809.84</b>	<b>83,361.90</b>
<b>Cash generated from/ (used in) operations</b>	<b>38,627.94</b>	<b>1,10,647.68</b>
Income tax paid	(2,995.26)	(1,872.80)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>35,632.68</b>	<b>1,08,774.88</b>
<b>B Investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(5,149.30)	(5,010.19)
Proceeds from sale of property, plant and equipment	5.24	(108.21)
Investments in bank deposits (having original maturity of more than three months)	(568.31)	(1,527.05)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,650.00	880.21
Interest received	764.81	1,056.80
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,297.56)</b>	<b>(4,708.44)</b>
<b>C Financing activities</b>		
Proceeds from long-term borrowings	52.83	44.14
Repayment of long-term borrowings	(2,971.53)	(3,962.00)
Payment of principal portion of lease liabilities	(126.54)	(116.08)
Payment of interest portion of lease liabilities	(97.12)	(99.30)
Proceeds from/(repayment of) short-term borrowings (net)	(22,505.44)	(36,088.55)
Finance cost paid	(4,356.80)	(5,218.49)
Dividend paid to equity shareholders	-	(1,777.78)
<b>Net cash flow (used in)/ from financing activities (C)</b>	<b>(30,004.60)</b>	<b>(47,218.06)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,330.52</b>	<b>56,848.38</b>
Cash and cash equivalents at the beginning of the year	27,942.94	32,979.95
<b>Cash and cash equivalents at the end of the year</b>	<b>30,273.46</b>	<b>89,828.33</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2.51	1.60
Balances with banks on current accounts	6,215.95	13,451.73
Balances with banks on deposit accounts with original maturity of three months or less	24,055.00	76,375.00
<b>Total cash and cash equivalents</b>	<b>30,273.46</b>	<b>89,828.33</b>



Notes:

1. The unaudited financial results for the quarter ended September 30, 2024 and year to date from April 1, 2024 to September 30, 2024 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 28, 2024 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 for the period / year has been recognized based on the applicable extant policy guidelines, as per management estimate in line with known policy parameters, pending finalization by the Government of India ("GOI"). The subsidy income for phosphatic and potassic fertilisers under Nutrient Based Subsidy Policy has been accounted in line with the applicable extant policy guidelines notified by GOI from time to time, pending finalization by 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 Board of Directors of the Company at its Meeting held on February 7, 2024, have, inter alia, approved a Composite Scheme of Arrangement amongst the Company, Paradeep Phosphates Limited ("Transferee Company" or "PPL"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, subject to approval/consent/sanction from shareholders, creditors and other applicable regulatory authorities including Hon'ble National Company Law Tribunal. The Scheme provides for Amalgamation of the Company into the Transferee Company as a going concern with effect from the Appointed Date i.e. April 1, 2024.
7. The Company has resumed production in the last week of September 2024 after shutdown of the Ammonia and Urea plants in the first week of September 2024 for replacement of reformer catalyst.
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



Nitin M Kantak  
Whole Time Director  
DIN: 08029847

Date: October 28, 2024



# **PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

## **Independent Auditor's Report on review of Unaudited Financial Results**

### **To the Board of Directors of Mangalore Chemicals & Fertilizers Limited**

We have reviewed the accompanying Statement of Unaudited Financial results of Mangalore Chemicals & Fertilizers Limited ("the company") for the quarter and half year ended 30<sup>th</sup> September 2024, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015, as amended.

### **Management's Responsibility**

The Statement, which is the responsibility of the management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

### **Auditor's Responsibility**

Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles of the applicable Accounting Standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



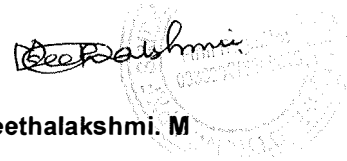
## Emphasis of Matter

We draw attention to Note no 5, which states that the Company had recognized urea subsidy income of Rs. 2914 lakhs in Financial Year ended March 31, 2021, considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met.

We draw attention to Note 6 of the financial results which describes about the proposed merger of the Company with Paradeep Phospates Limited on a going concern basis.

Our conclusion is not modified in respect of these matters.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

  
**Seethalakshmi. M**  
Partner

**Place:** Bangalore

**Date:** 28 Oct 2024

Membership No.208545

ICAI UDIN: 24 208545 BKAESN7750