



Mangalore Chemicals  
& Fertilizers Limited

722/Q1-BM/2024

July 29, 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., July 29, 2024, *inter alia*, has considered and approved the following:

- i. Unaudited financial results of the Company for the quarter ended June 30, 2024 as recommended by the Audit Committee at its meeting held today, i.e. July 29, 2024. A copy of the approved results along with Limited Review Report are enclosed as Annexure-1.
- ii. Appointment of M/s. JCSS & CO, Chartered Accountants, as Internal Auditor of the Company for the Financial Year 2024-25. The details required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Annexure-2.

The meeting commenced at 5:30 P.M. (IST) and concluded at 6.23 P.M. (IST).

Thanking you,

Yours faithfully,  
For Mangalore Chemicals and Fertilizers Limited

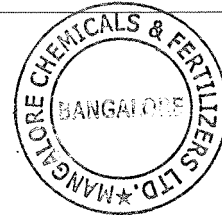
Vighneshwar G Bhat  
Company Secretary

Encl: As above

**Annexure 2 - Details under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

M/s. JCSS & CO, Chartered Accountants

#	Particulars	Details
1	Reason for change viz appointment, resignation, removal, death or otherwise	Appointment
2	Date of appointment & term of appointment	Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held today i.e., July 29, 2024 has approved the appointment of M/s. JCSS & CO, as Internal Auditor of the Company for the Financial Year 2024-25.
3	Brief Profile	JCSS & CO, Chartered Accountants ("JCSS") is a multi-disciplinary practice group composed of chartered accountants, cost accountants, company secretaries, legally trained personnel and other professionals. JCSS has been providing internal audits and risk management services to Companies for the past 20 years within and outside India.
4	Disclosure of relationships between Directors	N.A.





**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

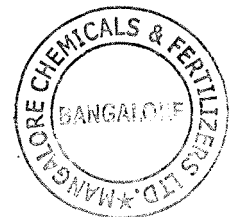
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

(Rupees in Lakhs)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited*	Unaudited	Audited
<b>1 INCOME</b>				
(a) Revenue from contracts with customers (Refer Note 4 and 5)	81,404.62	78,639.63	95,803.04	3,79,544.16
(b) Other income	647.55	1,283.29	736.81	4,126.20
<b>Total income</b>	<b>82,052.17</b>	<b>79,922.92</b>	<b>96,539.85</b>	<b>3,83,670.36</b>
<b>2 EXPENSES</b>				
(a) Cost of materials consumed	47,343.62	44,695.11	54,502.09	1,85,488.98
(b) Purchases of traded goods	3,943.90	350.03	44,852.94	47,051.99
(c) Changes in inventories of finished goods, traded goods and work-in-progress	(7,628.08)	3,098.46	(42,937.44)	3,483.78
(d) Employee benefits expense	1,921.17	1,593.40	1,831.97	6,782.89
(e) Finance costs	2,521.78	2,325.41	3,034.23	10,492.99
(f) Depreciation and amortisation expense	1,902.12	1,858.37	1,720.82	7,157.77
(g) Other expenses	25,252.36	25,274.88	25,922.88	99,144.94
<b>Total expenses</b>	<b>75,256.87</b>	<b>79,195.66</b>	<b>88,927.49</b>	<b>3,59,603.34</b>
<b>3 Profit/(Loss) before tax (1-2)</b>	<b>6,795.30</b>	<b>727.26</b>	<b>7,612.36</b>	<b>24,067.02</b>
<b>4 Tax expense</b>				
(a) Current tax / Minimum Alternate Tax	1,598.18	235.00	1,312.00	4,310.00
(b) Deferred tax charge / (credit)	806.14	8.20	1,371.54	4,275.50
<b>Total tax expense</b>	<b>2,404.32</b>	<b>243.20</b>	<b>2,683.54</b>	<b>8,585.50</b>
<b>5 Profit/(Loss) for the period/year (3-4)</b>	<b>4,390.98</b>	<b>484.06</b>	<b>4,928.82</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	49.27	(35.80)	(53.60)	(83.30)
Income tax effect on above	(17.22)	12.51	18.73	29.11
<b>Total other comprehensive income/(loss)</b>	<b>32.05</b>	<b>(23.29)</b>	<b>(34.87)</b>	<b>(54.19)</b>
<b>7 Total comprehensive income/(loss) (5+6)</b>	<b>4,423.03</b>	<b>460.77</b>	<b>4,893.95</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>9 Other equity</b>				<b>82,113.55</b>
<b>10 Earnings per equity share (Face value of INR 10/- each) (not annualised for quarters /periods):</b>				
(a) Basic (in INR)	3.70	0.41	4.16	13.06
(b) Diluted (in INR)	3.70	0.41	4.16	13.06

\*Refer Note7

See accompanying notes to the unaudited financial results



Notes:

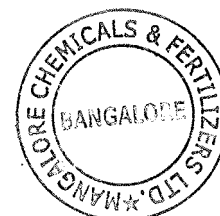
1. The unaudited financial results for the quarter ended June 30, 2024 of Mangalore Chemicals and Fertilizers Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 29, 2024 and has been subjected to limited review 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 figures of the quarter ended March 31, 2024 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2024 and the unaudited published year-to-date figures up to December 31, 2023 of the financial year which was subjected to limited review.
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: July 29, 2024



# **PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

## **Independent Auditor's Review 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 ended 30<sup>th</sup> June 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.

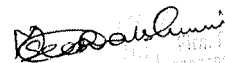
We draw attention to Note 6 of the financial results which describes about the proposed merger of the Company with Paradeep Phospates Limited on a going concern basis. As at the date of approval of the unaudited financial results for the quarter ended 30<sup>th</sup> Jun 2024, the Company is in the process of filing the Scheme with Hon'ble National Company Law Tribunal (the "NCLT").

Our conclusion is not modified in respect of these matters.

### **Other Matters**

Attention is drawn to the fact that the figures for the quarter ended 31st March 2024 as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review by us. Our opinion is not modified in respect of this matter.

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



**Seethalakshmi. M**  
**Partner**

**Place:** Bangalore

**Date:** 29 Jul 2024

Membership No.208545

ICAI UDIN: 24208545BKAEP6889