



MANGALORE CHEMICALS AND FERTILIZERS LIMITED

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rupees in Lakhs)

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Current year ended	Previous year ended
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	Audited*	Unaudited	Audited*	Audited	Audited
1 INCOME					
(a) Revenue from contracts with customers (Refer Note 4 and 5)	116,361.52	117,323.52	71,887.58	364,152.40	289,558.30
(b) Other income	1,136.24	700.22	772.96	3,064.62	2,427.06
Total income	117,497.76	118,023.74	72,660.54	367,217.02	291,985.36
2 EXPENSES					
(a) Cost of materials consumed	52,780.60	64,152.55	60,765.49	199,625.52	186,934.66
(b) Purchases of traded goods	16,391.25	7,303.09	117.14	25,813.56	6,416.91
(c) Changes in inventories of finished goods, traded goods and work-in-progress	4,849.30	(3,113.71)	(16,876.63)	11,842.37	(13,122.69)
(d) Employee benefits expense	1,561.20	1,637.64	1,662.25	6,917.18	6,962.64
(e) Finance costs	3,072.97	3,323.70	1,550.90	10,437.76	4,940.42
(f) Depreciation and amortisation expense	1,689.15	1,748.11	1,229.22	5,967.50	5,055.75
(g) Other expenses	27,984.51	33,271.30	23,796.05	89,010.54	81,331.66
Total expenses	108,328.98	108,322.68	72,244.42	349,614.43	278,519.35
3 Profit/(Loss) before tax (1-2)	9,168.78	9,701.06	416.12	17,602.59	13,466.01
4 Tax expense					
(a) Current tax / Minimum Alternate Tax	1,608.00	1,469.00	43.00	3,077.00	2,350.00
(b) Deferred tax charge / (credit)	773.17	615.51	24.48	1,060.08	2,329.88
Total tax expense	2,381.17	2,084.51	67.48	4,137.08	4,679.88
5 Profit/(Loss) for the period/year (3-4)	6,787.61	7,616.55	348.64	13,465.51	8,786.13
6 Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Re-measurement gains/(losses) on defined benefit plan	(44.29)	(10.44)	33.99	(48.42)	(31.15)
Income tax effect on above	15.48	3.64	(11.88)	16.92	10.88
Total other comprehensive income/(loss)	(28.81)	(6.80)	22.11	(31.50)	(20.27)
7 Total comprehensive income/(loss) (5+6)	6,758.80	7,609.75	370.75	13,434.01	8,765.86
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
9 Other equity				68,463.95	56,452.12
10 Earnings per equity share					
(of INR 10/- each) (not annualised for periods):					
(a) Basic (in INR)	5.73	6.42	0.29	11.36	7.41
(b) Diluted (in INR)	5.73	6.42	0.29	11.36	7.41

*Refer Note 8

See accompanying notes to the audited financial results

Statement of Assets and Liabilities
(Rupees in Lakhs)

	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
<u>ASSETS</u>		
Non-current assets		
(a) Property, plant and equipment	105,970.52	55,294.34
(b) Capital work-in-progress	1,408.49	31,738.51
(c) Right-of-use assets	1,620.84	1,859.41
(d) Intangible assets	107.24	107.91
(e) Financial assets		
(i) Others	594.71	616.86
(f) Income tax assets (net)	144.08	185.83
(g) Other non-current assets	627.64	1,286.27
	110,473.52	91,089.13
Current assets		
(a) Inventories	24,113.96	42,977.47
(b) Financial assets		
(i) Investments	0.10	0.10
(ii) Trade receivables	75,724.26	66,502.77
(iii) Cash and cash equivalents	32,979.95	48,207.20
(iv) Other bank balances	3,605.39	7,514.35
(v) Others	5,982.83	5,491.58
(c) Other current assets	13,034.94	10,293.67
	155,441.43	180,987.14
Total assets	265,914.95	272,076.27
<u>EQUITY AND LIABILITIES</u>		
Equity		
(a) Equity share capital	11,854.87	11,854.87
(b) Other equity	68,463.95	56,452.12
	80,318.82	68,306.99
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	35,667.55	21,815.13
(ia) Lease liabilities	1,886.60	2,068.09
(ii) Others	-	15.14
(b) Provisions	1,180.60	1,134.73
(c) Deferred tax liabilities (net)	6,149.86	5,106.70
	44,884.61	30,139.79
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	100,099.37	112,346.47
(ia) Lease liabilities	36.07	45.66
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	4,582.66	1,057.85
b) total outstanding dues of creditors other than micro enterprises and small enterprises	19,674.70	39,419.36
(iii) Others	12,820.50	17,072.72
(b) Liabilities for current tax (net)	439.33	916.74
(c) Other current liabilities	1,941.22	1,742.73
(d) Provisions	1,117.67	1,027.96
	140,711.52	173,629.49
Total equity and liabilities	265,914.95	272,076.27

Statement of Cash Flows
(Rupees in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Audited	Audited
A Operating activities		
Profit before tax	17,602.59	13,466.01
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expense	5,967.50	5,055.75
Net loss on disposal of property, plant and equipment	521.96	548.79
Fair value loss/(gain) on financial instruments at fair value through profit or loss	(245.25)	(663.65)
Unrealised foreign exchange differences (net)	(90.26)	812.83
Finance costs	10,437.76	4,940.42
Interest income	(2,522.18)	(1,928.40)
Provisions no longer required written back	(389.08)	(345.76)
Operating profits before working capital changes	31,283.04	21,885.99
Working capital changes:		
(Increase)/Decrease in Inventories	18,863.51	(24,839.21)
(Increase)/Decrease in Trade receivables	(9,221.49)	(15,644.24)
(Increase)/Decrease in Other financial assets	(57.25)	455.76
(Increase)/Decrease in Other assets	(2,705.44)	(1,095.95)
(Decrease)/increase in Trade payables	(16,131.79)	7,641.02
(Decrease)/increase in Other financial liabilities	50.18	3,713.43
(Decrease)/increase in Other current liabilities and provisions	643.90	976.12
	(8,558.38)	(28,793.07)
Cash generated from/ (used in) operations	22,724.66	(6,907.08)
Income tax paid	(3,512.66)	(1,814.37)
Net cash flow from/(used in) operating activities (A)	19,212.00	(8,721.45)
B Investing activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(30,529.41)	(16,966.35)
Proceeds from sale of property, plant and equipment	228.48	12.41
Investments in bank deposits (having original maturity of more than three months)	(3,237.40)	(20,755.35)
Redemption/maturity of bank deposits (having original maturity of more than three months)	7,143.66	18,195.81
Interest received	2,093.71	822.29
Net cash flow (used in) investing activities (B)	(24,300.96)	(18,691.19)
C Financing activities		
Proceeds from long-term borrowings	23,320.59	15,920.20
Repayment of long-term borrowings	(6,989.69)	(7,665.01)
Payment of principal portion of lease liabilities	(235.64)	(252.76)
Proceeds from/(repayment of) short-term borrowings (net)	(14,723.38)	38,811.17
Finance cost paid	(10,087.99)	(5,249.63)
Dividend paid to equity shareholders	(1,422.18)	(1,185.15)
Net cash flow (used in)/ from financing activities (C)	(10,138.29)	40,378.82
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(15,227.25)	12,966.18
Cash and cash equivalents at the beginning of the year	48,207.20	35,241.02
Cash and cash equivalents at the end of the year	32,979.95	48,207.20
Components of cash and cash equivalents		
Cash on hand	2.26	2.80
Balances with banks on current accounts	3,302.69	8,254.40
Balances with banks on deposit accounts with original maturity of three months or less	29,675.00	39,950.00
Total cash and cash equivalents	32,979.95	48,207.20

Notes:

1. The audited financial results for the quarter and year ended March 31, 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 May 11, 2023.
2. The audited 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 rates for Phosphatic fertilizers under Nutrient Based Subsidy Scheme for the quarter / year have 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 Board of Directors of the Company has proposed dividend of INR 1.50 per equity share of INR 10 each amounting to INR 1,777.73 Lakhs for the year ended March 31, 2023. The proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and accordingly have not been recognized as a liability.
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. The figures of the quarter ended March 31, 2023 / 2022 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2023 / 2022 and the unaudited published year-to-date figures up to December 31, 2022 / 2021 being the date of the end of third quarter of the financial year which were subjected to limited review.
9. 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: May 11, 2023

Nitin M Kantak
Whole Time Director