



Mangalore Chemicals
& Fertilizers Limited

Q4 FY23 EARNINGS WEBINAR

MR. NITIN KANTAK, WHOLE TIME DIRECTOR

MR. T M MURALIDHARAN, CHIEF FINANCIAL OFFICER



FRIDAY, MAY 12, 2023

- **Moderator:**

- Good Morning Ladies and Gentlemen. It's my pleasure to welcome you on behalf of Mangalore Chemicals and Fertilizers Ltd. and SKP Securities for this financial result webinar. We have with us, Mr. Nitin Katak – Whole-time Director and Mr. Muralidharan – CFO. All participants' lines have been muted and this webinar is being recorded for compliance reasons. We'll have the opening remarks and the presentation from Mr. Katak and Mr. Muralidharan, followed by a Question & Answer session. Thank you and over to you Mr. Katak.

- **Mr. Nitin Katak – CEO, Mangalore Chemicals and Fertilizers Ltd:**

- Thank you Mr. Nikhil for this conference call, and very good morning to all. A warm welcome to all of you attending this call. Let me give you a short overview of the agriculture scenario and the fertilizer business environment, followed by MCFL's performance for the quarter and the year.
- With the backdrop of good monsoons for the fourth successive year, as per the 2nd advanced estimates for the year 2022-23, India is poised to post record foodgrain production of 323.6 million metric tons, an increase of nearly 8 million metric tons over the previous year. IMD has predicted normal monsoon, which is 96% of long period average for this year, whereas Skymet has predicted below normal monsoon, around 94% of long period average.
- As far as the fertilizer business environment is concerned, the trend of reduction in the international prices of finished fertilizers and fertilizer inputs, continued for the quarter. In the last one year, DAP prices are down 42% to about \$535-540 per metric ton. Urea prices are down almost 53%, down to around \$330 per ton. P2O5 prices are down 43%, to \$970 per ton, and ammonia prices are down 68%, between \$300 to \$330 per ton. All India urea sales for the quarter were down 5.6% to 7.6 million metric tons, compared to Q4 last year. Urea sales year on year were up 4.5% to 35.7 million metric tons. All India DAP sales for the quarters were down 1.9% to 1.3 million metric tons, and year on year higher by 13.6% at 10.5 million metric tons. All India NP/NPK sales for the quarter were up 5% at 2.1 million metric tons, and for the year down 12% to about 10.1 million metric tons. And, all India MOP sales for the quarter were down 36% to 2.44 lakh metric tons, and for the year down 24% to 1.87 million metric tons.
- Coming to MCFL marketing area comprising of the states of Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra and Kerala, industry urea sales in MCFL markets for the quarter were up 21% to 26 lakh metric tons, compared to Q4 FY22, whereas, MCFL sales increased by 33% to 1.22 lakh metric tons, over Q4 FY22. Industry DAP sales for the quarter in MCFL markets increased by 71% from 4 lakh metric tons to 6.9 lakh metric tons, whereas, MCFL DAP sales increased 24% to 36,000 metric tons from 29,000 metric tons in Q4 FY22. NP/NPK industry sales for the quarter increased by 43% to 16.15 lakh metric tons, whereas, MCFL NP sales increased to 64,000 metric tons from just about 1,000 metric tons in Q4 FY22.
- On the plant operations front, after energy improvement project implementation in Q2, ammonia and urea plants operated continuously at lower urea energy level, and we finished the year with 3.32 lakh

metric tons of urea. On the phosphatic front, during the quarter, NP/DAP plant operated continuously till March 20th, when we took annual turnaround for our maintenance jobs. Production for the quarter was 67,000 metric tons, and for the year was 2.3 lakh metric tons.

- Coming to our financial performance, as in Q3, we have come out with another robust performance in Q4. This was possible due to higher sales in Q4, and also handsome margins, both on urea and phosphatic fertilizers. MCFL has registered a revenue growth of INR 1,164 crores for the quarter, growing 62% over Q4 FY22. And, this is almost same as in the previous quarter. For the year, the revenue growth is INR 3,642 crores, which is 26% higher than FY22. For the quarter, MCFL has posted EBITDA of INR 139 crores compared to INR 32 crores in Q4 FY22, a growth of 334%. EBITDA for the year is INR 340 crores compared to INR 235 crores in FY22, a growth of 45%. Profit Before Tax for the quarter is INR 92 crores, against INR 4 crores in Q4 FY22. Profit Before Tax for the year is INR 176 crores, against INR 135 crores in FY22. Profit After Tax for the year is INR 135 crores, which is a 53% increase year on year. This is the best ever annual performance in over 50 years' history of MCFL.
- I will now handover to our CFO, Mr. Muralidharan, to give you a detailed presentation on our financial performance. Thank you.

- **Moderator:**

- Sir, please take over. You can share your presentation.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**

- Thank you, sir for your introduction. Is my screen visible to all of you? Nikhil, is my presentation visible?

- **Moderator:**

- Yeah, it is visible.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**

- Good Morning to all of you. We will come to the Investor Presentation for the performance for the quarter ending 31st March 2023, and for the year ended 31st March 2023. In this presentation we shall cover the highlights of Q4, and year ended FY23, and some past annual performance.
- During the financial year, Ammonia Energy Improvement Project successfully commissioned in September 2022 and Ammonia and Urea production tons per day ramped up post commissioning. In respect of DAP/NPK, we optimised the operations by suitable product mix in view of the viability and availability of critical raw materials.
- We shall now move to the highlights of Q4 and the year ended FY23, with corresponding quarter and year ended FY22. This was broadly touched based by my CEO Nitin Kantak, nevertheless, we will see in the graphic presentation. Revenue went up by 62% during the quarter, and 26% for the year ended FY23 compared to the previous year. EBITDA also increased by 334% for the quarter, and 45% for the year ended FY23 compared to the previous year. For the first time, we have crossed the EBITDA and post the 300 crores mark. As regards to PBT and PAT, we have registered an increase of 2,103% and

2,160% respective during the quarter, and an increase of 30% and 53% respectively during FY23 compared to the previous year, primarily on account of commissioning of the AEIP project during the 2nd quarter of FY23.

- Now, we present the details of production, sales and revenue. The production and sale of urea is 1.24 lakh metric tons in Q4 FY23, compared to production of 0.94 lakh metric tons and sale of 0.93 lakh metric tons in Q4 FY22. The production and sale of urea is 3.32 lakh metric tons and 3.31 lakh metric tons respectively during FY23, compared to production of 4.29 lakh tons and sale of 4.31 lakh tons during FY22. As regards complex fertilizers, we have sold 1 lakh tons in Q4 FY23, compared to 0.3 lakh metric tons in Q4 FY22. Also, we have sold 2.83 lakh metric tons in FY23 compared to 2.66 lakh metric tons in FY22.
- Now we shall discuss on the revenue from operations. As far as revenue from operations, revenue from urea is Rs. 588 crores for Q4 FY23, as against 485 crores in Q4 FY22. Revenue from urea for the full year FY23 is Rs. 1,797 crores as against Rs. 1,653 crores in FY22. This is despite the reduction in the volumes on account of increase in the prices of gas. Coming to revenue from non-urea business, we have registered a revenue of Rs. 576 crores in Q4 FY23 as against 235 crores in Q4 FY22. Coming to the full year basis, we have registered a growth in revenue of non-urea business of Rs. 1,845 crores in FY23, as against Rs 1,243 crores in FY22.
- Now we shall look at some of the data points of the financial position. The net worth is Rs. 803 crores at the end of March 2023, as against Rs. 683 crores at the end of March 2022, registering accretion of Rs. 120 crores. As far as long-term debt is concerned, there is an increase of Rs. 139 crores in March 2023, over March 2022. This is primarily on account of the loan availed for the Ammonia Energy Improvement project, which is commissioned in the current financial year, after factoring the repayment of some existing long-term loans.
- Coming to short-term debt, which is working capital, is at Rs. 1,001 crores at the end of March 2023, as against Rs. 1,124 crores at the end of March 2022. The short-term surplus was Rs. 366 crores at the end of Q4 FY23, as against 557 crores at the end of FY22. By virtue of this, we are able to reduce the borrowing and manage the liquidity requirement.
- Coming to Receivables, in bulk fertilizer industry there are two types of receivables – subsidies from the Government of India and receivables from market dealers. As regards the market debtors, it is Rs. 124 crores at the end of FY23, as against Rs 88 crores at the end of FY22. Coming to subsidy receivables, it is Rs. 634 crores at the end of FY23, as against Rs. 577 crores at the end of FY22. We want to give some details on the subsidies disbursed during the current financial year and last financial year. We have received Rs. 888 crores during Q4 Fy23, and for the full year FY23 we received Rs. 2,640 crores as subsidies. In comparison, we received Rs. 806 crores of subsidy in Q4 FY22, and Rs. 1,708 crores for the full year FY22. This demonstrates that the government is able to disburse the subsidies in regular intervals throughout the year, so that we're able to improve the liquidity position.
- Now, we shall look at some past annual performance. The Revenue from Operations was at levels of 3,000 crores in FY19, which got increased to 3,600 crores in FY23. Coming to EBITDA, you can see from the levels of 200 crores in FY19, we have been able to maintain the EBITDA during difficult times

in the last 3-4 years, and have been able to improve it to Rs. 340 crores in FY23. While PBT has improved from the levels of Rs. 50 crores to Rs. 176 crores in FY23 due to receipt of natural gas in FY21 and successful commissioning of Ammonia Energy Improvement project in FY23. In respect of PAT, similarly, we have been able to improve from Rs. 33 crores in FY19, to Rs. 135 crores in FY23.

- The Cash Profit has improved from Rs. 72 crores in FY19, to Rs. 194 crores in FY23. Earnings Per Share has improved from Rs. 3 per share in FY19 to Rs. 11 per share in FY23. We could see that the total receivables have come down from the levels of Rs. 1,564 crores in FY19 to the levels of Rs. 757 crores, which is almost 50% reduction. This is possible on account of improved liquidity in the market and significant reduction in subsidy receivables due to fiscal stimulus given in FY21 during COVID-19 to clear subsidy arrears and continued additional support given in FY22 and FY23 by the Government of India, and timely disbursements of subsidies. We expect a similar trend going forward.
- We shall look at the details of production and sale of urea. We are able to consistently produce to the levels of 3.8 lakh tons per annum, which is our re-assessed capacity. However, in the current financial year FY23, there's a reduction in production due to plant shutdown for the implementation of Energy Improvement project, as already explained to you. The trend in sale of P&K fertilizers is based on availability and viability in this vertical.
- Coming to the overview of MC operations, as regards the location of the plant, products manufactured, the capacities, marketing territories and the brand. We carry this slide more relevant to the first-time participants. The plant is situated at Mangalore west coast, opposite Mangalore Port, and our present capacity of urea is 3.8 lakh tons, which is our re-assessed capacity, whereas, the capacity of DAP and other complex is 2.8 lakh tons per annum. We also are trading in MOP and DAP based on market opportunities and business viability. We operate in the states of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra. We sell about 77% of our sales in Karnataka, 1% in Kerala, 11% in Tamil Nadu, 7% in Andhra Pradesh, 1% in Telangana and 3% in Maharashtra. We sell under the brand Jai Kissan Mangala. The major significant event in this financial year is the successful commissioning of the Ammonia Energy Improvement project in Q2, and we're able to post an impressive performance in Q3 of PBT at 97 crores, followed by another quarter of Q4 profit at 92 crores.
- Thank you for your time.
- **Moderator:**
- Thank you Muralidharan sir. Your presentation was really very insightfully. Friends, now we'll start with the Q&A session. We'll wait for a couple of minutes, let some questions line up, and then we can get started. Anyone who wishes to ask a question, request you to please raise your hand. We will unmute you and take your question. Friends, anyone who wishes to ask a question, request you to please raise your hand. We will unmute you and take your question.
- The first question is from Mr. Gopal Agarwal from HDFC Mutual Fund. Sir, please unmute yourself. Sir are on mute. Gopal Sir, you are on mute. We can't hear you.
- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**

- I have unmuted myself actually.

- **Moderator:**
- Yeah, now we can hear you, Sir.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- Yeah, so good morning and many congratulations for excellent results, Sir. I wanted to understand in terms of energy consumption where are we at this point of time at the exit of March in terms of Gcal per metric ton and wanted to understand on the DAP side how these you know the margins between the rock phosphate and phos acid is behaving, though I know it may not be applicable for you, but generally understanding the industrial scenario worldwide, how the rock market and you know the phos acid price behaviour on the DAP side? Thank you very much.

- **Mr. Nitin Kantik – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Murali, I'll take this.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, please Sir.

- **Mr. Nitin Kantik – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, so we were operating at the energy level of 6.2 to 6.25 giga calorie per metric ton prior to implementation of the energy improvement project. Post energy improvement project, we have been able to bring down the energy to a level like in quarter four we have urea energy of 5.6 giga calorie per ton of urea. We are yet to reach 5.5, minor teething issues are there, which are being addressed and shortly will be at 5.5. For the year, our total urea energy was 5.875 giga calorie per ton of urea, so that is your first question. Regarding your second question, as you are aware, we don't have a phosphoric acid plant, ours is not an integrated facility, it is only imported phosphoric acid. Those who are having integrated facility where you have your own sulfuric acid plant and phosphoric acid plant, that is a big advantage and the margins what you can get from DAP will be much higher at least about ₹3000 to ₹4000 per ton higher than what margins we are able to get on the imported phosphoric acid.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- So, Sir just wanted to take one step ahead means at this point of time as we are seeing the phos acid availability is improving, so generally how the conversion margins are and any thought on revision of subsidy from the government? Thanks.

- **Mr. Nitin Kantik – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, actually current margins have been quite attractive. For the last financial year we had margins of around 5500 on our 20:20:0 you know we our focus has been on 20:20:0 production most of the year in

fact we produce around 2 lakh metric tons for the whole year and we had a very less DAP production done and the margins contributions were openly about Rs.2500 per metric tons or so in that range. So, current phosphoric acid price for this quarter it is \$970 per metric ton and it is on the downward trend and as you mentioned the subsidies are yet to be declared by the government, NBS is yet to be declared for this financial year and we expect it is to be shortly declared and accordingly you know we will maintain our margins around Rs.3500 to Rs.4000 per ton on DAP and 20:20:0.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- Sure, and just to understand in detail on your underline urea profitability means as our incentive starts from what the level of Gcal per metric ton means at your level of capacity and now you are using gas?

- **Mr. Nitin Katak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- We're getting very handsome margin on urea at the moment even at this current energy level, but our margins were more driven by the natural gas prices you know which have been on the higher side in the last financial year and we got quite decent margins almost an average around ₹9000 a ton in the last financial year, but mainly one is of course because of reduction in the urea energy per ton as well as very high natural gas prices you know over the last one year and now the natural gas prices are softening, it has already come down to around \$17 per MMBTU. The average for last financial year was around \$19 per MMBTU - \$19.5 dollars, so now it is already coming down as of now it is around \$17 per MMBTU.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- What I want to understand means on the sustainable basis this ₹9000 per metric ton will it sustain or how do you see you know will stabilize that is my main questions to answer?

- **Mr. Nitin Katak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- This year also we expected to be in the range of around ₹9000 a ton because we are you know going to go down to 5.5 giga calorie per ton energy level or even lower. Right now we have some limitation in the plant you know which is going to be addressed by September, post September we will be operating at 5.5 or below 5.5, so that will give us the advantage and allow us to maintain our margins around 9000 a ton despite the gas prices going down.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- Excellent Sir and many congratulations. Wish you all the best. Thank you.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Sir, can I addon supplement, Mr. Katak.

- **Mr. Nitin Katak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, please go ahead.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, the levels quoted by Mr. Kantak is the gross contribution levels. The EBITDA will be what we call another ₹3000 be taken off, so EBITDA levels is around ₹7000 okay it is not what we call contribution is EBITDA. So, the EBITDA will be around ₹7000, the same levels would be, we expect to maintain this current financial year FY24, but despite the improvement in the energy consumption, we are able to see what we call try to achieve and with the reduction in the gas prices which you could see the trend is about \$15.5 per MMBTU for the April-May, that is a trend going on and we these prices are already at \$70 per barrel, but is not able to breach the \$80 mark, so despite this particular flip side, we will be able to maintain the EBITDA around ₹6500 to ₹7000 per ton.

- **Mr. Gopal Agarwal -- HDFC Mutual Fund:**
- Great. Thanks for the clarification. Good day, Sir.

- **Moderator:**
- Thank you, Gopal Sir. The next question is from Kaushal Kedia. Kaushal, please unmute yourself.

- **Mr. Kaushal Kedia -- Participant:**
- Yeah, can you hear me?

- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yes.

- **Mr. Kaushal Kedia -- Participant:**
- Yeah. Sir, can you give - I'm sorry I joined the call little late. What is your guidance for FY24?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- We do not give any guidance kindly excuse us.

- **Mr. Kaushal Kedia -- Participant:**
- Thank you.

- **Moderator:**
- Anyone who wishes to ask a question request you to please raise your hand. The next question is from Vineet Agarwal. Vineet, please unmute yourself.

- **Vineet Agarwal – Participant:**

- Yeah. Good morning, Sir and congratulations on the good set of numbers. Sir, I have a few questions. First of all, can you provide us the breakup between - hello can you please provide us the breakup between manufacturing and trading volumes?

- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- This year actually you know we have done very less of trading because you know the market was very uncertain throughout the year and the margins on DAP which is our normal import was very less. We only imported just two vessels of the DAP during the last year that quantity was also quite smaller around 40,000 out of that we have converted almost 30,000 tons nearly 30,000, Murali can give you correct figures, around 30,000 tons of sales out of this will be all imported traded fertilizers, rest all is all manufactured and we finished the sales of 6,14,000 ton for the year.

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- To add on to Mr. Kantak, we have sold 5,84,000 tons of manufactured fertilizers and as briefed by Mr. Kantak we have sold 30,000 tons of DAP taking to 6,14,000 tons.

- **Vineet Agarwal – Participant:**
- Sir, what is the targeted number for trading volumes for FY24 any targeted number?

- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, we are looking at the figure of 1,10,000 tons imports that is what we are budgeting and we are hopeful of achieving that because the market scenario is much improved now with the competitive price going down we are in a much better situation and we are confident that we'll be able to meet that requirement. In fact, we have already imported one vessel of DAP 33,000 tons already being imported and it will be received in the month of June and we also imported a vessel of 10:26:26, which will also be received in June that is about 10,000 tons. So, 40,000 tons import we have already taken action on and we are hopeful of reaching at least 1,10,000 tons minimum of imports for this year.

- **Vineet Agarwal – Participant:**
- Sir, our focus will be more of 10:26:26 or it will be more of that?

- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, it will be more of a diammonium phosphate, but you know since we don't have any NPKs in our portfolio, we are importing some quantity of 10:26:26 also to support our market.

- **Vineet Agarwal – Participant:**
- Okay Sir. Sir, my next question is on the revenue side. Our revenue is almost equivalent to a quarter three revenue as you have also mentioned in your opening statement though our Q4 is a linear quarter in comparison to Q3, so any specific reason why our revenues are high in Q4?
- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- It is similar to Q3. Murali, you can give more details about.
- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, can you repeat your question if you don't mind Vineet?
- **Vineet Agarwal – Participant:**
- Yeah, Sir definitely Q3 is the busiest period for the industry because of rabbi season, rabbi demand and Q4 is the liner season, still our Q4 revenue is more or less equivalent to Q3 revenue, so any specific reason why it is that high?
- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- See we have improved our volumes of sales okay by ramping up the production of NPK and we only manufacture DAP and N20 as you know and we had challenges in procuring raw materials because the prices were doing correction in the first half of FY23 by virtue of that we're unable to source raw materials which got stabilized when the prices started softening from Q3 FY23 , so then by which of that we're able to position our raw material sourcing and we are able to get the production rate up okay and urea also we are up to the teething troubles in Q3 here and there we were able to consistently produce. This significant what we called reason on account of the what you call quantity of sales as well as on account of the commodity prices compared to the earlier years.
- **Vineet Agarwal – Participant:**
- Okay Sir. Sir just needed a confirmation on margin pattern, which Mr. Kantak gave earlier 5500 metric tons - per metric ton we have for NP20, 2500 per metric ton on DAP, this is for quarter 4.
- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- That's the contributions I was talking about.
- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**

- I will explain it Sir, okay. See, around ₹3000 is our EBITDA per ton DAP and ₹4000 per ton for NP20, these are the levels, the details given by Mr. Katak is the gross contribution, this is the EBITDA is after providing for fixed cost allocable to this particular product.

- **Vineet Agarwal – Participant:**
- Okay. Sir, 3000 and 4000 for quarter 4?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Yes.

- **Vineet Agarwal – Participant:**
- Sir, can you also tell me about urea EBITDA per ton?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- ₹6500 per ton.

- **Vineet Agarwal – Participant:**
- And all these 3000, 4000, 6500 are maintainable going forward or it will be I mean depending how it will be?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Yeah, it's difficult as Mr. Katak explained during the introduction and other during the Q&A. It is very difficult to predict, you saw yeah super cycle of the prices commodities started from the what you call in FY22 okay, it continued for about close to 18 months and started softening because then it all depends on the final prices what is subsidy is going to be offered by the government for this post factoring the reduction prices and what is the market demand is going to be and all factors is underway to maintain and improve okay and very difficult to commit a particular decision we don't - the guidance is not possible in the industry because it is dependent on vagaries of this markets and the cost drivers, the profit drivers are multiple, so our endeavor is to maintain at least the levels what we achieved okay and to improve on okay, but difficult to give guidance at this point in time and the market outlook is very positive and the rains and monsoon predictions are in line with what we call either at the normal or marginally below normal rainfall on long period average that augers well for the industry.

- **Vineet Agarwal – Participant:**

- And Sir lastly can you please provide us the fuel gas price once again for quarter 4 as well as FY24?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Which one, I don't get you?

- **Mr. Nitin Kankat – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Gas price for the and for the year?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Okay. For the for the quarter it was around \$16 - \$17 MMBTU on the gross GCB basis and the areas as a whole is about \$19.5.

- **Vineet Agarwal – Participant:**
- And Sir how much is it is currently?

- **Mr. Muralidharan T.M. – CFO, Mangalore Chemicals and Fertilizers Ltd:**
- Now, it's currently down to \$15.5.

- **Vineet Agarwal – Participant:**
- Last one question if you allow me again, IFFCO has launched a nano DAP recently, so how do you see this development for the industry as a whole and as well as MCFL?

- **Mr. Nitin Kankat – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- As of now, MCFL is not looking at going into nano urea or nano DAP. This is a good development for the country going forward. At the group level, our other company, which is Zuari Farmhub Limited is already working on this and are going to come with the nano urea and maybe the nano DAP also in a short time, but as of now we are not looking at this. this is a very positive for the agriculture and going forward it can help reduce the imports of DAP into India, however, it is not going to affect the current manufacturing units you know manufacturing chemical fertilizers.

- **Vineet Agarwal – Participant:**
- Okay Sir. Thank you. That's all from my side.

- **Mr. Nitin Kankat – CEO, Mangalore Chemicals and Fertilizers Ltd:**

- Thank you.

- **Moderator:**
- Thank you, Vineet. Friends, if you have any question to ask please raise your hand. Since we have no more questions, I would like to now hand over the webinar to Mr. Kantak for his closing remark. Over to you, Sir.

- **Mr. Nitin Kantak – CEO, Mangalore Chemicals and Fertilizers Ltd:**
- Thank you, Nikhil. Thanks to all the participating in this session and putting up very insightful questions. As I informed you in my opening remark, this year's performance is the best ever in over 50 years operating history of MCFL despite lower production levels. In the year gone by, we were short both on urea production due to implementation of the energy improvement project in our ammonia plant and short on DAP 20:20:0:13 production due to raw material constraints. We also could not do significant trading activity due to very low or negative contributions. So, as the finished fertilizer and input prices have softened due to improvement in the geopolitical situation, we are now looking forward to fully utilizing our production capacity for financial year 24, also we are planning DAP and NPK and MOP imports and looking at the sales target of around 9 lakh tons for financial year 24, which would be almost one and half times the sales of financial Year 23. So, I assure all the investors that we are committed to perform well and very hopeful of surpassing financial year 23 performance in the current year. Thank you.

- **Moderator:**
- Thank you, Sir.

End of Transcript