

National Fertilizers Limited

**FINANCIAL PERFORMANCE
FOR THE 3rd QUARTER
ENDED ON 31.12.17 & NINE
MONTHS
ENDED ON 31.12.17**

Dated: 14.02.18

BRIEF OVERVIEW

Introduction

- **Incorporated** on 23rd August, 1974.
- **Share Capital details as on 31.12.2017.**
 - Authorized capital : ₹ 1,000 crore.
 - Paid up capital : ₹ 490.58 crore.
 - Net-worth : ₹ 1,914.13 crore.

Shareholding Pattern as on 31.12.2017:

- Government of India 74.71%
- Financial institutions/MFs/Foreign portfolio Investors 18.50%
- Non-Institutions/Individuals 6.79%.

Vision

- “To be a leading Indian company in fertilizers and beyond with commitment to all stakeholders.”

Mission

- “To be a dynamic organization committed to serve the farming community and other customers to their satisfaction through timely supply of fertilizers and other products & services; continually striving to achieve the highest standards in quality, safety, ethics, professionalism, energy conservation with a concern for ecology and maximizing returns to stakeholders”.

BRIEF ON PLANTS AND TRADING ACTIVITIES



UREA	Vijaipur-II	Vijaipur-I	Bathinda	Panipat	Nangal
ANNUAL CAPACITY (LMT) – 32.31 LMT (RAC)	8.646	8.646	5.115	5.115	4.785
Annual Capacity after Urea Capacity Enhancement Projects at Vijaipur-I & II units – 35.68 LMT	10.662	9.999	5.115	5.115	4.785
Capacity utilization for 2017-18 (Upto 31 Dec-17) w.r.t. RAC	121.38 %	120.05%	107.42%	115.34%	119.29%
PRODUCTION – 28.48 LMT (117.54 %)					
COMM. PRODUCTION	31 st Mar 97	1 st July 88	1 st Oct 79	1 st Sep 79	1 st Nov. 78
After Revamp at Vijaipur and Ammonia Feedstock Changeover Project (AFCP) at Nangal, Panipat and Bathinda units.	31 st Jul 12	24 th Apr.12	11 th Mar. 13	28 th Mar. 13	18 th Jul. 13
ENGINEERING CONTRACTOR (Main plant)	HTAS (DENMARK), SNAM (ITALY) & PDIL		M/s Toyo Engineering Corp. (Japan) & EIL		Technimont, UHDE
Revamp / AFCP	-do-		HTAS & L&T (LSTK)		& PDIL KBR /Technimont
CAPTIVE POWER (111 MW)	3 X 17 MW		2 X 15 MW	2 X 15 MW	GRID POWER

Industrial Products, Bio-Fertilizers , Surplus Ammonia etc.

Traded Goods

Sr.	Plant	Located at	No. of streams	Annual Capacity of each stream (MT)
1.	Nitric acid	Nangal	2	91410
2.	Sodium Nitrate	Nangal	1	1980
3.	Sodium Nitrite	Nangal	1	2970
4.	Ammonium Nitrate	Nangal	2	118800
5.	Ammonia (Technical Surplus)	All units	-	-
6.	Bio-Fertilizers (Solid & Liquid) @	Vijaipur	-	900
7.	Bentonite Sulphur Plant	Panipat	NA	25000
8.	Seeds Multiplication Programme	5 locations	NA	35003 qntls. target

1. DAP
2. MoP
3. NPK
4. Bentonite Sulphur
5. Compost
6. Seeds
7. Agro-chemicals

@ Includes PSB, Azatobacter, Rhizobium in both liquid and powder form.

- All manufacturing units are ISO 9001-2008, ISO 14001-2004 and OHSAS-18001 certified indicating NFL's commitment to quality, environment & occupational health & safety.
- At present , only one stream of Nitric Acid and Ammonium Nitrate is in operation.

FINANCIAL PERFORMANCE AT A GLANCE(Preceding 3 Years)

₹ Crore

SL .No.	Particulars	2014-15	2015-16	2016-17	2017-18 (9 months)
1	Production (Urea) (LMT)	36.39	37.99	38.1	28.48
2	Capacity Utilization (Urea %)	112.6	117.6	117.9	117.5
3	Purchase of DAP/MOP/NPK	0.00	0.51	2.14	3.83
4	Sale of DAP/MOP/NPK	0.00	0.51	2.14	3.71
3	Turnover	8520	7794	7663	6844
4	Other Income	37	47	45	66
5	Total Expenses	8138	7237	7108	6481
6	EBITDA (PBT+ Depreciation + Finance cost)	419	604	600	364
7	Interest	301	228	190	143
8	Depreciation	73	87	85	56
9	Profit Before Tax	45	289	325	231
10	Profit After Tax	26	199	208	145
11	Net Fixed Assets	4487	4291	4109	3991
12	Working Capital	1353	1487	1441	993
13	Long Term Borrowings	2643	1828	981	379
14	Short Term Borrowings	5002	4296	3154	2453
15	Net Worth	1509	1691	1827	1914
16	Return on Net Worth (%)	1.77	11.37	11.35	7.19
17	EPS (Rupees)	0.53	4.05	4.24	2.96
18	Book Value (Rs. per share)	30.19	34.46	37.23	39.02

PERFORMANCE HIGHLIGHTS (For Nine Months as on 31.12.17)

➤ Ever best achievements during the nine-months of the FY 2017-18.

1. **Import of 3.83 LMT of DAP/MOP/NPK** during the nine months as compared to 2.19 LMT during CPLY besides trading of seeds, compost and Agro-chemicals.
2. **Ever best sale of DAP/MOP/NPK** of 3.71 LMT during the nine months as compared to 2.07 LMT during CPLY .i.e. increase of 1.64 LMT (79%).
3. **Ever best sale of all the fertilizers** of 33.90 LMT during the nine months as compared to 30.94 LMT during CPLY .i.e. increase of 2.96 LMT (10%).
4. **Ever best Urea sale of 30.19 LMT** during the nine months as compared to 28.87 LMT during CPLY .i.e. increase of 1.32 LMT (5%).
5. **Ever best sale of Nitric Acid of 50451 MT.**
6. **Five year best sale of Ammonium Nitrate of 6985 MT.**

The details of the above given in slides nos. 7 to 13.

➤ **Increase in turnover** from ₹ 5784.64 crore during CPLY to ₹ 6844.33 crore during the nine-months period due to higher sale of urea (by 1.32 LMT), DAP/MOP/NPK (by 1.64 LMT) and rise in gas prices by 18.56%.

➤ **Reduction in Finance cost**

1. Despite higher import of traded goods of 3.83 LMT (₹ 870 crore), finance cost has reduced by ₹ 10.17 crore in comparison to CPLY.
2. On like to like basis (excluding impact of interest on purchase of imported traded goods), the interest cost has reduced by ₹ 38.34 crore.

CPLY means Corresponding Period of Last Year

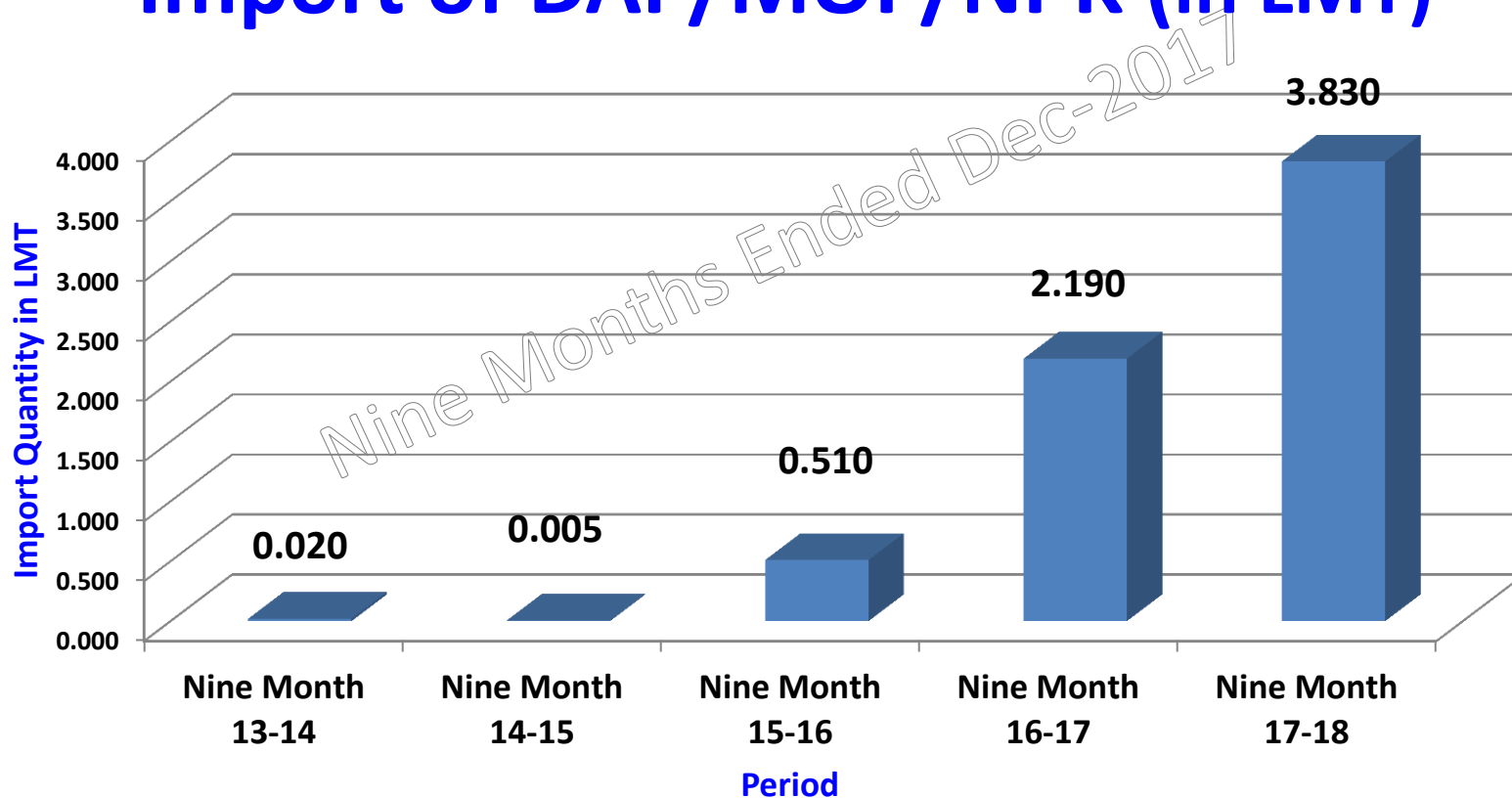
PERFORMANCE HIGHLIGHTS (For Nine Months as on 31.12.17) **Cont.....**

- **EBITDA** of ₹ 363.60 crore was lower by 7% in comparison to ₹ 390.32 crore during CPLY. This was mainly on account of adhoc provision for liability for gratuity and pay revision by ₹ 160.14 crore.
- **EBITDA on like to like basis, without considering the impact of gratuity and pay revision the EBITDA has increased by ₹ 133.34 crore (34%) as compared to CPLY.**
- **Profit Before Tax (PBT)** of ₹ 230.59 crore during the period as compared to ₹ 202.82 crore during CPLY, i.e., increase of ₹ 27.77 crore (14%).
- **Profit Before Tax (PBT) on like to like basis** of ₹ 353.64 crore during the period without considering the impact of pay revision and gratuity and other income from sale of assets.
- **Profit After Tax (PAT)** of ₹ 145.09 crore during the period as compared to ₹ 119.15 crore during CPLY, i.e., increase of ₹ 25.94 crore (22%).
- **Bentonite Sulphur plant commissioned** with installed capacity of 25000 MT in December 2017 at Panipat.

CPLY means Corresponding Period of Last Year

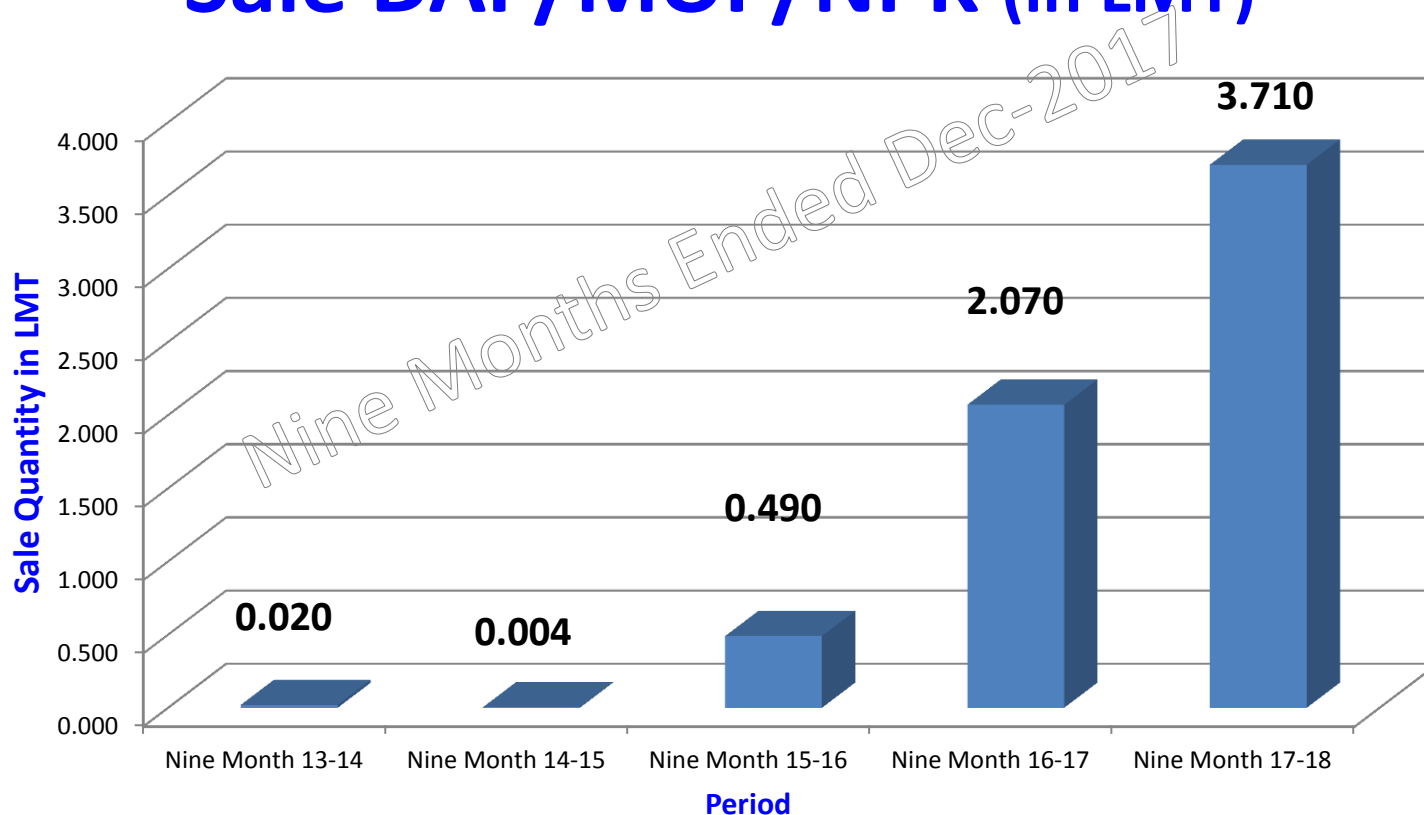
Purchase of Traded Goods Quantity for the first nine months of Last 5 Years

Import of DAP/MOP/NPK (in LMT)



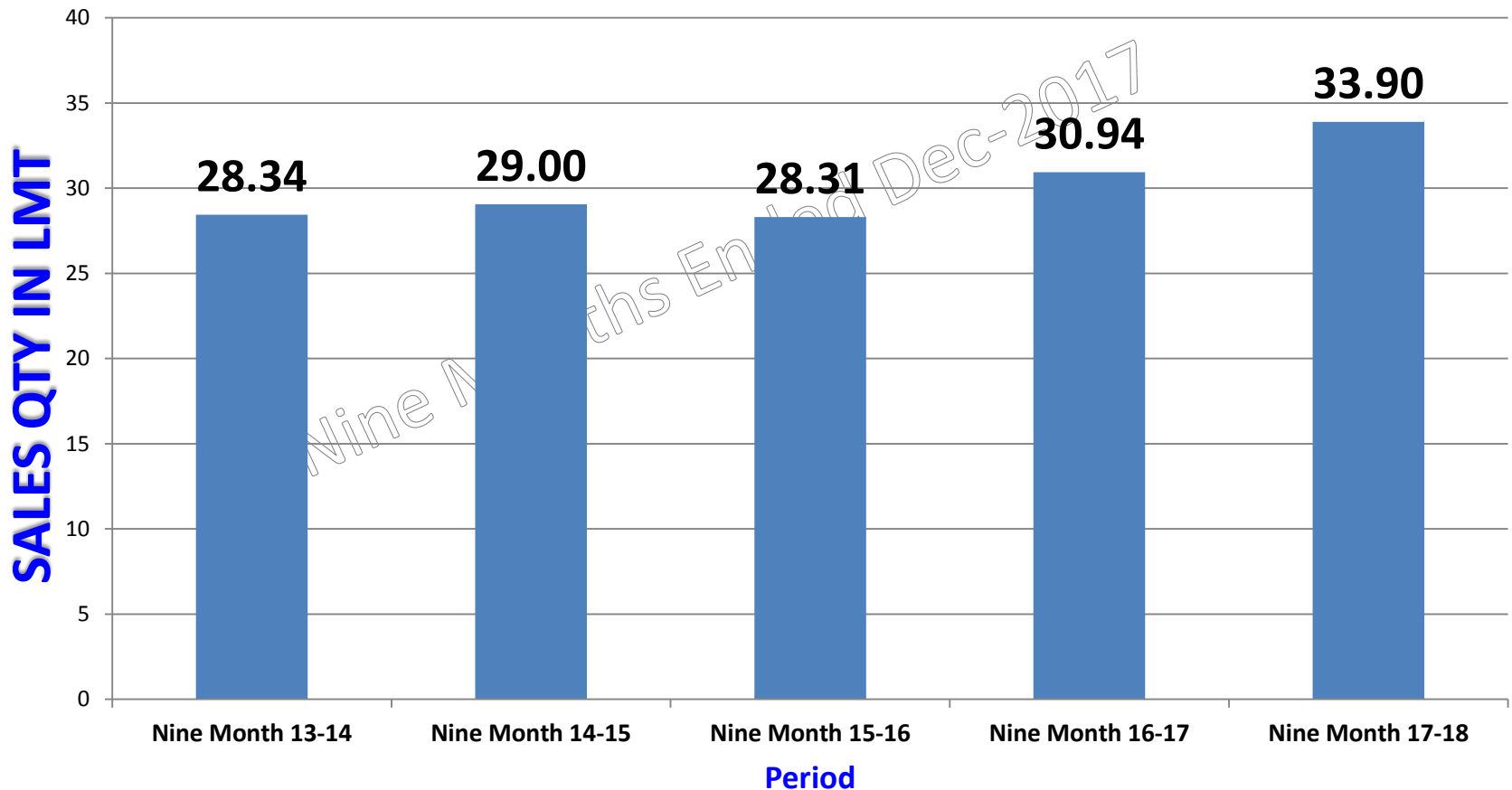
Sale of Traded Goods Quantity for the first nine months of Last 5 Years

Sale DAP/MOP/NPK (in LMT)

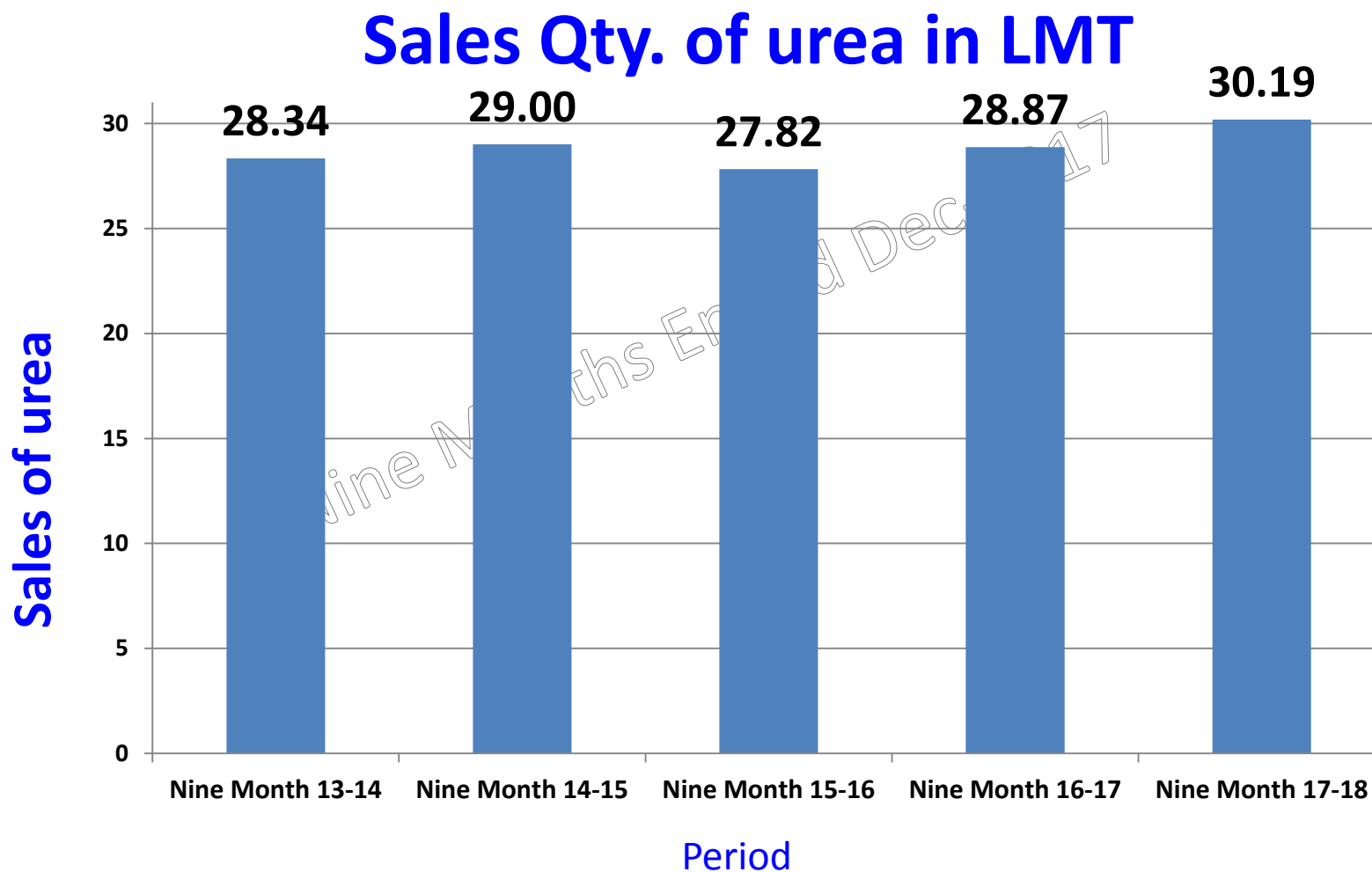


Total Fertilizers Sales Quantity for the first nine months of Last 5 Years

Total Fertilizers Sales Qty in LMT

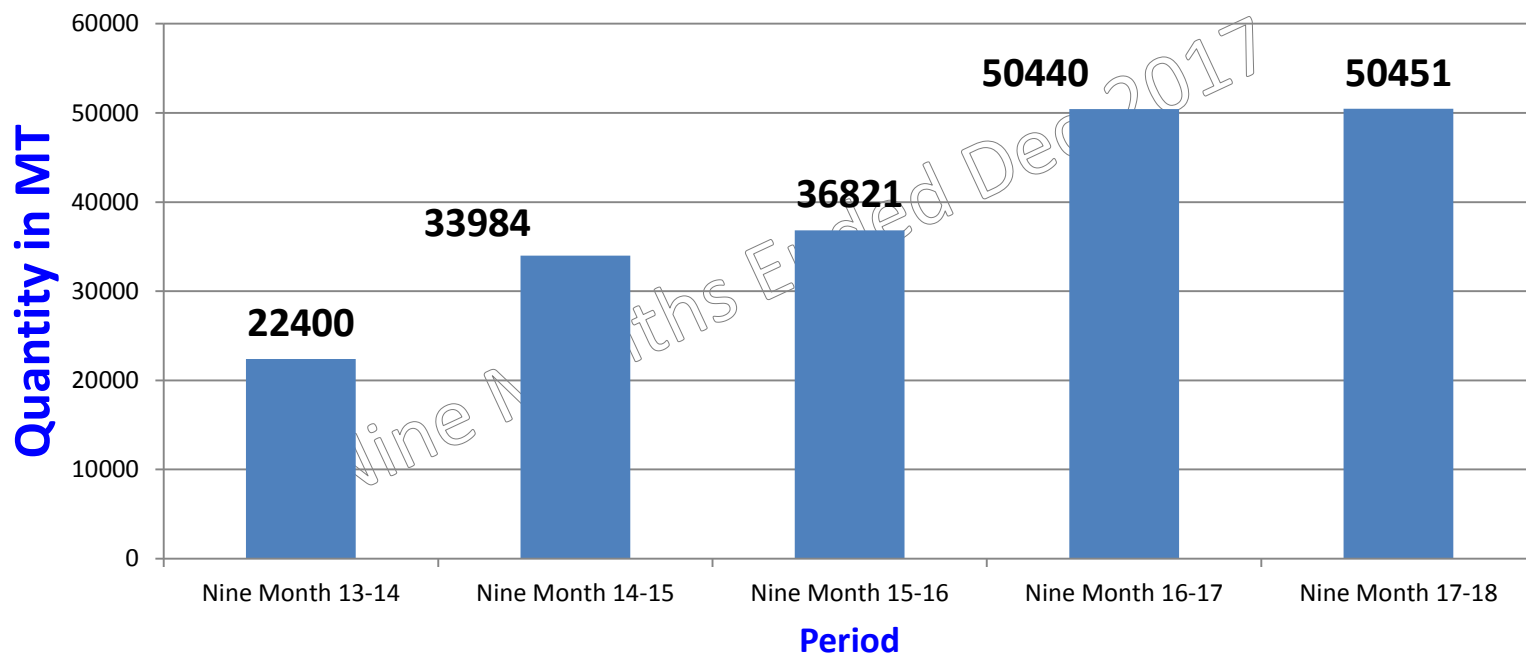


Sale Quantity Of Urea For the first nine months of Last 5 Years



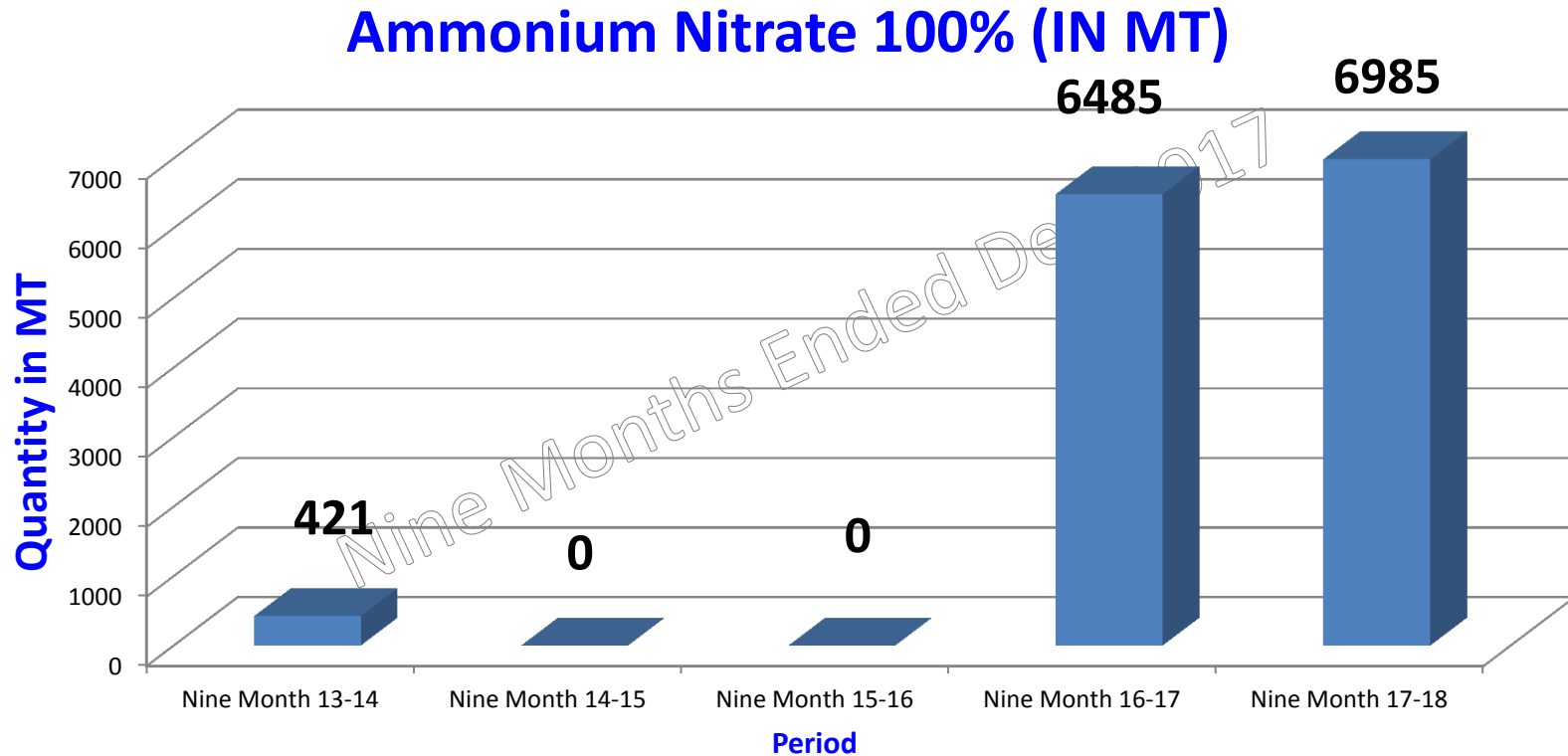
Sale Quantity of Industrial Products (Nitric Acid) for the first nine months of Last 5 Years

Nitric Acid 100% (in MT)



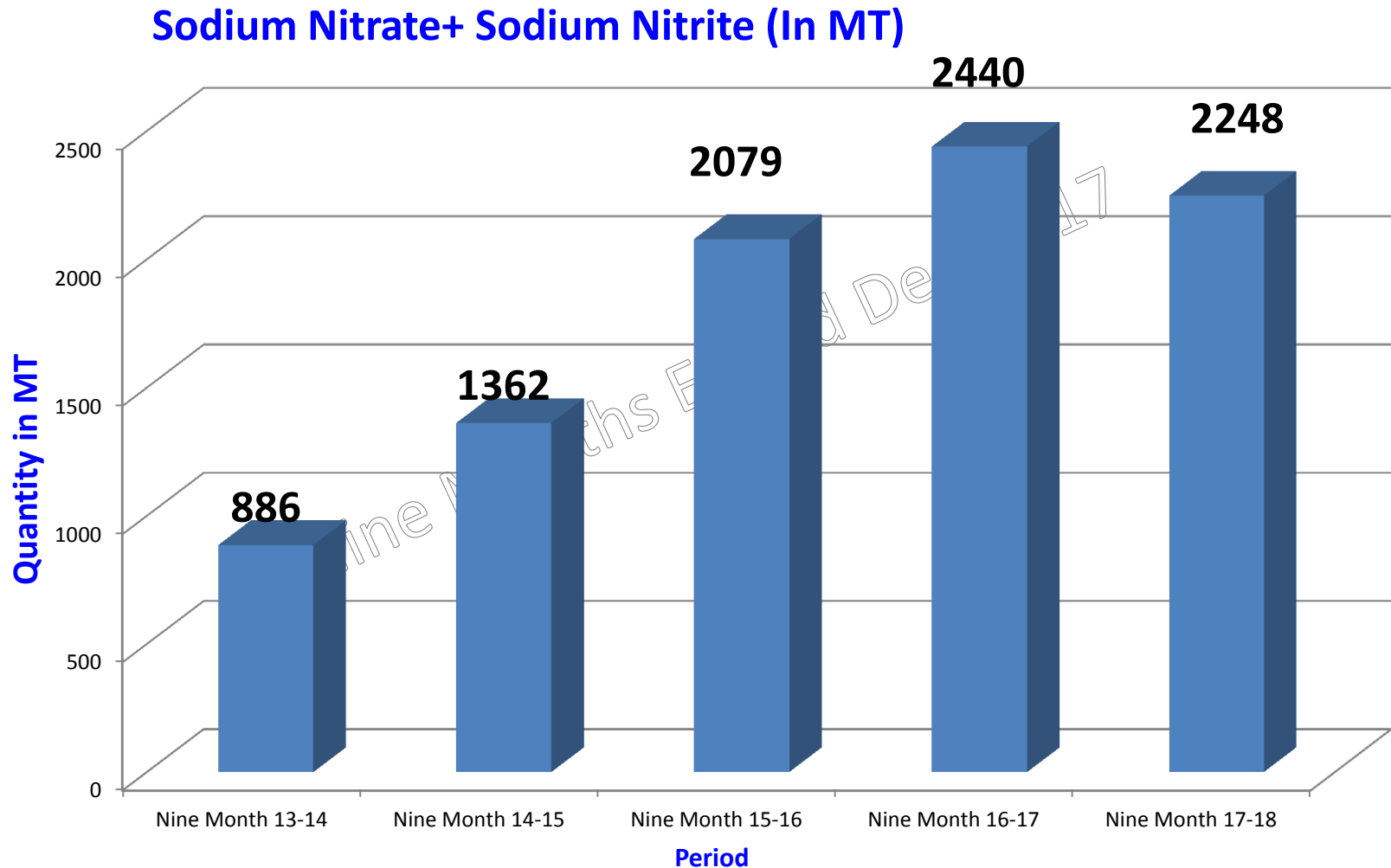
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Sale Quantity of Industrial Products (Ammonium Nitrate) for the first nine months of Last 5 Years



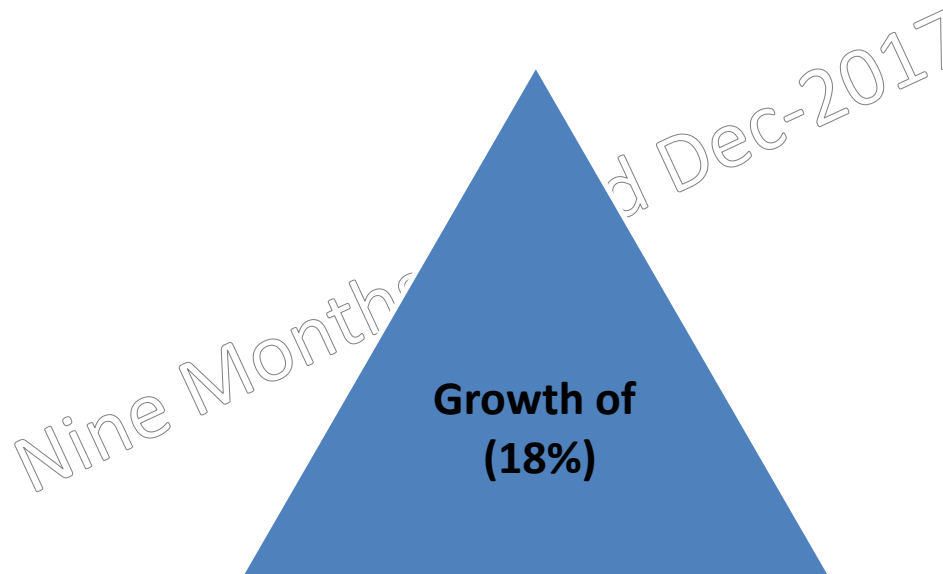
Ammonium Nitrate became economically viable after reduction in gas price under uniform pool gas pricing mechanism.

Sale Quantity of Industrial Products (Sodium Nitrate + Sodium Nitrite) for the first nine months of Last 5 Years



Turnover Growth For Nine Months 17-18 and Nine Months 16-17

₹ 6844.33 crore
(Nine Months Dec-17)



₹ 5784.64 crore
(Nine Months Dec-16)

Turnover Growth Break-up For Nine Months 17-18

Urea

₹ 5612.90
crore
(Nine Months
Dec-17)

**Growth
of
(13%)**

₹ 4964.96
crore
(Nine Months
Dec-16)

Traded Goods

₹ 1110.75
crore
(Nine Months Dec-
17)

**Growth
of
(72%)**

₹ 644.06
crore
(Nine Months
Dec-16)

Industrial Product

₹ 120.68
crore
(Nine Months
Dec-17)

**Reduction of
(18%)**

₹ 146.89
crore
(Nine Months
Dec-16)

Sale Break-up in Quantity For Nine Months 17-18

Urea

30.19 MT

(Nine Months
Dec-17)

Growth of
(5%)

28.87MT

(Nine Months Dec-16)

Other Product

3.71 MT

(Nine Months Dec-17)

Growth of
(79%)

2.07 MT

(Nine Months Dec-16)

EBITDA Growth for nine months 17-18 and nine months 16-17

₹363.60 crore
(nine month 17-18)

**Reduction
7%**

₹390.32 crore
(nine month 16-17)

**EBITDA (Including Pay-
Revision & Gratuity impact)**

₹523.74 crore
(nine month 17-18)

**Growth
34%**

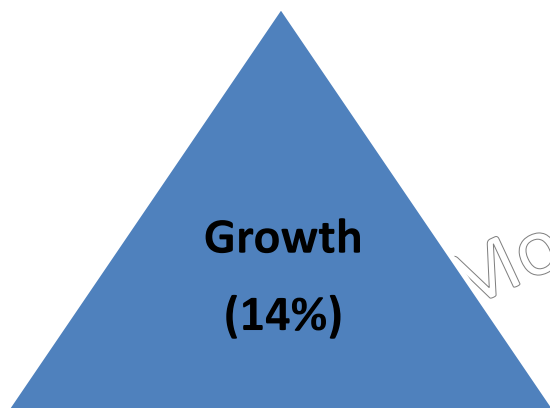
₹390.32 crore
(nine month 17-18)

**EBITDA (Excluding Pay-Revision
& Gratuity impact)**

Months Ended Dec-2017

PBT & PAT Growth for Nine Months 17-18 and Nine Months 16-17

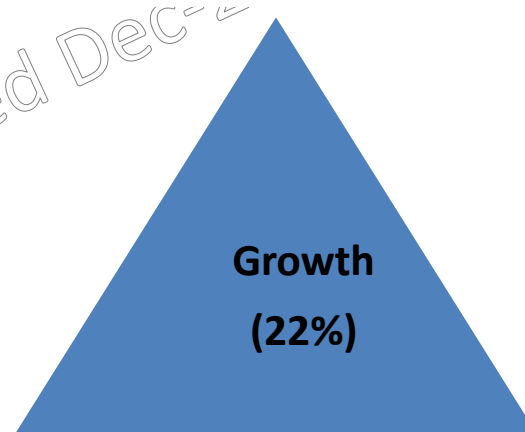
₹230.59 Crore
(nine month
17-18)



₹202.82Crore
(nine month
16-17)

Profit Before Tax

₹145.09 Crore
(nine month
17-18)



₹119.15 Crore
(nine month
16-17)

Profit After Tax

PRODUCTION AND PURCHASES

PRODUCTION OF UREA

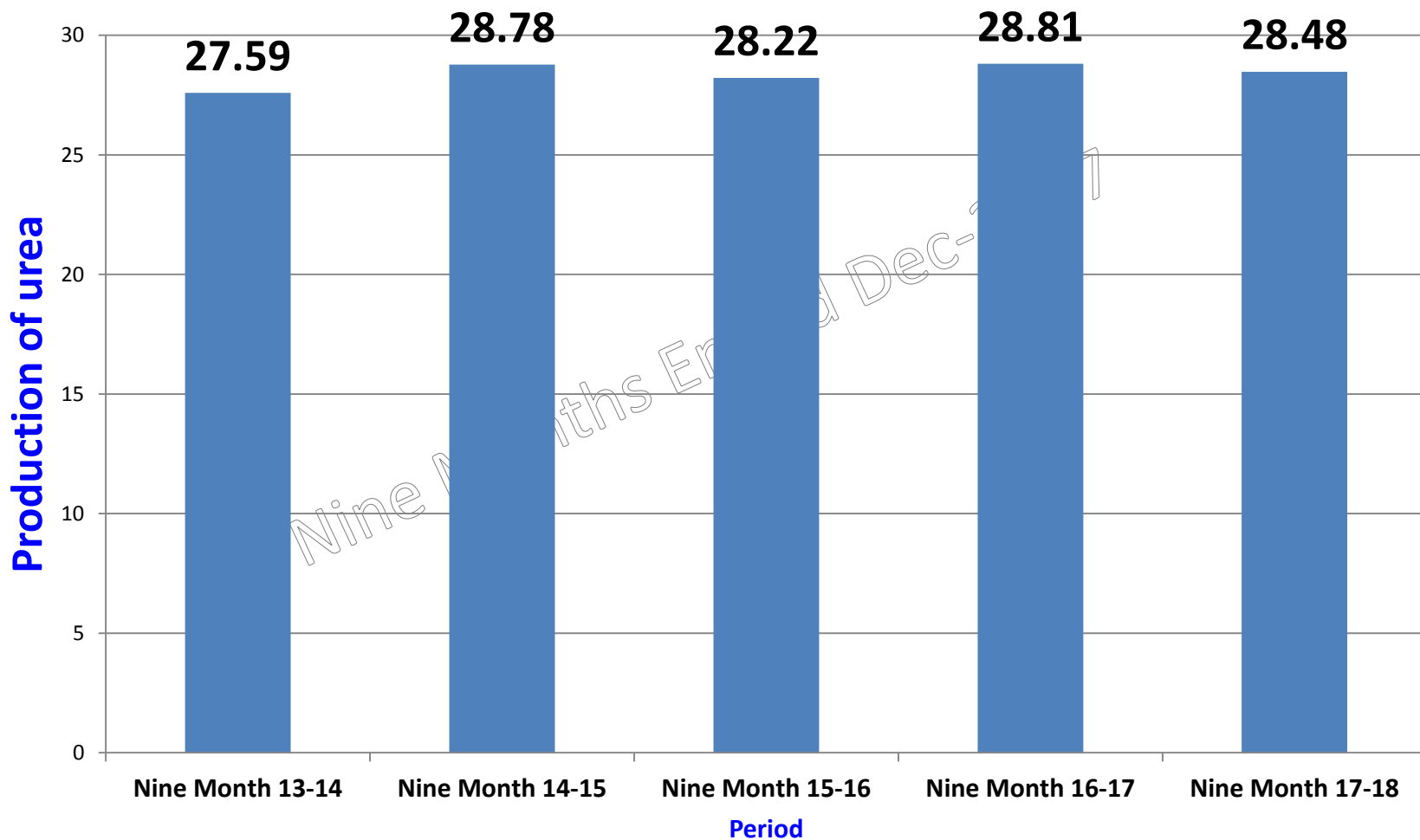
Lakh MT

Unit	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY
Nangal	1.41	1.45	2.87	2.38	4.28	3.83
Panipat	1.51	1.47	2.91	2.52	4.42	3.99
Bathinda	1.51	1.46	2.61	2.84	4.12	4.31
Vijaipur I	2.69	2.65	5.09	5.37	7.78	8.02
Vijaipur II	2.69	3.15	5.18	5.52	7.87	8.67
Total	9.82	10.18	18.66	18.63	28.48	28.81

1. Production of urea during the nine months period was higher at Nangal and Panipat units as compared to CPLY.
2. Due to annual turnaround of plants, at Bathinda unit for 18 days, at Vijaipur-I unit for 13 days and at Vijaipur-II unit for 42 days, the production of urea was lower.

Production of Urea For The First Nine months of Last 5 Years

Production in LMT



PRODUCTION OF INDUSTRIAL PRODUCTS (with one stream in operation) & BIO-FERTILIZERS

Qty. in MT

Sr. No.	Products	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY
A.	At Nangal Unit						
1	Nitric Acid	20278	19339	36060	37160	56338	56499
2	Ammonium Nitrate (Melts)*	2960	3354	4030	3454	6990	6808
3	Sodium Nitrate/ Nitrite	721	740	1539	1683	2260	2423
B.	At Vijaipur-I Unit						
1	Bio-Fertilizers	68	67	107	96	175	163

•The raw material for Ammonium Nitrate is Ammonia and Nitric Acid.

- Decrease in production of Industrial Products in nine months period was mainly due to decrease in demand due to availability of imported Nitric Acid and Ammonium Nitrate at cheaper rates.
- Operationalization of 2nd stream of Nitric Acid Plant with equal capacity is under feasibility study.

PURCHASE OF OTHER FERTILIZERS ETC.

Particulars	Unit	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY
DAP *	MT	40302	-	288320	214203	328622	214203
MOP @	MT	-	-	27487	-	27487	-
APS #	MT	-	-	27005	-	27005	-
BS \$	MT	-	900	-	4019	-	4919
Total	MT	40302	900	342812	218222	383114	219122
Compost	MT	6462	2222	4467	285	10929	2506
Agro Chemicals	Nos.	229011	-	407200	-	419700	-
Seeds	Qtls.	28388	19331	2228	17335	30616	36665

* Diammonium Phosphate

@ Muriate of Potash

Ammonium Phosphate Sulphate

\$ Bentonite Sulphur

- DAP/MOP/APS and BS have been imported for trading.
- No BS was imported due to uncertain international market/prices and planned start of own manufacturing of BS at Panipat Unit.

ENERGY CONSUMPTION AND ON STREAM DAYS

ENERGY CONSUMPTION (GCAL/MT OF UREA)

Units	Energy Norms under NUP-2015	Oct-Dec 17	CPLY	Apr-Dec 17	CPLY
Nangal	7.095	6.683	6.855	6.767	6.922
Panipat	7.614	6.627	7.007	6.770	7.161
Bathinda	7.479	6.668	6.912	6.927	6.920
Vijaipur-I	5.904	5.757	5.792	5.780	5.752
Vijaipur-II	5.569	5.425	5.303	5.403	5.338

➤ Energy consumption during the quarter ended 31.12.2017 was lower than CPLY at all units except Vijaipur-II where annual shutdown was taken.

➤ Energy consumption during nine months ended 31.12.2017 was lower than CPLY at Nangal and Panipat units.

➤ Energy consumption during nine months ended 31.12.2017 was higher at Bathinda and Vijaipur-I & II units due to lower production due to annual shutdown taken.

ON-STREAM DAYS

Unit	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY
Nangal	84	90	175	151	259	241
Panipat	91	89	180	157	271	246
Bathinda	91	88	161	178	252	266
Vijaipur I	88	86	169	178	257	264
Vijaipur II	77	92	155	166	232	258

- Production of urea during the nine months period was higher at Nangal and Panipat units as compared to CPLY.
- Due to annual turnaround of plants, at Bathinda unit for 18 days, at Vijaipur-I unit for 13 days and at Vijaipur-II unit for 42 days, the production of urea was lower.

SALES AND STOCKS

SALES QUANTITY AND VALUE ₹ Crore

Particulars	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY	Inc. / (Dec.) %
Sale quantity of urea (LMT)	10.47	11.59	19.72	17.28	30.19	28.87	5
Sale quantity of DAP/MOP/NPK (LMT)	2.67	1.61	1.04	0.46	3.71	2.07	79
Total	13.14	13.20	20.75	17.74	33.90	30.94	10
Gross Sales of Urea	2002.77	1985.91	3610.13	2979.05	5612.90	4964.96	13
Sale of Traded Goods (Breakup in Slide 18)	796.32	490.18	314.43	181.61	1110.75	644.06	72
Sale of Industrial Products & Bio-Fertilizers (Breakup in Slide 19)	41.66	41.36	79.02	105.53	120.68	146.89	(18)
Gross Sales	2840.75	2517.45	4003.58	3267.19	6844.33	5755.91	19

- Sale value of urea increased due to higher gas price by 26.30% despite decrease in sale quantity by 1.12 LMT.
- Sale value of other products increased (1.06 LMT) mainly due to increase in sale of DAP/MOP/NPK.

STOCK MOVEMENT OF UREA

(LAKH MT)

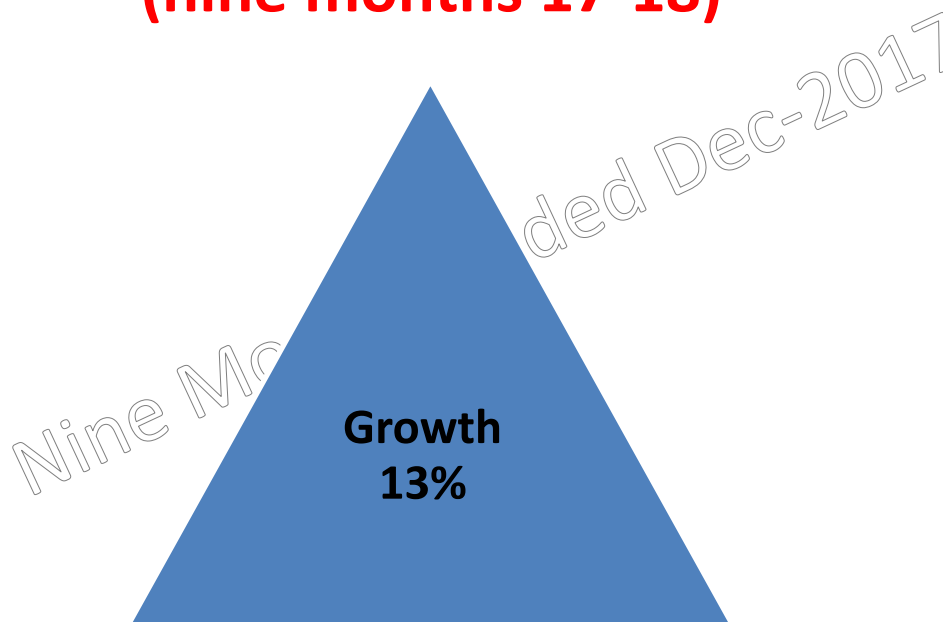
Particulars	9 Months ended 31.12.2017	9 Months CPLY
1. Opening Stock as on 01.04.2017	2.46	1.94
2. Production	28.48	28.81
3. Sale	30.19	28.87
Closing Stock as on 31.12.2017	0.76	1.88

(LAKH MT)

Particulars	3 Months ended 31.12.2017	3 Months CPLY
1. Opening Stock as on 01.10.2017	1.41	3.29
2. Production	9.82	10.18
3. Sale	10.47	11.59
Closing Stock as on 31.12.2017	0.76	1.88
Note: The lesser stock (1.41 LMT) was available for sale as on 01.10.2017 in comparison to stock (3.29 LMT) during CPLY.		

Sale Value of Urea For Nine Months 17-18 and Nine Months 16-17

₹5612.90 crore
(nine months 17-18)



₹4964.96 crore
(nine months 16-17)

SALE OF UREA –ZONE WISE

(LAKH MT)

Zonal Offices	Oct-Dec 17	CPLY	Apr-Sep 17	CPLY	Apr-Dec 17	CPLY
Chandigarh Zone	4.92	5.51	8.12	6.87	13.04	12.38
Bhopal Zone	2.77	3.28	5.48	5.14	8.25	8.42
Lucknow Zone	2.78	2.80	6.12	5.27	8.90	8.07
TOTAL	10.47	11.59	19.72	17.28	30.19	28.87

The above three zones caters to 16 states and NCT of Delhi.

Sale of Traded Goods - Breakup

₹ Crore

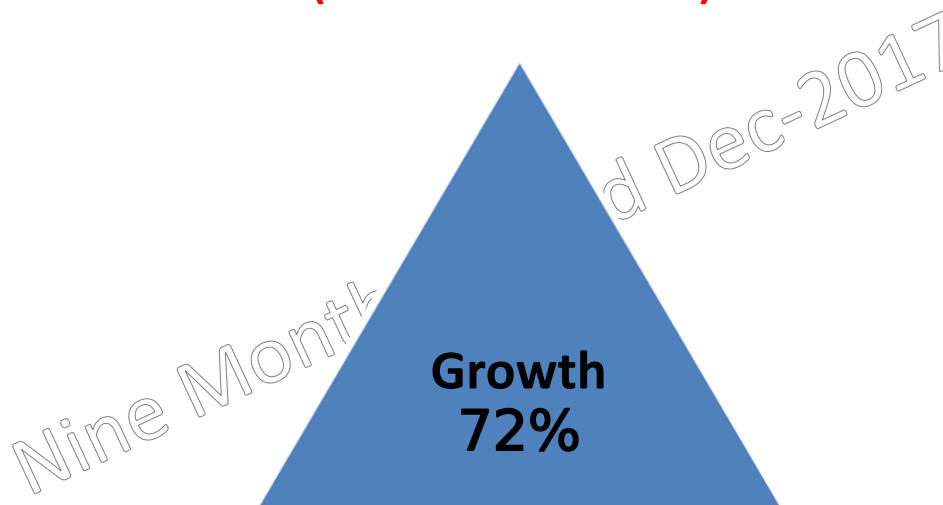
Particulars	Oct-Dec 17 Value	CPLY Value	Value Inc. / (Dec.) %	Apr-Sep 17 Value	CPLY Value	Apr-Dec 17 Value	CPLY Value	Value Inc. / (Dec.) %
DAP	708.58	478.50	48	265.21	147.35	973.80	625.85	56
MOP	23.40	-	100	26.82	-	50.22	-	100
NPK	36.97	-	100	17.86	-	54.83	-	100
BS	-	2.42	-	0.16	3.18	0.15	5.60	(97)
Seeds	11.42	8.85	29	0.60	3.24	12.02	12.09	(0.6)
Compost	2.80	0.41	582	0.99	0.11	3.79	.52	629
Agro Chemicals	1.38	-	100	2.79	-	4.17	-	100
POS Devices	11.77	-	100	-	-	11.77	-	100
Traded goods (excluding gas swapping)	796.32	490.18	62	314.43	153.88	1110.75	644.06	72

- Increase in sale value during nine months period (by ₹ 466.69 crore) is due to higher quantity sale of DAP/MOP/NPK/Agro-chemicals.
- Sale of seeds during nine months period was lower due to non-availability of soya bean seeds due to crop failure in previous year.

Sale Value of Traded Goods For Nine Months 17-18 and Nine Months 16-17

₹1110.75 Crore

(nine months 17-18)



₹644.06 crore

(nine months 16-17)

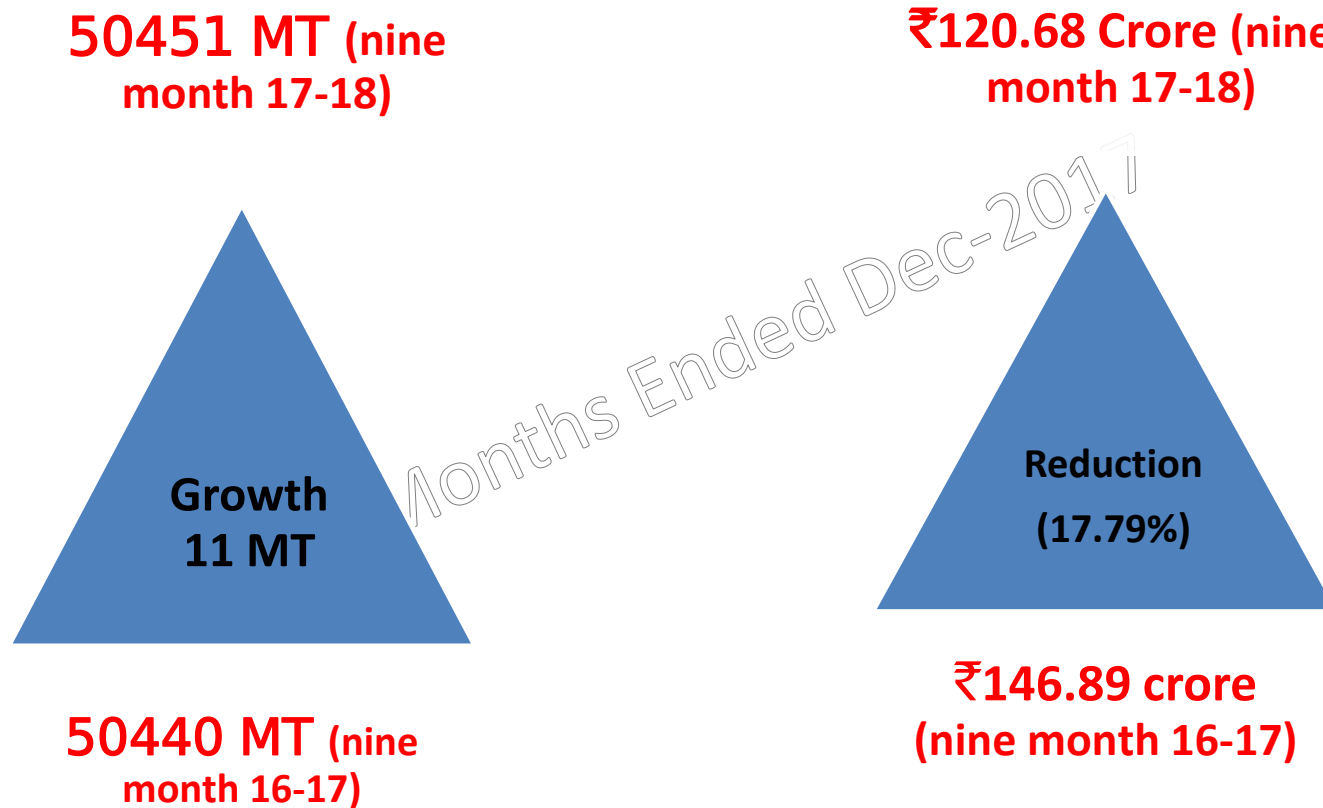
Note: Sale value during nine months ended 31.12.2016 is excluding gas swapping (₹28.73 crore)

Sale of Industrial Products - Breakup

Particulars	Oct-Dec 17 Value (₹ Crore)	CPLY Value (₹ Crore)	Apr-Sep 17 Value (₹ Crore)	CPLY Value (₹ Crore)	Apr-Dec 17 Value (₹ Crore)	CPLY Value (₹ Crore)	Value Inc. / (Dec.) %
Nitric Acid	28.94	30.43	58.15	89.82	86.91	119.84	(27)
Ammonium Nitrate	6.14	7.13	8.77	8.45	14.94	15.58	(4)
Sodium Nitrate/Nitrite	3.12	3.53	6.22	6.09	9.34	9.62	(3)
Bio Fertilizers	0.40	0.27	0.68	1.17	1.08	1.44	(25)
Technical Surplus Ammonia	2.71	-	-	-	6.27	-	100
Others	0.32	-	5.20	-	2.14	0.41	422
Total Industrial Products & Bio-Fertilizers	41.66	41.36	79.02	105.53	*120.68	146.89	(18)

***Sale value of industrial products decreased by ₹ 26.21 crore due to lower sales realization from sale of Nitric Acid due to availability of imported Nitric Acid and Ammonium Nitrate in India at cheaper rates during nine months ended 31st Dec. 2017.**

Sale Value of Industrial Product For Nine Months 17-18 and Nine Months 16-17



Note: Despite of higher sale quantity of major industrial products, the sale value has decreased due to lower price realization from sale of Nitric Acid due to availability of imported Nitric Acid and Ammonium Nitrate in India at cheaper rates as compared to CPLY.

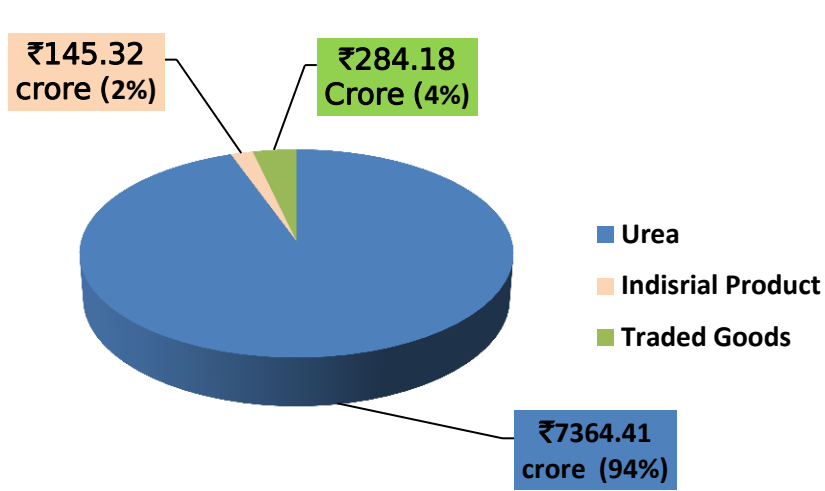
Sale Value Break-up

(₹ in crore)

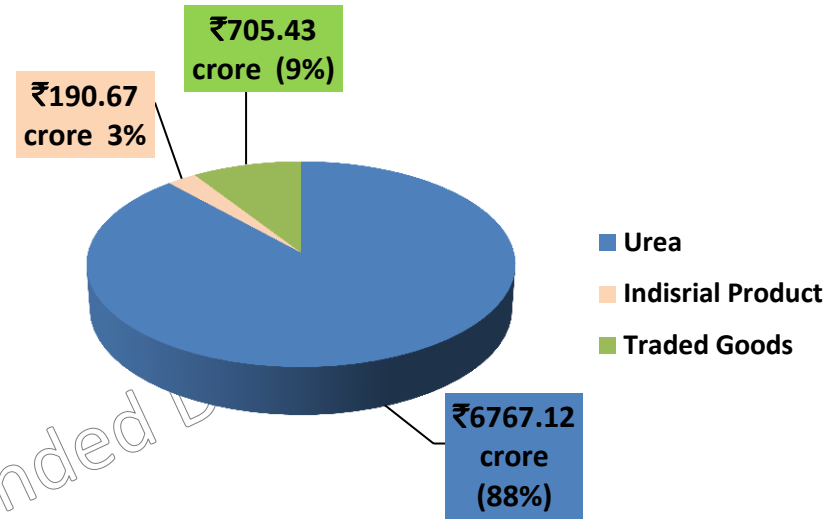
Products	FY-15-16		FY-16-17		Nine Months 17-18	
Urea	7364.41	94%	6767.12	88%	5612.90	82%
Industrial Product	145.42	2%	190.67	3%	120.68	2%
Traded Goods	284.18	4%	705.43	9%	1110.75	16%
TOTAL	7793.91		7663.22		6844.33	

Sale Value Break-up

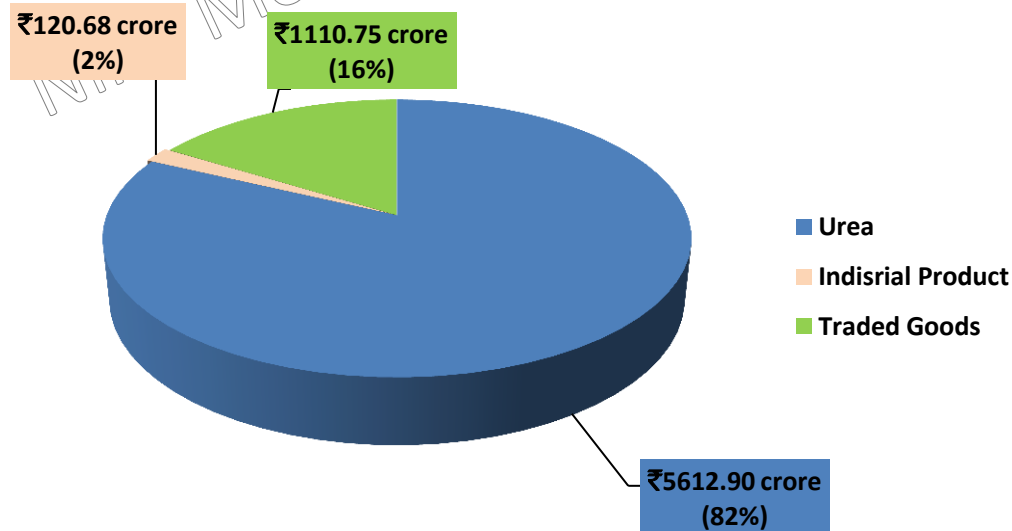
FY 15-16



FY 16-17

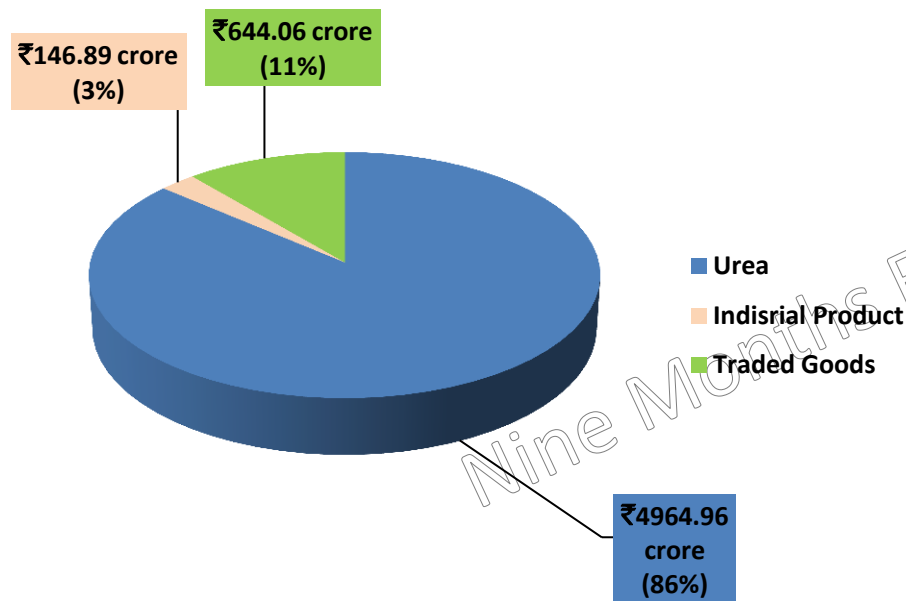


Nine Month 17-18



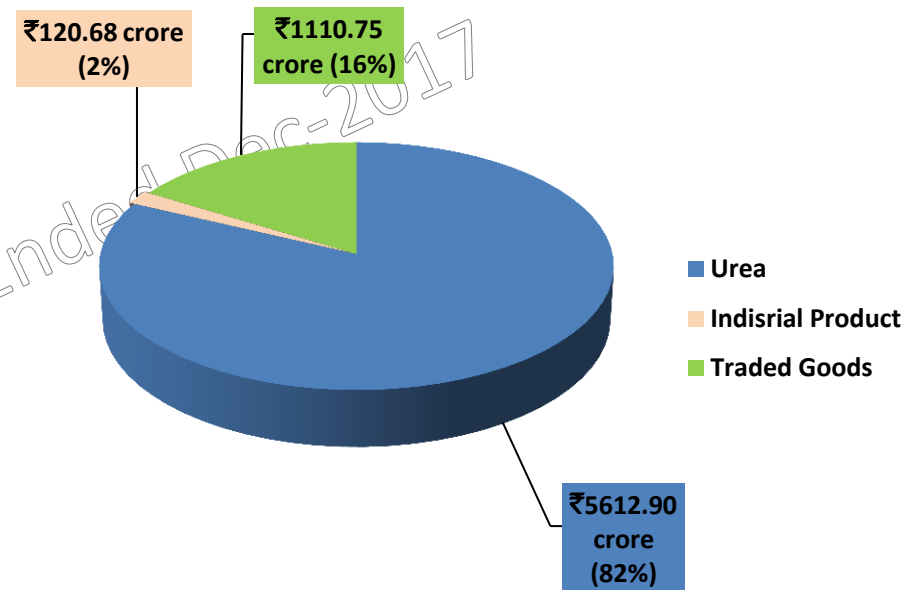
Sale Value of Urea and Other Products for Nine Months Ended 17

Nine Month 16-17



Urea **86%**
IP **3%**
Traded Goods **11%**

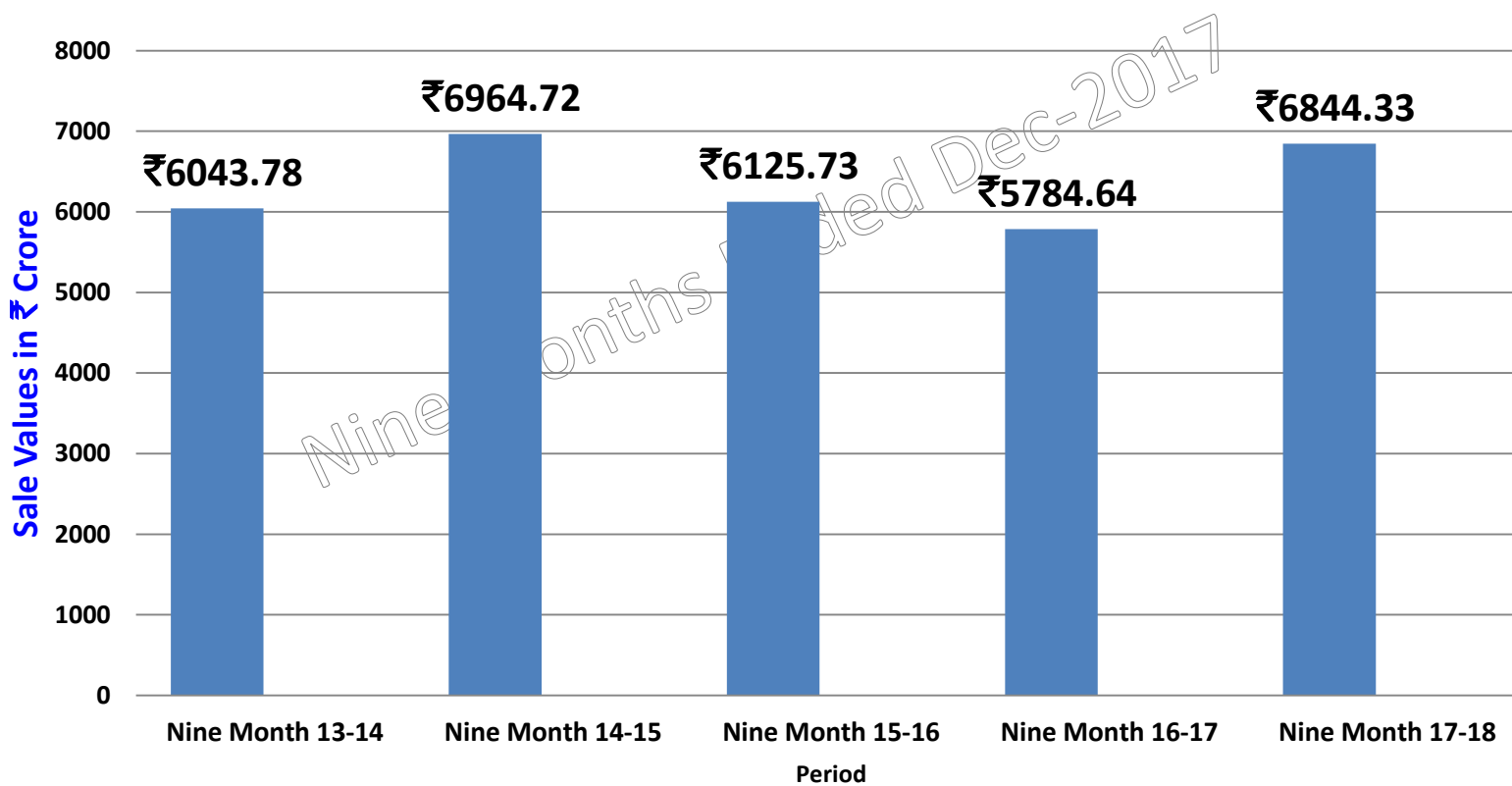
Nine Month 17-18



Urea **82%**
IP **2%**
Traded Goods **16%**

Sale value of Urea plus Other Goods for nine months (up to Dec.) of last 5 years

Urea + IP + Traded Goods



DETAILS OF STOCK OF FERTILIZERS

(LAKH MT)

Unit	As on 31.12.2017	As on 30.09.2017	As on 31.03.2017	As on 31.12.2016
A) UREA				
1. Silo	0.31	0.36	1.24	0.76
2. MIT	0.32	0.30	0.48	0.53
3. Warehouse	0.13	0.75	0.74	0.59
Total stock Of Urea (1+2+3)	0.76	1.41	2.46	1.88
Note : Urea stock has reduced from 2.46 LMT as on 31.03.2017 to 0.76 LMT as on 31.12.2017.				

B) OTHER FERTILIZERS			Qty. in MT	
1) DAP	5985	204530	-	9135
2) MOP	1686	14121	-	-
3) NPK	3452	20067	-	-
4) BS	-*	-	-	2676
Total (1+2+3+4)	11123	238718	-	11811

*Nil stock due to non-procurement of BS during current period due to non-viability.

OVERALL PERFORMANCES

(3rd Quarter ended 31.12.2017)

OVERALL PERFORMANCE (3rd Quarter ended on 31.12.17)

₹ Crore

Particulars	Qtr. Dec 17	CPLY	Increase / (Decrease)	
			₹ Crore	%
Gross Sales	2840.75	2517.45	323.30	13
Total Expenses (excluding provision for Pay-Revision and Gratuity)-Details slide no. 38	2601.00	2350.00	251.00	11
Total Expenses (including provision for Pay-Revision and Gratuity) -Details slide no. 38	2728.12	2350.00	378.12	16
EBITDA@ (excluding provision for Pay-Revision and Gratuity)	239.75	167.45	72.30	43
EBITDA@ (including provision for Pay-Revision and Gratuity)	112.63	167.45	(54.82)	(33)
Less : Other Income	48.42	9.20	39.22	426
Less : Finance cost	47.78	36.83	10.95	30
Less : Depreciation	25.81	24.87	0.94	4
Profit / (Loss) before tax (PBT) - without impact of pay revision, gratuity and other income from sale of assets	177.49	114.95	62.54	54
Profit / (Loss) before tax (PBT) - with impact of pay revision, gratuity and other income from sale of assets	87.46	114.95	(27.49)	(24)
Tax expense	34.96	41.71	(6.75)	(16)
Profit/(Loss) after tax (PAT)	52.50	73.24	(20.74)	(28)
Other comprehensive income/(loss) net of tax	(6.68)	(2.85)	(3.83)	134
Total Comprehensive income/(loss)	45.82	70.39	(24.57)	(35)

Details of Expenses (3rd Quarter ended on 31.12.17)

Particulars	Qtr. Dec 17	CPLY	Increase/ (Decrease)	Remarks
Production of urea (LMT)	9.82	10.18	(0.36)	Mainly due to annual shutdown at Vijaipur-II unit.
Dispatches of urea (LMT)	9.87	11.17	(1.30)	Due to lower availability of opening stock of urea in comparison to CPLY.
DAP/MOP/NPK/BS Purchase (LMT)	0.40	-	0.40	NFL imported DAP/MOP/NPK during the period as compared to nil during CPLY.
	(₹ Crore)	(₹ Crore)	(₹ Crore)	
Cost of Materials consumed	883.33	774.95	108.38	Mainly due to rise in gas prices from to USD \$ 9.70/MMBTU from USD \$ 7.68/MMBTU during CPLY (i.e. increase of 26.30%)
Power and Fuel	600.78	563.86	36.92	
Purchase of Traded Goods *	107.67	9.52	98.15	Higher import of DAP/MOP/NPK (by 0.40 LMT).
Employee Benefits Expense	263.13	127.37	135.76	Mainly due to adhoc provision towards liability for gratuity and pay revision
Freight and Handling	161.84	166.92	(5.08)	Mainly due to lower dispatches of urea of 9.82 LMT as compared to 10.18 LMT during CPLY.
Repairs and Maintenance	20.27	15.90	4.37	Marginal decrease.
Excise duty	(0.12)	13.52	(13.64)	Mainly due to implementation of Goods & Services Tax (GST) from July-2017 onwards.
Other Expenses	41.29	41.48	(0.19)	
(Incr.)/Dec. in inventories	649.93	636.48	13.45	
Total Expenses	2728.12	2350.00	378.12	Increased by 16.09%
* Includes cost of fertilizers purchased, custom duty, port charges, GST etc.				43

FINANCE COST

₹ Crore

Particulars	Qtr. Dec 17	CPLY	Increase/ (Decrease)
Interest on Long Term Loans	1.90	1.91	(0.01)
Interest on working capital Loans (excluding interest on trading activities)	32.10	32.71	(0.61)
Other borrowing costs	1.24	2.21	(0.97)
Total finance cost	35.24	36.83	(1.59)
Interest on Trading Activities	12.54	NIL	12.54
Total finance cost (including trading activities)	47.78	36.83	10.95
Less: Interest earned on deposits	0.32	0.45	(0.13)
Net finance cost	47.46	36.38	11.08

- The total finance cost has reduced by ₹ 1.59 crore.
- The finance cost has increased by ₹12.54 crore due to higher working capital borrowings for trading of imported fertilizers.
- The other borrowing cost reduced by ₹ 0.97 crore due to longer duration CP raised.

Analysis of Interest on Working Capital Loan

Particulars	Qtr. Dec 17	CPLY	Saving/ (Increase)
Average cash credit utilization (₹ crore)	2859.81	1965.00	(894.81)
Average rate of interest	6.24%	6.66%	0.42%
Interest on working capital loans (₹ crore)	44.64	32.71	(11.93)
Rate variance - Savings	₹ crore		2.95
Quantity variance (Higher Borrowings mainly due to trading activities)	₹ crore		(14.88)

INTEREST COVERAGE RATIO

Particulars	Unit	Qtr. ended Dec 17	CPLY
Cash available for debt service (PBT + Depreciation + Finance cost)	₹ crore	161.05	176.65
Finance Cost	₹ crore	47.78	36.83
Interest Coverage Ratio	Times	3.37	4.80
Finance Cost (including Loan Repayment)	₹ crore	53.82	44.41
Debt Service Coverage Ratio	Times	2.99	3.98
<p>➤ Interest Coverage Ratio & Debt Service coverage Ratio have decreased from 4.80 times & 3.98 times during CPLY to 3.37 times & 2.99 times respectively, during the current quarter due to increase in finance cost and decrease in EBITDA mainly due to provision for pay revision and gratuity</p>			

SUMMARISED FINANCIAL PERFORMANCE (Qtr ended 31.12.17)

Company has earned profit before tax of ₹ 87.46 crore including the provision for gratuity and pay revision for ₹ 127.12 crore during the quarter ended 31st Dec, 2017 as against profit before tax of ₹ 114.95 crore during CPLY i.e. decrease in profit by ₹ 27.49 crore. **However, PBT on like to like basis increased by ₹ 62.54 crore in comparison to CPLY.**

PBT has increased mainly due to:

- 1) Lower energy consumption.
- 2) Increase in profit from traded goods.
- 3) Increase in contribution from Industrial Products
- 4) Increase in other income .
- 5) Decrease in finance cost.

The increase was partially off-set by:

- 1) Increase in employee benefit expense mainly due to Provision for Pay revision and Provision for actuarial liability for gratuity.
- 2) Decrease in contribution from urea due to lower sale.
- 3) Increase in selling expenses

OVERALL PERFORMANCES

(NINE MONTHS ENDED 31.12.2017)

OVERALL PERFORMANCE (Nine Months ended on 31.12.17)

₹ Crore

Particulars	Nine Month Dec 17	CPLY	Increase / (Decrease)	
			₹ Crore	%
Gross Sales	6844.33	5784.64	1059.69	18
Total Expenses (excluding provision for Pay-Revision and Gratuity)-Details slide no. 45	6320.59	5394.32	926.27	17
Total Expenses (including provision for Pay-Revision and Gratuity) -Details slide no. 45	6480.73	5394.32	1086.41	20
EBITDA@ (excluding provision for Pay-Revision and Gratuity)	523.74	390.32	133.42	34
EBITDA@ (including provision for Pay-Revision and Gratuity)	363.60	390.32	(26.72)	(7)
Less : Other Income	65.84	32.73	33.11	101
Less : Finance cost	143.17	153.34	(10.17)	(7)
Less : Depreciation	55.68	66.89	(11.21)	(17)
Profit / (Loss) before tax (PBT) - without impact of pay revision and gratuity and other income	353.64	202.82	150.82	74
Profit / (Loss) before tax (PBT) - with impact of pay revision and gratuity	230.59	202.82	27.77	14
Tax expense	85.50	83.67	1.83	2
Profit/(Loss) after tax (PAT)	145.09	119.15	25.94	22
Other comprehensive income/(loss) net of tax	(7.43)	(6.01)	(1.42)	24
Total Comprehensive income/(loss)	137.66	113.14	24.52	22

Details of Expenses (Nine Months ended on 31/12/17)

Particulars	Nine Month Dec 17	CPLY	Increase/ (Decrease)	Remarks
Production of urea (LMT)	28.48	28.81	(0.33)	On account of lower on stream days due to annual turnaround at Bathinda, Vijaipur I & II units.
Dispatches of urea (LMT)	29.41	29.00	0.41	Due to lower availability of opening stock of urea in comparison to CPLY.
DAP/MOP/NPK/BS Purchase (LMT)	3.83	2.19	1.64	Higher import of DAP/MOP/NPK during the period in comparison to CPLY.
	(₹ Crore)	(₹ Crore)	(₹ Crore)	
Cost of Materials consumed	2404.55	2176.07	228.48	Increase in gas price (18.56%)
Power and Fuel	1745.05	1609.36	135.69	
Purchase of Traded Goods *	902.72	570.49	332.23	Higher purchase of DAP/MOP/NPK by 1.64 LMT
Employee Benefits Expense	538.62	355.87	182.75	Mainly due to adhoc provision towards liability for gratuity and pay revision
Freight and Handling	478.49	418.44	60.05	Mainly due to higher sale of DAP/MOP/NPK by 1.64 LMT and higher dispatches of urea by 0.41 LMT .
Repairs and Maintenance	61.34	59.07	2.27	Marginal increase.
Excise duty	11.81	38.20	(26.39)	Mainly due to implementation of Goods & Services Tax (GST) from July-2017 onwards.
Other Expenses	126.98	130.19	(3.21)	
(Incr.)/Dec. in inventories	211.17	36.63	174.54	
Total Expenses	6480.73	5394.32	1086.41	Increase by 20%.

* Includes cost of fertilizers purchased, custom duty, port charges, etc.

FINANCE COST

₹ Crore

Particulars	Nine Month Dec 2017	CPLY	Increase/ (Decrease)
Interest on Long Term Loans	6.42	11.66	(5.24)
Interest on working capital Loans (excluding interest on trading activities)	103.64	136.23	(33.51)
Other borrowing costs	4.02	4.53	(0.51)
Total finance cost	114.08	152.42	(38.34)
Add: Interest on Trading Activities	29.09	0.92	28.17
Total finance cost (including trading activities)	143.17	153.34	(10.17)
Less: Interest earned on deposits	2.10	6.87	(4.77)
Net finance cost	141.07	146.47	(5.40)

- Finance cost has decreased due to lower interest rates and efficient borrowings mix adopted by the company by ₹38.34 crore.
- The Interest cost amounting to ₹ 29.09 crore increased on account of higher working capital borrowings for trading of DAP, MOP and NPK.
- Despite that overall basis interest cost reduced by ₹10.17 crore.

Analysis of Interest on Working Capital Loan

Particulars	Nine Month Dec 2017	CPLY	Saving/ (Increase)
Average cash credit utilization (₹ crore)	2818.96	2543.92	275.04
Average rate of interest	6.28%	7.19%	1.11%
Interest on working capital loans (₹ crore)	132.73	137.15	(4.42)
Rate variance - Savings	₹ crore		19.24
Quantity variance - (due to higher Borrowings mainly due to trading activities)	₹ crore		(14.82)

INTEREST COVERAGE RATIO

Particulars	Unit	Nine Months Dec 17	CPLY
Cash available for debt service (PBT + Depreciation + Finance cost)	₹ crore	429.44	423.05
Finance Cost	₹ crore	143.17	153.34
Interest Coverage Ratio	Times	3.00	2.76
Finance Cost (including Loan Repayment)	₹ crore	181.14	192.77
Debt Service Coverage Ratio	Times	2.37	2.19
<p>➤ Interest Coverage Ratio & Debt Service coverage Ratio have increased from 2.76 times & 2.19 times during CPLY to 3.00 times & 2.37 times respectively during the nine months.</p>			

STEPS TAKEN TO REDUCE FINANCE COST

- Commercial paper (CP) borrowing increased to 93% (with average cost of 6.28%) as compared to 91% (at average cost of 7.19%) leading to reduced interest cost
- Borrowing through CP for a higher period of 60 to 90 days instead of 30 days which led to reduction in CP overhead cost
- Raised funds through borrowing against Inter Corporate Deposits from PSUs at a very competitive rate of 6.05% p.a.
- Raised short term funds through CD Rate and MIBOR linked loan as per the requirement from banks aggressively at cheaper rate.
- Increase in credit period from 15 days to 30 days for bag procurement (expected savings Rs.1.00 cr.)
- Payment Facilitation agreement in lieu of payment securitization (LC) executed on 2.02.2018 with IOCL which shall lead to savings in LC charges.
- Negotiation with IOCL is at advanced stage for increase in credit period to 15 days against Gas supply payment.
- Signed Agreement with SBI on 29.12.2017 in respect of Dealer Financing Scheme (e-DFS) to make available cheaper loan at interest rate of 8.80% pa to dealers as against their general borrowing rate of around 10% to 14% pa. It will enable NFL to manage its working capital requirement in a better way.
- Signed Agreement with SBI on 29.12.2017 in respect of Vendor Financing Scheme (e-VFS) to enable vendors to get loan at 8% pa from SBI. It will enable NFL to manage its working capital requirement in a better way.

SUMMARISED FINANCIAL PERFORMANCE (Nine month ended 31.12.17)

Company has earned profit before tax of ₹ 230.59 crore including the provision for gratuity and pay revision for ₹ 160.14 crore during the nine month ended 31st Dec, 2017 as against profit before tax of ₹ 202.82 crore during CPLY i.e. increase in profit by ₹ 27.77 crore.

Therefore, PBT on like to like basis increased by ₹ 150.82 crore in comparison to CPLY

PBT has increased mainly due to:

- 1) Increase in contribution from urea due to higher sale of urea by 1.32 LMT.
- 2) Lower energy consumption.
- 3) Increase in profit from traded goods.
- 4) Decrease in finance cost.
- 5) Increase in other income.

The increase was partially off-set by:

- 1) Increase in salary and wages mainly due to Provision for Pay revision and Provision for actuarial liability for gratuity.
- 2) Decrease in contribution from Industrial Products .
- 3) Increase in selling expenses

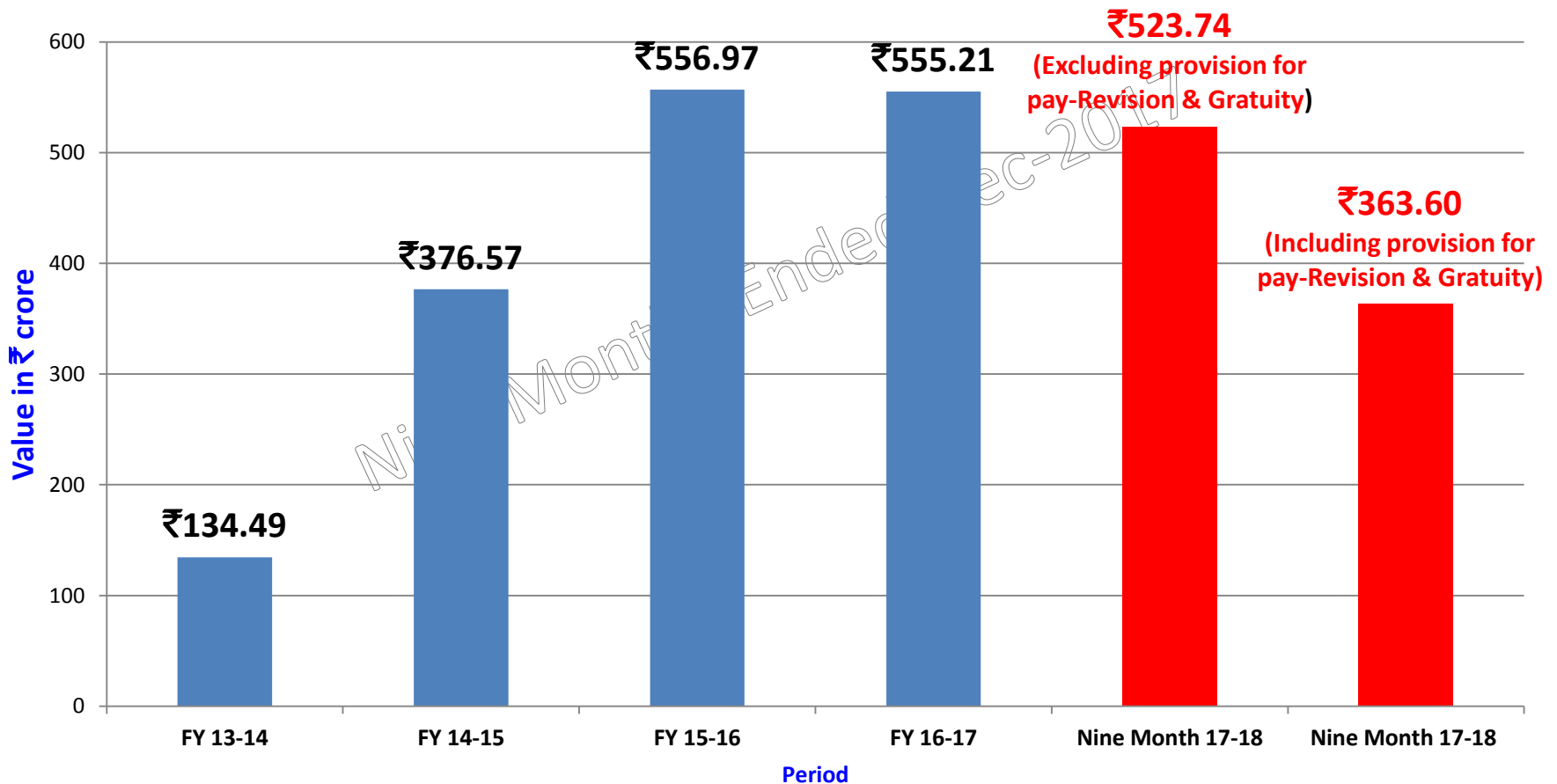
PLANT-WISE Profit / (Loss) Before Tax for Nine Months Dec-17-18

₹ Crore

Plant	Profit / (Loss) Before Tax	Profit / (Loss) Before Tax
	With impact of pay revisions & gratuity & Other income from sale of assets	Without impact of pay revisions & gratuity & Other income from sale of assets
Nangal	(29.90)	4.05
Panipat	61.16	80.50
Bathinda	2.90	23.69
Vijaipur-I	39.61	63.98
Vijaipur-II	70.97	95.57
Traded Goods etc.	85.85	85.85
Total	230.59	353.64

EBITDA For The Last 5 Financial Year Including Nine Months 2017-18

EBITDA



OVERALL PERFORMANCE

₹ Crore

Particulars	HY Sep 17	Q-3 Dec- 17	Nine months-17	HY Sep 16	Q-3 Dec 16	CPLY (Nine months- 16)	Inc./ (Dec.) Nine Months	
							₹ Crore	%
Gross Sales	4003.58	2840.75	6844.33	3267.19	2517.45	5784.64	1059.69	18
Total Expenses (excl. provision for Pay-Revision & Gratuity)	3719.59	2601.00	6320.59	3044.32	2350.00	5394.32	926.27	17
Total Expenses (excl. provision for Pay-Revision & Gratuity)	3752.61	2728.12	6480.73	3044.32	2350.00	5394.32	1086.41	20
EBITDA (excl. provision for Pay-Revision & Gratuity)	283.99	239.75	523.74	222.87	167.45	390.32	133.42	34
EBITDA (incl. provision for Pay-Revision & Gratuity)	250.97	112.63	363.60	222.87	167.45	390.32	(26.72)	(7)
Add : Other Income	17.42	48.42	65.84	23.53	9.20	32.73	33.11	101
Less : Finance cost	95.39	47.78	143.17	116.51	36.83	153.34	(10.17)	(7)
Less : Depreciation	29.87	25.81	55.68	42.02	24.87	66.89	(11.21)	(17)
Profit / (Loss) before tax (PBT) - without impact of pay revision and gratuity	176.15	177.49	353.64	87.87	114.95	202.82	150.82	74
Profit / (Loss) before tax (PBT) - with impact of pay revision and gratuity	143.13	87.46	230.59	87.87	114.95	202.82	27.77	14
Tax expense	50.54	34.96	85.50	41.96	41.71	83.67	1.83	2
Profit/(Loss) after tax (PAT)	92.59	52.50	145.09	45.91	73.24	119.15	25.94	22
Other comprehensive income (net of tax)	(0.75)	(6.68)	(7.43)	(3.16)	(2.85)	(6.01)	(1.42)	24
Total Comprehensive income (net of tax)	91.84	45.82	137.66	42.75	70.39	113.14	24.52	22

KEY RATIOS

KEY FINANCIAL INDICATORS

₹ Crore

S. No.	Particulars	Nine Month Dec-17	CPLY
1	Gross Sales (including subsidy)	6844.33	5784.64
2	Cash available for debt service (PBT + Depreciation + Finance cost)	429.44	423.05
3	Profit Before Tax	230.59	202.82
4	Profit After Tax	145.09	119.15
5	Total Comprehensive Income	137.66	113.14
6	Net Worth	1914.13	1747.25
7	Debt (for D:E ratio calculation)	2646.08	1902.56
8	Average Capital Employed	8345.71	8958.72
9	Finance Cost	143.17	153.34
10	Finance cost including repayment of loan (for DSCR)	181.14	192.77

Contd...

KEY FINANCIAL RATIOS

S. No.	Particulars	Nine Months Dec- 17	CPLY
11	Earning Per Share (₹ 10/- each)	2.96	2.43
12	Earning Per Share (₹ 10/- each) (after considering OCI)	2.81	2.31
13	Return (Total Comprehensive Income) on Net Worth	7.19	6.48
14	Return (Total Comprehensive Income) on Average Net Worth	7.36	6.58
15	EBITDA*/Gross Sales	6.27	7.31
16	EBITDA*/Average Capital Employed	5.15	4.72
17	Current Ratio	1.38:1	1.38:1
18	Debt : Equity ratio	1.38:1	1.09:1
19	Debt Service Coverage Ratio (DSCR)	2.37:1	2.19:1
20	Interest Coverage Ratio	3.00:1	2.76:1

- **Debt Equity Ratio** = {Total Borrowings(excluding borrowings for conversion from feedstock FO to Gas projects for urea as same is reimbursable under the GOI policy)/ Net worth}.
- **Debt Service Coverage Ratio** = {Earning before Interest, Depreciation, Exceptional Items and Tax/Actual Interest Payment + Long Term Loan payments}.
- **Interest Coverage Ratio** = {Earning before Interest, Depreciation, Exceptional Items and Tax/Interest}.

* **EBITDA for the ratio is PBT + Depreciation + Finance cost**

DEBT TO EQUITY RATIO

₹ Crore

S. No.	Particulars	As on 31 st Dec 17	CPLY
1	Long term Borrowings	379.23	1199.54
2	Short term Borrowings	2453.06	1633.80
3	Total Borrowings	2832.29	2833.34
4	Borrowings pertaining to AFCP (Urea) excluded being reimbursed by GoI	186.21	930.78
5	Net Borrowings	2646.08	1902.56
6	Net worth	1914.13	1747.25
7	Debt : Equity ratio (5 divided by 6)	1.38 : 1	1.09 : 1

➤ The Net Borrowing to Net worth ratio has increased to 1.38 as on 31st Dec, 2017 as compared to 1.09 as on 31st Dec, 2016.

MAJOR INVESTMENT AND CAPEX IN PIPELINE

INVESTMENT IN RAMAGUNDAM FERTILIZERS & CHEMICAL LIMITED (RFCL) PROJECT

➤ Detail of the project

- Brownfield project for manufacturing of urea with Annual Installed Capacity of 12.71 LMT.
- Process Licensor for supply of Technology & Know-how for Ammonia is HTAS Denmark and for Urea is SAIPEM Italy.
- Project is being implemented through EPCM mode and M/s EIL is EPMC contractor.
- Zero Date - 25th September 2015.
- Scheduled commissioning date is September 2018.
- Project Capital Cost - ₹ 5254 crore (US \$ 809.60 Million)
- Debt Equity of 75 : 25 (Debt of ₹3940 crore and Equity of ₹ 1314 crore).
- Equity contribution NFL - 26%, EIL - 26%, FCIL - 11%, State Government of Telangana 11% already tied up and 26% under tie-up {i.e. GAIL (14.30 %) and consortium of HTAS (11.70 %)}.
- Debt of ₹ 3940 crore has been tied-up with SBI led consortium of six Banks.

➤ Current Status

- Gas Supply agreement signed with M/s GAIL on 17.11.2017.
- Gas Transportation agreement signed with M/s GTIL on 8.07.2016.
- Agreement for Water and Power connectivity through Govt. of Telangana is under progress.

Cont....

Cont.... RFCL PROJECT investment

- Debt of ₹ 3940 crore has been arranged from consortium of six banks and disbursement of loan has begun and loan of ₹ 615.92 crore has been drawn as on 31.12.2017 .
- NFL & EIL has contributed equity of ₹ 218.69 crore each till 31.12.2017. Equity contribution by Govt. of Telangana is ₹ 72.21 crore till 31.12.2017.
- Actual capital expenditure of ₹ 1103 crore has been incurred till 31.12.2017.
- **Manpower Management consultancy agreement between NFL and RFCL has been signed on 24.11.2017 for recruitment, training and supply of manpower to RFCL by NFL.**
- RFCL shall reimburse actual recruitment and training expenses plus GST. RFCL shall pay Management fee @20% on actual training and recruitment expenses billed by NFL.
- Marketing of urea will be done by NFL and service charges shall be paid by RFCL to NFL. The Marketing contract is under finalization.

MAJOR CAPEX IN PIPELINE (Around ₹ 1300 crore)

- Energy saving projects at Nangal, Bathinda and Panipat units in compliance to NUP-2015 with a project cost of ₹ 674 crore. LSTK contractor appointed and LOI has been issued on 1.02.2018.
- Di-Nitrogen Tetroxide Plant at Vijaipur unit on Built Own Operate and Supply (BOOS) basis for ISRO with a project cost of ₹ 350 crore.
- Energy saving projects at Vijaipur-I & II units in compliance to NUP-2015 with a project cost of ₹ 220 crore and NIT under finalization
- Natural Draft Prilling Tower at Panipat & Bathinda Units - ₹ 90 crore

SEGMENT RESULTS

SEGMENT RESULTS

₹ Crore

Particulars	Qtr. ended Dec 17	CPLY	Nine Months Dec 17	CPLY
Segment Revenue				
Urea	2002.77	1985.91	5612.90	4964.96
	70.50%	78.89%	82.01%	85.83%
Other Products	837.98	531.54	1231.43	819.68
	29.50%	21.11%	17.99%	14.17%
Total	2840.75	2517.45	6844.33	5784.64
Segment Results				
Urea	63.42	120.64	287.65	292.68
	41.08%	74.71%	69.00%	77.56%
Other Products (Industrial Products, Traded Goods and Bio-Fertilizers)	90.96	40.84	129.21	84.69
	58.92%	25.29%	31.00%	22.44%
Total	154.38	161.48	416.86	377.37

THANK YOU