



# **FINANCIAL PERFORMANCE FOR THE QUARTER JUNE 2018**

## **National Fertilizers Limited**

# BRIEF OVERVIEW

## Introduction

- **Incorporated** on 23<sup>rd</sup> August, 1974.
- **Share Capital details as on 30.06.2018.**
  - Authorized capital : ₹ 1,000.00 crore.
  - Paid up capital : ₹ 490.58 crore.
  - Net-worth : ₹ 2,028.95 crore.

### Shareholding Pattern as on 30.06.2018:

- Government of India 74.71%
- Financial institutions/MFs/Foreign portfolio Investors 17.55%
- Non-Institutions/Individuals 7.74%.

## 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
<b>ANNUAL CAPACITY (LMT) – 32.31 LMT (RAC)</b>	<b>8.646</b>	<b>8.646</b>	<b>5.115</b>	<b>5.115</b>	<b>4.785</b>
<b>Annual Capacity after Urea Capacity Enhancement Projects at Vijaipur-I &amp; II units – 35.68 LMT</b>	<b>10.662</b>	<b>9.999</b>	<b>5.115</b>	<b>5.115</b>	<b>4.785</b>
<b>Capacity utilization for FY 2018-19 1<sup>st</sup> Qtr. 113% w.r.t. PRODUCTION 9.12 LMT against Quarterly RAC of 8.078 LMT (Annual 32.31 LMT)</b>	<b>130.77%</b>	<b>108.78%</b>	<b>114.14%</b>	<b>113.44%</b>	<b>86.44%</b>
<b>COMM. PRODUCTION</b>	<b>31<sup>st</sup> Mar 97</b>	<b>1<sup>st</sup> July 88</b>	<b>1<sup>st</sup> Oct 79</b>	<b>1<sup>st</sup> Sep 79</b>	<b>1<sup>st</sup> Nov. 78</b>
<b>After Revamp at Vijaipur and Ammonia Feedstock Changeover Project (AFCP) at Nangal, Panipat and Bathinda units.</b>	<b>31<sup>st</sup> Jul 12</b>	<b>24<sup>th</sup> Apr.12</b>	<b>11<sup>th</sup> Mar. 13</b>	<b>28<sup>th</sup> Mar. 13</b>	<b>18<sup>th</sup> Jul. 13</b>
<b>ENGINEERING CONTRACTOR (Main plant)</b>	<b>HTAS (DENMARK), SNAM (ITALY) &amp; PDIL</b>		<b>M/s Toyo Engineering Corp. (Japan) &amp; EIL</b>		<b>Technimon, UHDE &amp; PDIL</b>
<b>Revamp / AFCP</b>	<b>-do-</b>		<b>HTAS &amp; L&amp;T (LSTK)</b>		<b>KBR /Technimont</b>
<b>CAPTIVE POWER (111 MW)</b>	<b>3 X 17 MW (Gas)</b>		<b>2 X 15 MW (Coal)</b>	<b>2 X 15 MW (Coal)</b>	<b>GRID POWER</b>

➤ All manufacturing units are ISO 9001-2008, ISO 14001-2004 and OHSAS-18001 certified indicating NFL's commitment to quality, environment & occupational health & safety.

## BRIEF ON PLANTS AND TRADING ACTIVITIES

### Industrial Products, Bio-Fertilizers , Technical Surplus Ammonia etc.

Sr.	Plant	Located at	No. of streams	Annual Capacity of each stream (MT)
1.	Nitric acid	Nangal	2*	91410
2.	Ammonium Nitrate	Nangal	2*	118800
3.	Sodium Nitrate	Nangal	1	1980
4.	Sodium Nitrite	Nangal	1	2970
5.	Ammonia (Technical Surplus)	All units	-	117
6.	Bio-Fertilizers (Solid & Liquid) @	Vijaipur	-	900
7.	Bentonite Sulphur Plant	Panipat	NA	25000
8.	Seeds Multiplication Programme	5 locations	NA	35003 qntls. (annual arget)

### Traded Goods

#### Import

1. DAP
2. MoP
3. APS
4. NPK

#### Domestic

5. Compost
6. Seeds
7. Agro-chemicals (25 molecules)

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

\* At present , only one stream of Nitric Acid and Ammonium Nitrate is in operation.

➤ Ammonia (Technical Surplus) Sold during the Qtr. Ended June-2018.

# PERFORMANCE HIGHLIGHTS FY 2017-18

## ➤ Ever best achievements during the FY 2017-18.

1. Production of Urea: 38.10 LMT
2. Sale of Urea: 39.16 LMT
3. Import of DAP/MOP/APS/NPK/BS: 4.59 LMT
4. Sale of DAP/MOP/APS/NPK/BS/Compost: 3.93 LMT
5. Sale of all fertilizers: 43.09 LMT
6. Turnover of ₹ 8928.29 crore
7. Turnover from Non-urea products 15%
8. Ever lowest energy consumption at Nangal, Panipat & Bathinda and Vijaipur I units.

## ➤ Ever best achievements during last 15 Years:-

1. PBT of ₹ 334.83 crore
2. PAT of ₹ 212.77 crore
3. EPS of ₹ 4.34/- (equity share of ₹ 10 each)

## PERFORMANCE HIGHLIGHTS FY 2017-18

- Increased non urea business from 1% in 2014-15 to 15% in 2017-18.
- Transformed from single product to a multiple product company (16 major products)
- Import of fertilizers like DAP, MOP, NPK, APS, BS to the tune of 4.47 LMT (increase of 106% over previous year)
- Sale of 3.82 LMT Imported fertilizers for ₹ 1102 crore against 2.17 LMT in 2016-17.
- Import of 4.01 LMT urea on Government Account during FY 2017-18.
- Bentonite Sulphur plant with 25000 MT capacity commissioned at Panipat.
- Under SMP seed sowing area increased from 198 hectare in 2015-16 to 2100 hectare in 2017-18.
- Developed 16 acres dedicated R&D farm to produce best quality foundation seeds from breeder seeds.
- Sale of agrochemicals business increased to ₹ 10 crore as against ₹ 50 lakhs in 2016-17.

## FINANCIAL PERFORMANCE AT A GLANCE (Preceding 3 Years) (₹crore)

SL .No.	Particulars	2015-16	2016-17	2017-18
1	Production (Urea) (LMT)	37.99	38.10054	38.10250
2	Capacity Utilization w.r.t. RAC (Urea %)	117.60	117.90	117.94
3	Sale of Urea (LMT)	36.41	37.58	39.16
4	Sale of Other Fertilizers (LMT)	0.52	2.20	3.93
5	Sale of All Fertilizers (LMT)	36.93	39.78	43.09
6	Gross sales	7794	7643	8928
7	Other Operating Revenue	35	29	79
8	Total Revenue From Operation	7829	7672	9007
9	Other Income	12	16	18
10	<b>Total Income</b>	<b>7841</b>	<b>7688</b>	<b>9025</b>
11	<b>Total Expenses</b>	<b>7237</b>	<b>7088</b>	<b>8427</b>
12	EBITDA (PBT+ Depreciation + Finance cost)	604	600	598
13	<b>Interest</b>	<b>228</b>	<b>190</b>	<b>190</b>
14	Depreciation	87	85	73
15	<b>Profit Before Tax</b>	<b>289</b>	<b>325</b>	<b>335</b>
16	<b>Profit After Tax</b>	<b>199</b>	<b>208</b>	<b>213</b>

## FINANCIAL PERFORMANCE AT A GLANCE (Preceding 3 Years) (₹crore)

SL .No.	Particulars	2015-16	2016-17	2017-18
17	Net Fixed Assets	4291	4109	4144
18	Working Capital	1487	1424	735
19	Long Term Borrowings	1828	981	170
20	Short Term Borrowings	4296	3154	2890
21	Net Worth	1691	1827	1987
22	Return on Net Worth (%)	11.75	11.40	10.71
23	EPS (Rupees)	4.05	4.24	4.34
24	Book Value (Rs. per share)	34.46	37.23	40.51



## SALE QUANTITY (Preceding 3 Years)

SL .No.	Particulars	2015-16	2016-17	2017-18
1	Sale of Urea (LMT)	36.41	37.58	39.16
2	Sale of Traded Goods:- DAP (LMT)	0.51	2.14	3.28
	MOP (LMT)	-	-	0.27
	APS (LMT)	-	-	0.26
	BS (LMT)	0.01	0.03	-
	Compost (LMT)	-	0.03	0.12
	Total (2)	0.52	2.20	3.93
3	Sale of Industrial and others Product (LMT)	0.57	0.80	0.88
4	Total Sales (₹ in Crore)	7794	7643	8928

**PERFORMANCE  
FOR  
THE QUARTER  
JUNE-2018**

# PERFORMANCE HIGHLIGHTS

- Production of urea of 9.12 LMT (9.39 LMT during CPLY)
- Sale of urea 8.56 LMT (9.65 LMT during CPLY)
- Sale of DAP/MOP/APS/NPK/Compost of 0.59 LMT (0.21 LMT during CPLY)
- Sale of all fertilizers of 9.15 LMT (9.86 LMT during CPLY)
- Gross Sale of ₹ 2158.50 crore (₹ 1870.87 crore during CPLY)
- EBITDA of ₹ 146.79 crore (₹ 91.84 crore during CPLY) i.e. increase of ₹ 54.95 crore
- PBT of ₹ 65.91 crore (₹ 39.66 crore during CPLY) i.e. increase of ₹ 26.25 crore
- PAT of ₹ 41.22 crore (₹ 25.87 crore during CPLY) i.e. increase of ₹ 15.35 crore
- Total Comprehensive Income of ₹ 41.55 crore (₹ 25.50 crore during CPLY) i.e. increase of ₹ 16.05 crore.

**CPLY : Corresponding period of last year**

# OVERALL PERFORMANCE ₹Crore

Particulars	Qtr. June 2018	CPLY	Increase/(decrease)	
			₹ Crore	%
Gross Sales	2158.50	1870.87	287.63	15
Other Operating Revenue	8.86	5.41	3.45	64
Total Revenue from Operation	2167.36	1876.28	291.08	16
Total Expenses	2020.57	1784.44	236.13	13
Earnings before interest, depreciation and tax	146.79	91.84	54.95	60
Add : Other Income	1.58	2.38	(0.80)	(34)
Less : Finance cost	64.32	40.45	23.87	59
Less : Depreciation	18.14	14.11	4.03	29
Profit / (Loss) before tax (PBT)	65.91	39.66	26.25	66
Tax expense	24.69	13.79	10.90	79
Profit/(Loss) after tax (PAT)	41.22	25.87	15.35	59
Other comprehensive income/(loss) net of tax	0.33	(0.37)	0.70	189
Total Comprehensive income/(loss)	41.55	25.50	16.05	63

# SALE (QTY. & VALUE)

₹ Crore

Particulars	Qtr. June 2018	CPLY	Increase/(decrease)	
			₹ Crore	%
Sale quantity of Urea (LMT)	8.56	9.65	(1.09) LMT	(11)
Sale quantity of DAP/MOP/APS/BS/Compost (LMT) (details in slide no. 12)	0.59	0.21	0.38 LMT	181
<b>Total</b>	<b>9.15</b>	<b>9.86</b>	<b>(0.71) LMT</b>	<b>(7)</b>
<b>Gross Sales of urea (₹ Crore)</b>	<b>1914.97</b>	<b>1763.48</b>	<b>151.49</b>	<b>9</b>
Sale of Traded Goods (details in slide no. 12) (₹ Crore)	193.47	57.93	<b>135.54</b>	<b>234</b>
Sale of Industrial products and Other Products (details in slide no. 13) (₹ Crore)	50.06	49.46	0.60	1
<b>Gross Sales</b>	<b>2158.50</b>	<b>1870.87</b>	<b>287.63</b>	<b>15</b>
<p>➤ Sale value of urea increased mainly due to increase in gas price (by 33.37%).</p> <p>➤ Sale value of other products increased mainly due to higher sale of DAP (0.44 LMT), APS (0.03 LMT) and NPK (0.07 LMT) during the quarter as against DAP (0.16 LMT) and NIL APS &amp; NPK in CPLY .</p>				

## Sale Break up of (Other Fertilizers & Other Product)

### Traded goods (Qty. and Value)

Particulars	Qtr. June 2018		CPLY		Increase/ (Decrease) with CPLY (₹ Crore)	Qty. Inc./ (Dec.) with CPLY	Qty. Inc./ (Dec.)with CPLY%
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
<b><u>Other Fertilizers</u></b>							
DAP (LMT)	0.44	155.75	0.16	49.06	106.69	0.28	175
MOP (LMT)	-	-	0.03	6.58	(6.58)	(0.03)	-
APS (LMT)	0.03	7.52	-	-	7.52	0.03	-
NPK (LMT)	0.07	23.21	-	-	23.21	0.07	-
Compost (LMT)	0.05	2.14	0.02	0.77	1.37	0.03	150
Sub Total	0.59	188.62	0.21	56.41	132.21	0.38	181
<b><u>Other products</u></b>							
Seeds (Quintals)	362	2.04	-	-	2.04	362	-
Agro Chemicals (Nos.)	267533	2.81	101441	1.52	1.29	166092	164
Traded goods (excluding gas swapping)		193.47		57.93	135.54		
<p>➤ Increase in sale value (by ₹ 135.54 crore) is due to higher quantity sale of DAP/APS/NPK/Compost/Seeds and Agro-chemicals .</p> <p>➤ No purchase of MOP and hence no sale during the quarter.</p> <p>➤ APS and NPK were not purchased during CPLY and hence no sale during CPLY.</p>							

## Sale Break up of Industrial & Other Products (Qty. & Value)

Particulars	Qtr. June 2018		CPLY		Increase/ (Decrease) with CPLY (₹ Crore)	Qty Increase/ (Decrease) with CPLY	Qty. Inc./ (Dec.) with CPLY %
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
<b>Nitric Acid (MT)</b>	16191	39.76	17874	36.54	3.22	(1683)	(9)
<b>Ammonium Nitrate (MT)</b>	2815	6.63	2494	5.67	0.96	321	13
<b>Sodium Nitrate /Nitrite (MT)</b>	638	3.03	819	3.42	(0.39)	(181)	(22)
<b>Sub Total</b>		<b>49.42</b>		<b>45.63</b>	<b>3.79</b>		
<b>Bio Fertilizers (MT)</b>	39	0.11	147	0.42	(0.31)	(108)	(73)
<b>Bentonite Sulphur</b>	476	-	-	-		-	-
<b>Technical Surplus Ammonia</b>	117	0.32	702	1.89	(1.57)	(585)	(83)
<b>Others</b>		0.21		1.52	(1.31)		
<b>Total Industrial Products &amp; Bio-Fertilizers</b>		<b>50.06</b>		<b>49.46</b>	<b>0.60</b>		

- Sale value of Nitric Acid was higher by ₹ 3.22 crore mainly due to higher price realization (by ₹ 6666/MT) during the current period although sale quantity was lower.
  - Sale of Bio-fertilizers was lower due to raw-material limitation.
  - Sale of technical surplus ammonia was lower due to lower availability within on account of plant limitations
- Note :** Pending GTR of Bentonite Sulphur plant at Panipat, 476 MT of Bentonite Sulphur sold during the quarter which has been taken to CWIP.

## SALE OF UREA (ZONE WISE) (LAKH MT)

Zonal Offices	Qtr. June 2018	CPLY	Increase/ (Decrease)
Chandigarh	3.87	4.61	(0.74)
Bhopal	2.53	2.27	0.26
Lucknow	2.16	2.77	(0.61)
<b>TOTAL</b>	<b>8.56</b>	<b>9.65</b>	<b>(1.09)</b>
<p>➤ Sale of urea at Chandigarh and Lucknow zone is lower in comparison to CPLY due to lower availability of stock in filed due to lower dispatches because of Railway restrictions/ non-availability of empty wagons during the current quarter.</p>			



## Turnover Growth in Qtr. June 2018

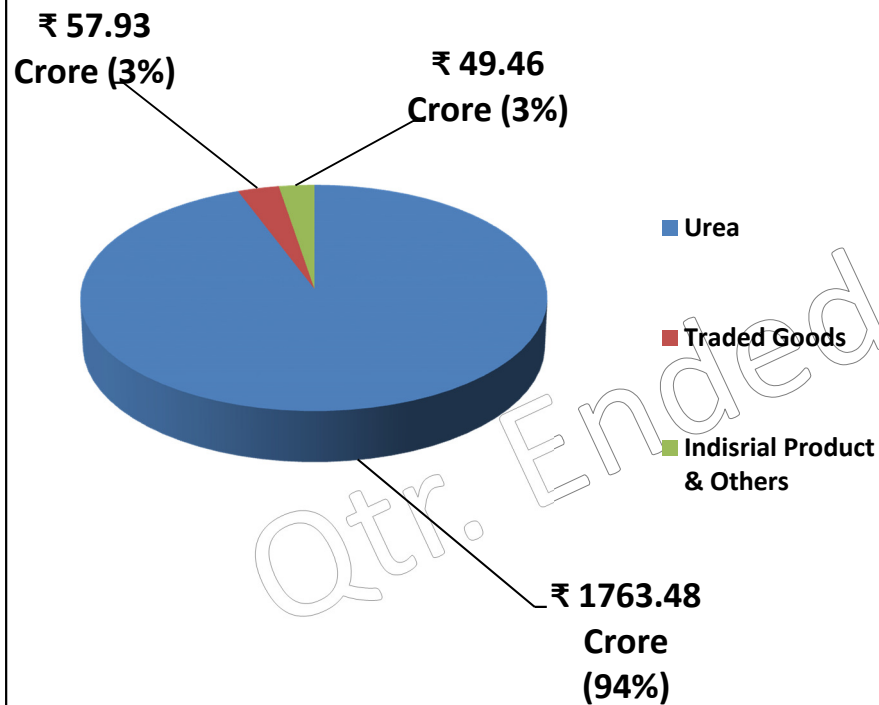
₹ 2158.50 crore  
(Qtr. June 2018)

(15%)

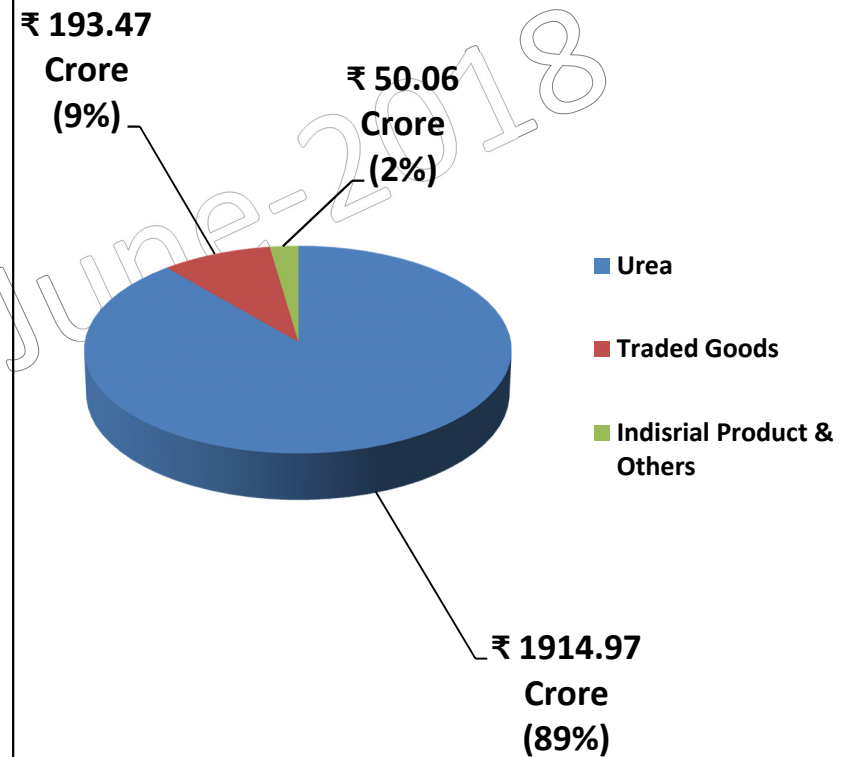
₹ 1870.87 crore  
(CPLY)

## Sale Breakup Segment wise-Urea/Traded goods/Industrial Product & Others (Value & % turnover )

**CPLY**



**Qtr. June 2018**

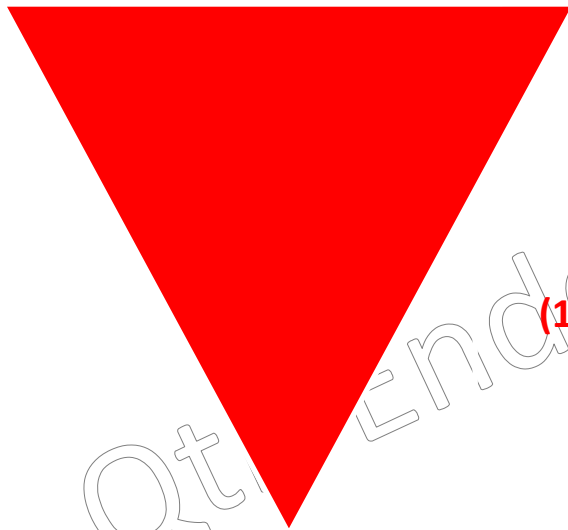


➤ Industrial Products includes Nitric Acid, Ammonium nitrate, Sodium Nitrate/Nitrite, Ammonia, Bio-Fertilizers, etc.

# Urea Sales Quantity & Value

## Quantity

8.56 LMT  
(Qtr. June 2018)

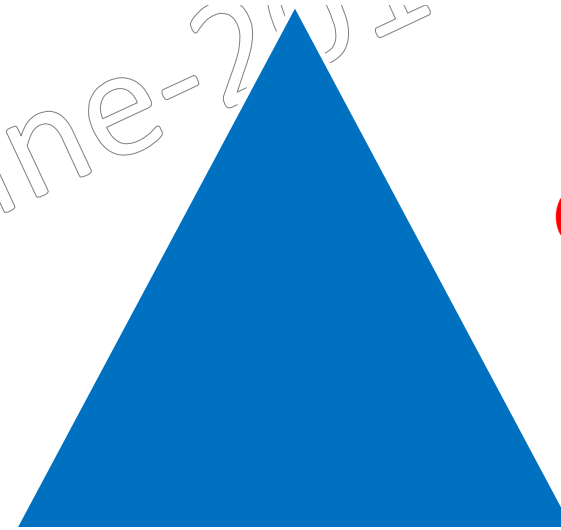


(11%)

9.65 LMT  
(CPLY)

## Value

₹ 1914.97 crore  
(Qtr. June 2018)



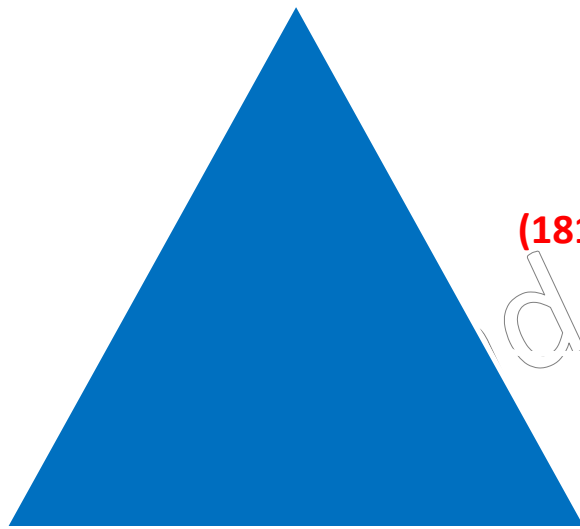
(9%)

₹ 1763.48 crore  
(CPLY)

# Traded Fertilizers Sale Quantity & Value

## Quantity

0.59 LMT  
(Qtr. June 2018)

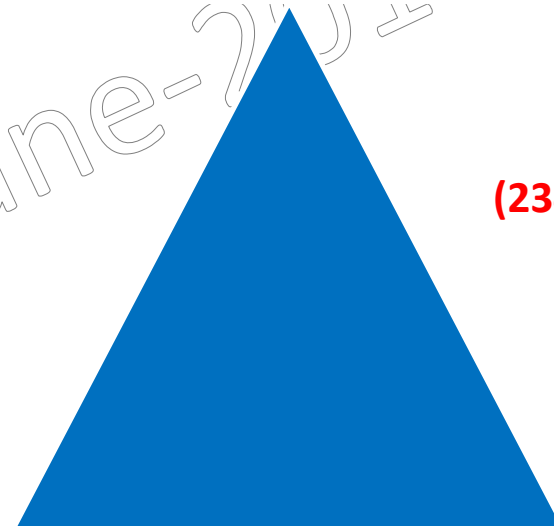


(181%)

0.21 LMT  
(CPLY)

## Value

₹ 188.62 crore  
(Qtr. June 2018)

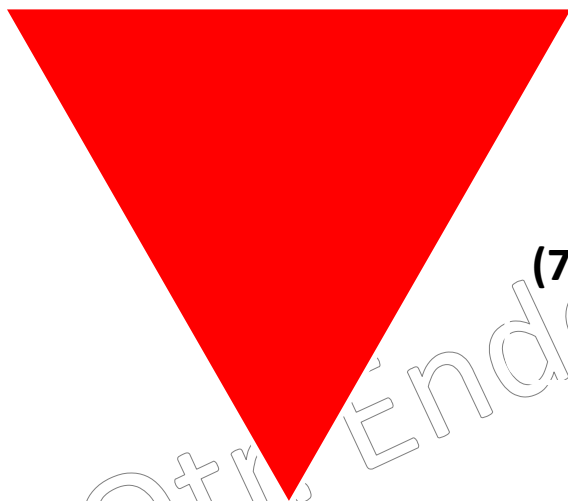


(234%)

₹ 56.41 crore  
(CPLY)

## Sale Quantity & Value of Industrial Products

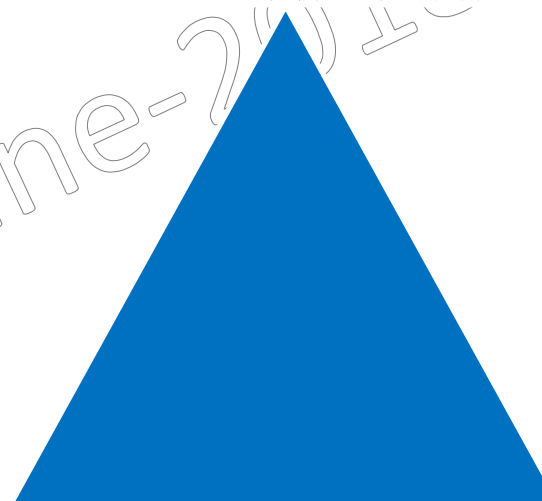
0.196 LMT  
(Qtr. June 2018)



(7.5%)

0.212 LMT  
(CPLY)

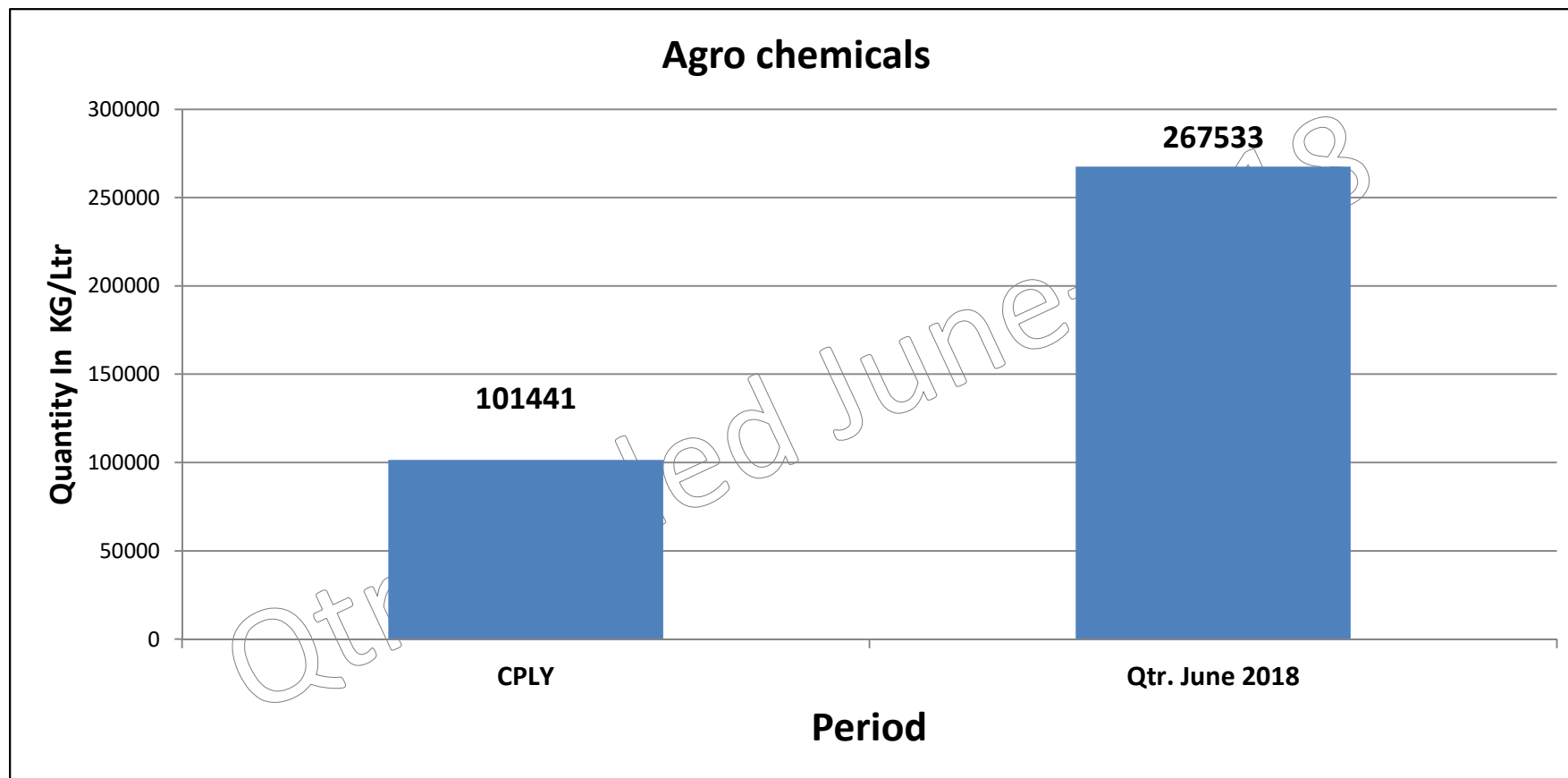
₹ 49.42 crore  
(Qtr. June 2018)



(8%)

₹ 45.63 crore  
(CPLY)

# Sale of Agro chemicals (KG/Ltr.)



**DETAILS OF EXPENSES  
FOR  
THE QUARTER  
JUNE-2018**

# Details of Expenses for Qr. June 18

Particulars	Qr. June 18	CPLY	Increase/ (Decrease)	Remarks
Production of urea (LMT)	9.12	9.39	(0.27)	Decrease mainly at Nangal unit due to annual turnaround.
Purchases of other fertilizers (LMT)	2.17	1.54	0.63	Higher purchase of DAP (0.76 LMT) and NPK (0.37 LMT) which was partially off set by Nil purchase of MOP/APS (0.54 LMT in CPLY)
	(₹ Crore)	(₹ Crore)	(₹ Crore)	
Cost of Materials consumed	1006.75	767.27	239.48	Increase in pool gas price to USD 11.55/MMBTU (USD 8.66/MMBTU during CPLY) i.e. increase of 33.37%.
Power and Fuel	678.95	579.36	99.59	Increase in pool gas price to USD 11.55/MMBTU (USD 8.66/MMBTU during CPLY) i.e. increase of 33.37%.
Purchase of Traded Goods (breakup given in next slide)	621.46	343.73	277.73	Higher purchase of DAP (0.76 LMT) and NPK (0.37 LMT).
Employee Benefits Expense	139.69	145.97	(6.28)	Reversal of provision for PRP for the FY 2017-18 (by ₹ 10.64 crore)
Freight and Handling	140.76	138.90	1.86	Marginal increase.
Repairs and Maintenance	23.40	21.01	2.39	Mainly due to replacement of fluorescent tube lights/bulbs with LED tube lights (₹ 1.62 crore) at Panipat unit.
Excise duty	-	11.56	(11.56)	GST implemented w.e.f.1.07.2017.
Other Expenses	43.41	42.61	0.80	Marginal increase.
(Incr.)/Dec. in inventories	(633.85)	(265.97)	(367.88)	Mainly due to traded goods (2.23 LMT) of ₹612.14 crore in stock as on 30.06.2018
<b>Total Expenses</b>	<b>2020.57</b>	<b>1784.44</b>	<b>236.13</b>	<b>Increase by 13%</b>



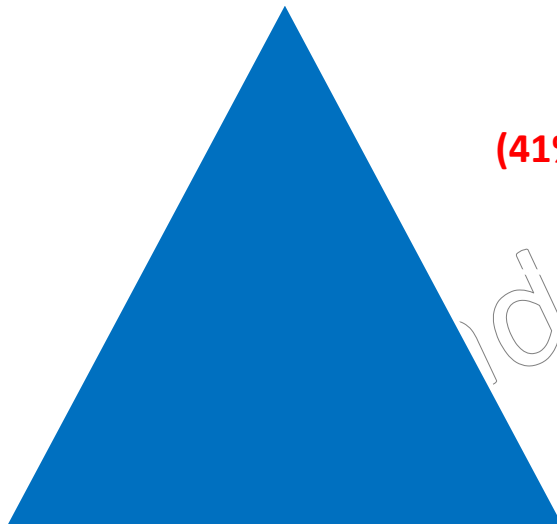
## Purchase of Traded goods (Qty. and Value)

Particulars	Qr. June 18		CPLY		Increase/ (Decrease) with CPLY (₹ Crore)	Qty. Inc./ (Dec.) with CPLY	Qty. Inc./ (Dec.) with CPLY %
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
DAP (IMP) (LMT)	1.74	523.02	0.98	246.44	276.58	0.76	78
MOP (IMP) (LMT)	-	-	0.27	39.95	(39.95)	(0.27)	(100)
APS (IMP) (LMT)	-	-	0.27	47.23	(47.23)	(0.27)	(100)
NPK (IMP) (LMT)	0.37	93.12	-	-	93.12	0.37	-
Compost (LMT)	0.06	2.05	0.02	0.88	1.17	0.04	200
<b>Sub-total</b>	<b>2.17</b>	<b>618.19</b>	<b>1.54</b>	<b>334.50</b>	<b>283.69</b>	<b>0.63</b>	<b>41</b>
Agro Chemicals (Nos.)	402700	2.63	327255	9.14	(6.51)	75445	23
Seeds (Quintals)	748	0.64	466	0.09	0.55	282	61
<b>Total</b>		<b>621.46</b>		<b>343.73</b>	<b>277.73</b>		

# Purchase Value and Quantity of Traded Goods

## Quantity

2.17 LMT  
(Qr. June 18)

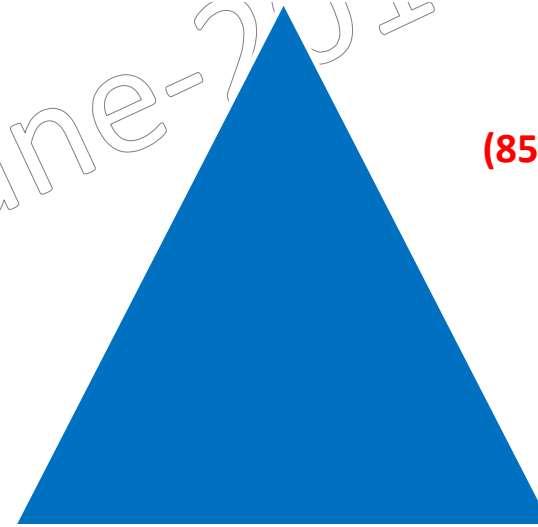


(41%)

1.54 LMT  
(CPLY)

## Value

₹ 618.19 crore  
(Qr. June 18)



(85%)

₹ 334.50 crore  
(CPLY)

**PRODUCTION, STOCK &  
ENERGY CONSUMPTION  
FOR  
THE QUARTER  
JUNE-2018**

# UREA PRODUCTION

Lakh MT

Unit	April-June 2018	CPLY	Variance with CPLY
	Actual	Actual	
Nangal	1.03	1.37	(0.34)
Panipat	1.45	1.44	0.01
Bathinda	1.46	1.23	0.23
Vijaipur I	2.35	2.36	(0.01)
Vijaipur II	2.83	2.99	(0.16)
<b>Total</b>	<b>9.12</b>	<b>9.39</b>	<b>(0.27)</b>

- Production of urea during the quarter was higher at Panipat & Bathinda units as compared to CPLY.
- Urea production was lower (by 0.34 LMT) at Nangal unit on account of annual planned maintenance shutdown taken for 22 days in April, 2018.
- Production of urea at Vijaipur-II was lower (by 0.16 LMT) as the Ammonia Plant tripped twice during the month of May-2018.

## Production of Urea (Preceding 3 Years) (Qty. in MT)

Production of Urea Annual			
Units	2015-16	2016-17	2017-18
NANGAL	546510	501759	542829
PANIPAT	567020	543057	560070
BATHINDA	548267	568418	562501
VIJAIPUR- I	992362	1058191	1050300
VIJAIPUR-II	1144412	1138629	1094550
<b>TOTAL</b>	<b>3798571</b>	<b>3810054</b>	<b>3810250</b>
<b>Capacity utilization w.r.t. RAC (urea %)</b>	<b>117.60</b>	<b>117.90</b>	<b>117.94</b>

Production of Urea for the 1 <sup>st</sup> Quarter				
Units	2015-16	2016-17	2017-18	2018-19
	Q1	Q1	Q1	Q1
NANGAL	127490	105677	137548	103409
PANIPAT	129632	120278	143664	145064
BATHINDA	100310	141996	122552	145957
VIJAIPUR- I	218136	263019	235906	235118
VIJAIPUR-II	244216	244153	299517	282655
<b>TOTAL</b>	<b>819784</b>	<b>875123</b>	<b>939187</b>	<b>912203</b>

[Production of Urea.pdf](#)

**Note: Due to Annual Planned maintenance shut down the urea production is lower in Qtr. -1 and Qtr.-4 in comparison to Qtr.-2 and Qtr.-3.**

## On-Stream Days (Preceding 3 Years)

Stream Days Annual			
Units	2015-16	2016-17	2017-18
NANGAL	342	316	334
PANIPAT	348	334	342
BATHINDA	336	349	342
VIJAIPUR- I	328	349	346
VIJAIPUR-II	347	338	320

Stream Days for the 1 <sup>st</sup> Quarter				
Units	2015-16	2016-17	2017-18	2018-19
	Q1	Q1	Q1	Q1
NANGAL	82	67	84	67
PANIPAT	81	76	88	91
BATHINDA	64	89	76	89
VIJAIPUR- I	73	87	79	78
VIJAIPUR-II	75	74	90	86

# ENERGY CONSUMPTION (GCAL/MT OF UREA)

Units	Energy Norms NUP	Revised Energy Norms for 2018-19*	Actual Energy	
			April-June 2018	CPLY
Nangal	7.095	7.083	6.854	6.931
Panipat	7.614	7.592	6.708	6.917
Bathinda	7.479	7.459	6.861	7.159
Vijaipur I	5.904	5.896	5.842	5.853
Vijaipur II	5.569	5.500	5.461	5.381
<p>* Energy norms after considering 2% penalty vide DoF notification dated 28<sup>th</sup> March, 2018, in case of all units (except Vijaipur-II unit), however, for Vijaipur-II unit revised norm of 5.500 Gcal/MT has been made applicable w.e.f. 1.04.2018 onwards.</p> <p>➤ Energy consumption during current quarter was lower than CPLY at all units except Vijaipur-II as the Ammonia Plant tripped twice during the month of May and energy loss due to Shut-Down &amp; Start-Up time.</p>				

# UREA STOCK (LAKH MT)

Unit	As on 30.06.2018	As on 31.03.2018	As on 30.06.2017
Silo	1.17	0.91	1.08
MIT	0.47	0.10	0.40
Warehouse	0.33	0.40	0.73
<b>Total stock</b>	<b>1.97</b>	<b>1.41</b>	<b>2.21</b>
<b>Details of silo stock</b>			
Nangal	0.06	0.09	0.03
Panipat	0.16	0.08	0.03
Bathinda	0.04	0.12	0.06
Vijaipur I	0.45	0.16	0.49
Vijaipur II	0.46	0.46	0.47
<b>Total</b>	<b>1.17</b>	<b>0.91</b>	<b>1.08</b>

➤ Stocks were higher because of lower dispatches due to poor availability of rakes from Railways.



# Stock of Traded Fertilizer (MT)

Products	Stock as on 30.06.2018	Stock as on 30.06.2017	Increase/ (Decrease) w.r.t. CPLY
DAP	130857	81538	49319
MOP	-	24241	(24241)
APS	22905	27005	(4100)
NPK	68510	-	68510
BS	-	64	(64)
Compost	529	305	224
<b>Total</b>	<b>222801</b>	<b>133153</b>	<b>89648</b>
<p>➤ Closing stock as on 30<sup>th</sup> June 2018 was higher due to lower sale because of lower dispatches during the quarter owing to poor availability of rakes from Railways.</p> <p>➤ Further, out of total procurement of traded fertilizers of 2.17 LMT, a quantity of 1.30 lakh MT was received at port in 2<sup>nd</sup> fortnight of June 2018 and the same shall be dispatched and sold in next quarter/ rabi season</p>			

# **Analysis of Finance Cost**

## BREAK UP OF TOTAL FINANCE COST FOR Qtr. JUNE 2018 ₹ Crore

Particulars	Qtr. June 2018	CPLY	Increase/ (Decrease)
Interest on Long Term Loans	1.88	2.57	(0.69)
Interest on working capital Loans	53.03	29.28	23.75
Other borrowing costs (CP related charges)	0.63	0.83	(0.20)
Other interest (mainly interest on security deposits from Dealers)	1.17	1.85	(0.68)
<b>Total finance cost</b>	<b>56.69</b>	<b>34.53</b>	<b>22.16</b>
Add: Interest cost attributable to trading activities	7.63	5.92	1.71
<b>Total finance cost (as per P&amp;L Account)</b>	<b>64.32</b>	<b>40.45</b>	<b>23.87</b>
Less: Interest earned on term deposits etc.	1.29	2.34	(1.05)
<b>Net finance cost</b>	<b>63.03</b>	<b>38.11</b>	<b>24.92</b>
<p>➤ The finance cost for the quarter ended June-2018 was ₹ 64.32 crore and was higher by ₹ 23.87 crore as compared to ₹ 40.45 crore during CPLY.</p>			

## ANALYSIS OF INTEREST COST ON WORKING CAPITAL LOANS ₹ Crore

Particulars	Amount ₹ crore
Interest on working capital loans in Qr. June 18 (₹ 53.03 crore (Urea) + ₹ 7.63 crore (Trading activities))	60.66
Interest on working capital loans in Qr. June 17 (₹ 29.28 crore (Urea) + ₹ 5.92 crore (Trading activities))	35.20
<b>Increase in interest cost on working capital loans</b>	<b>25.46</b>
<b>Reasons for increase in finance cost:</b> <ul style="list-style-type: none"> <li>- <b>Rate variance</b> : Increase in average rate of borrowings (by 0.51% p.a.) to 6.74% p.a. as compared to 6.23% p.a. in CPLY) <span style="float: right;">4.56</span></li> <li>- <b>Volume variance</b> : increase in average borrowings* (by ₹ 1327.09 crore) to ₹ 3638.78 crore as compared to ₹ 2311.69 crore during CPLY <span style="float: right;">20.90</span></li> </ul>	
<b>* Reasons for increase in average borrowings :</b> <ul style="list-style-type: none"> <li>➤ Due to higher import of DAP &amp; NPK fertilizers (by ₹ 282.52 crore),</li> <li>➤ Due to increase in pool gas prices (by 33.17%) i.e. increase in gas cost by ₹ 402.45 crore</li> <li>➤ Delay in settlement of credit amounts by Gas Pool Fund Operator (GAIL)</li> <li>➤ Lower receipt of subsidy (by ₹ 309.47 crore) as compared to CPLY under DBT system implemented by Govt. w.e.f. 01.03.2018 during the current quarter.</li> </ul>	

## STEPS TAKEN TO REDUCE FINANCE COST

- Borrowing through CP for a higher period of 60 to 90 days (with maturity within the quarter) instead of 30 days for better rate /saving in other costs i.e. stamp duty, arranger fee, NSDL charges etc. - **Saving of around ₹ 2.5 crore.**
- Availed short term funds of ₹ 233 crore as Inter Corporate Deposit (ICD) at interest rate of 6.90% pa to 6.95% with pre-payment facility against average interest rate of 7.95% on Short Term Loan facility of the Banks.
- Tripartite Escrow agreement signed with BPCL & SBI for supply of Gas with lower charges vis-a-vis costlier LC charges. Combined annual saving of ₹ 0.50 crore with GAIL/IOCL/BPCL.
- Agreement finalized with IOCL for increasing credit period from 4 days to 15 days with estimated annual saving of ₹ 4 crore. Similar arrangement was made last year with GAIL and fetched a saving of ₹3.75 crore. Combined saving will around ₹ 8 crore.
- Credit facility tied up with Bank of Bahrain & Kuwait with lower interest rate (1 month MCLR currently 7.85%).
- Operationalized Vendor Financing Scheme (e-VFS) of SBI at interest rate of 3 months MCLR+ 0.10% p.a. to provide cheaper finance to suppliers with a view to save interest cost .
- For enabling funds to dealers at lower rate introduced Dealers Financing Scheme (e-DFS) which is process operationalize.

## PROFIT VARIANCE ANALYSIS FOR Qtr. JUNE 2018

Company has earned Profit Before Tax of ₹ 65.91 as against Profit Before Tax of ₹ 39.66 crore during CPLY i.e. increase in profit by ₹ 26.25 crore.

**PBT has increased mainly due to:**

1. Saving on account of decrease in energy consumption
2. Increase in contribution from sale of Industrial Products
3. Increase in profitability from traded goods
4. Decrease in Employee Benefit Expense, selling expenses etc.

**The increase was partially off-set by:**

1. Decrease in contribution from urea due to lower sale
2. Increase in finance charges
3. Reduction in energy norms for the FY 2018-19 pursuant to DoF notification dated 28th March, 2018 for 2% penalty.
4. Increase in repairs and maintenance expenses

# Important Financial Indicators

Particulars	Unit	Qtr. June 2018	CPLY	FY 2017-18
Debt Service Coverage Ratio	Times	2.35	2.00	2.35
Interest Coverage Ratio	Times	2.31	2.33	3.15
Debt to Equity Ratio	Times	2.19:1	1.64:1	1.54:1
Earning Per Share of ₹ 10 *	₹ /Share	0.84	0.53	4.34
Return on Average Net Worth (PAT /Average NW)	%	2.05**	1.38	10.61
<p>* Not annualised.</p> <p>** Not annualised, however on basis works out to 7.88. It is lower than annual for 2017- 18 due to lower production and sale of urea and higher finance cost due to delay in receipt of subsidy.</p>				

# **SEGMENT RESULTS FOR FY 2017-18**



## SEGMENT RESULTS ₹ crore

Particulars	Qtr. June 2018		CPLY	
	₹ crore	%	₹ crore	%
<b>Segment Revenue</b>				
Own Fertilizers (Urea, BS and Bio-fertilizers)	1915.08	89%	1763.9	94%
Fertilizer Trading	188.62	9%	56.41	3%
Other Products	54.80	2%	50.56	3%
<b>Total</b>	<b>2158.50</b>	<b>100%</b>	<b>1870.9</b>	<b>100%</b>
<b>Segment Results</b> (i.e Profit before interest cost and un allocable exp.)				
Own Fertilizers (Urea, BS and Bio-fertilizers)	106.44	75%	82.2	88%
Fertilizer Trading	20.47	14%	2.52	3%
Other Products	15.54	11%	8.37	9%
<b>Total</b>	<b>142.45</b>	<b>100%</b>	<b>93.09</b>	<b>100%</b>
Less: Interest	64.32		40.45	
Less: Un allocable expenses	12.22		12.98	
<b>Profit Before Tax</b>	<b>65.91</b>		<b>39.66</b>	

# PROJECT ACTIVITIES

# Project Activities

- Energy saving scheme at Nangal, Bathinda and Panipat units at an estimated cost of ~ ₹ 675 crore has been taken up and work is in progress.
- SBI has sanctioned Rupee Term Loan of ₹ 1044 crore for Energy Saving and other capex of all units.
- Energy saving schemes at Vijaipur I & II with capex of ₹ 235 crore. TEFR finalized and work orders for ₹ crore issued.
- Company has contributed ₹ 218.69 crore towards equity in its JV Company (RFCL) out of total requirement ₹ 343 crore.
- Bentonite Sulphur Plant at Panipat with annual capacity of 25000 MT has been commissioned and is under trial run for GTR.
- Installation of Di-Nitrogen Tetroxide Plant at Vijaipur (annual capacity of 1000 MT) with estimated capex of ₹ 350 crore. The funding of this project is yet to be finalized with Banks.
- Working for setting up the 10 LMT DAP Plant along with Phosphoric Acid Plant in Algeria in Joint Venture with GSFC, RCF and NMDC.

# Overview of Ramagundam Project

Joint Venture of NFL, Engineers India Limited (EIL) & Fertilizers Corporation of India Limited (FCIL) is undertaking the revival of Ramagundam unit of FCIL

➤ **Plant Capacity**

Ammonia Plant : 2200 MTPD (0.726 MMTPA)

Urea Plant : 3850 MTPD (1.27 MMTPA)

➤ **Project Cost - ₹ 5254 crore**

➤ **NFL's Share – 26%**

➤ **Capital commitment - ₹ 4200 crore (as on 28.08.2018)**

➤ **Expenditure Incurred - ₹ 2476 crore (as on 28.08.2018)**

➤ **Physical Progress – 88.30% (as on 15.08.2018)**

➤ **Likely Completion – June, 2019**

➤ **Marketing Rights – As per JV agreement, marketing services shall be provided by NFL for the products produced by JV company**

➤ **After commissioning of the plant, NFL will become the largest Indigenous Urea player in the Country.**



THANK YOU