



# **Financial Results**

## **FY 2017-18**

### **National Fertilizers Limited**

# BRIEF OVERVIEW

## Introduction

- **Incorporated** on 23<sup>rd</sup> August, 1974.
- **Share Capital details as on 31.03.2018.**
  - Authorized capital : ₹ 1,000.00 crore.
  - Paid up capital : ₹ 490.58 crore.
  - Net-worth : ₹ 1,987.40 crore.
- **Shareholding Pattern as on 31.03.2018:**
  - 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
<b>ANNUAL CAPACITY (LMT) – 32.31 LMT (RAC)</b> Annual Capacity after Urea Capacity Enhancement Projects at Vijaipur-I & II units – 35.68 LMT Capacity utilization for FY 2017-18 118% w.r.t. PRODUCTION 38.10 LMT against RAC 32.31 LMT	8.646 10.662 126.60%	8.646 9.999 121.48%	5.115 5.115 109.97%	5.115 5.115 109.50%	4.785 4.785 113.44%
<b>COMM. PRODUCTION</b> After Revamp at Vijaipur and Ammonia Feedstock Changeover Project (AFCP) at Nangal, Panipat and Bathinda units.	31 <sup>st</sup> Mar 97 31 <sup>st</sup> Jul 12	1 <sup>st</sup> July 88 24 <sup>th</sup> Apr.12	1 <sup>st</sup> Oct 79 11 <sup>th</sup> Mar. 13	1 <sup>st</sup> Sep 79 28 <sup>th</sup> Mar. 13	1 <sup>st</sup> Nov. 78 18 <sup>th</sup> Jul. 13
<b>ENGINEERING CONTRACTOR (Main plant)</b> Revamp / AFCP	HTAS (DENMARK), SNAM (ITALY) & PDIL -do-		M/s Toyo Engineering Corp. (Japan) & EIL HTAS & L&T (LSTK)		Technimont, UHDE & PDIL KBR /Technimont
<b>CAPTIVE POWER (111 MW)</b>	3 X 17 MW (Gas)		2 X 15 MW (Coal)	2 X 15 MW (Coal)	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.	Ammonium Nitrate	Nangal	2	118800
3.	Sodium Nitrate	Nangal	1	1980
4.	Sodium Nitrite	Nangal	1	2970
5.	Ammonia (Technical Surplus)	All units	-	3413
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. APS
4. NPK
5. Bentonite Sulphur
6. Compost
7. Seeds
8. 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.
- Ammonia (Technical Surplus) Sold during the FY 2017-18.

## FINANCIAL PERFORMANCE AT A GLANCE (Current & Preceding 3 Years)

SL.No.	Particulars	2014-15	2015-16	2016-17	2017-18
1	Production (Urea) (LMT)	36.39	37.99	38.10054	38.10250
2	Sale of Urea (LMT)	36.57	36.41	37.58	39.16 #
3	Capacity Utilization w.r.t. RAC (Urea %)	112.60	117.60	117.90	117.94
4	Turnover	8520	7794	7643	8928
5	Other Income	37	47	45	96
6	Total Income from operation	8557	7841	7688	9024
7	Total Expenses	8138	7237	7363	8690
8	EBITDA (PBT+ Depreciation + Finance cost)	419	604	600	598
9	Interest	301	228	190	190
10	Depreciation	73	87	85	73
11	Profit Before Tax	45	289	325	335
12	Profit After Tax	26	199	208	213
13	Net Financial Assets	4487	4291	4109	4144
14	Working Capital	1353	1487	1424	735
15	Long Term Borrowings	2643	1828	981	170
16	Short Term Borrowings	5002	4296	3154	2890
17	Net Worth	1509	1691	1827	1987
18	Return on Net Worth (%)	1.77	11.37	11.35	10.61
19	EPS (Rupees)	0.53	4.05	4.24	4.34
20	Book Value (Rs. per share)	30.19	34.46	37.23	40.51

➤# Sale was higher over production due to availability of opening stock of urea.

# PERFORMANCE HIGHLIGHTS

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

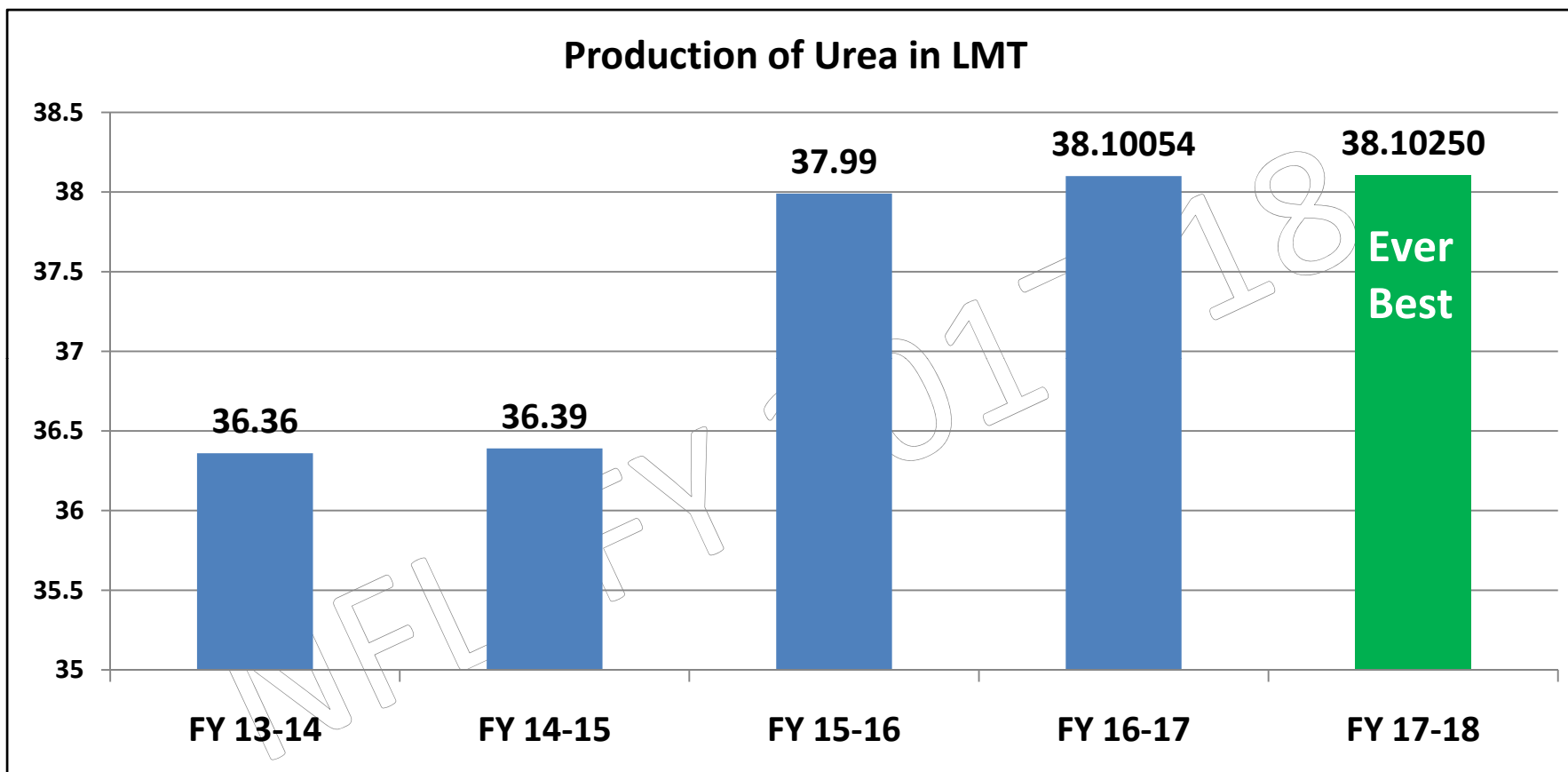
1. Production of Urea: 38.10250 LMT ( CPLY 38.10054 LMT)
2. Sale of Urea: 39.16 LMT (CPLY 37.58 LMT)
3. Import of DAP/MOP/APS/NPK/BS: 4.47 LMT (CPLY 2.17 LMT)
4. Sale of DAP/MOP/APS/NPK/BS/Compost: 3.93 LMT (CPLY 2.20 LMT)
5. Sale of all fertilizers: 43.09 LMT (CPLY 39.78 LMT)
6. Turnover of ₹ 8928.29 crore (CPLY ₹ 7643.36 crore).
7. Turnover from Non-urea products 15% (CPLY 12%)
8. Ever lowest energy consumption at Nangal, Panipat & Bathinda and Vijaipur complex.

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

1. PBT of ₹ 334.83 crore (CPLY ₹ 324.88 crore).
2. PAT of ₹ 212.77 crore (CPLY ₹ 208.16 crore).
3. EPS of ₹ 4.34/- (share of ₹ 10 each) (CPLY ₹ 4.24/-).

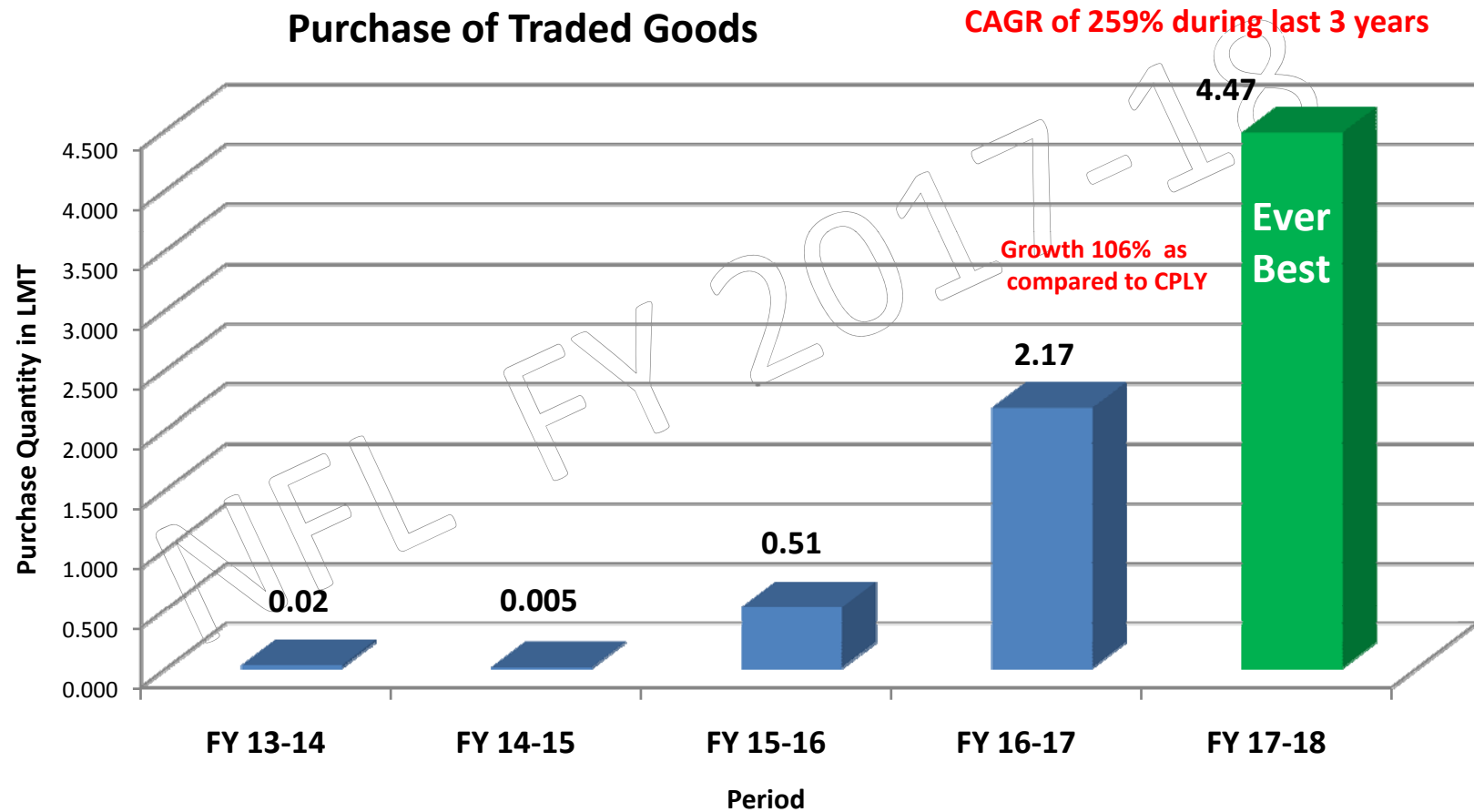
# **5 YEAR GROWTH & TRENDS**

# Production of Urea (Quantity ) LMT



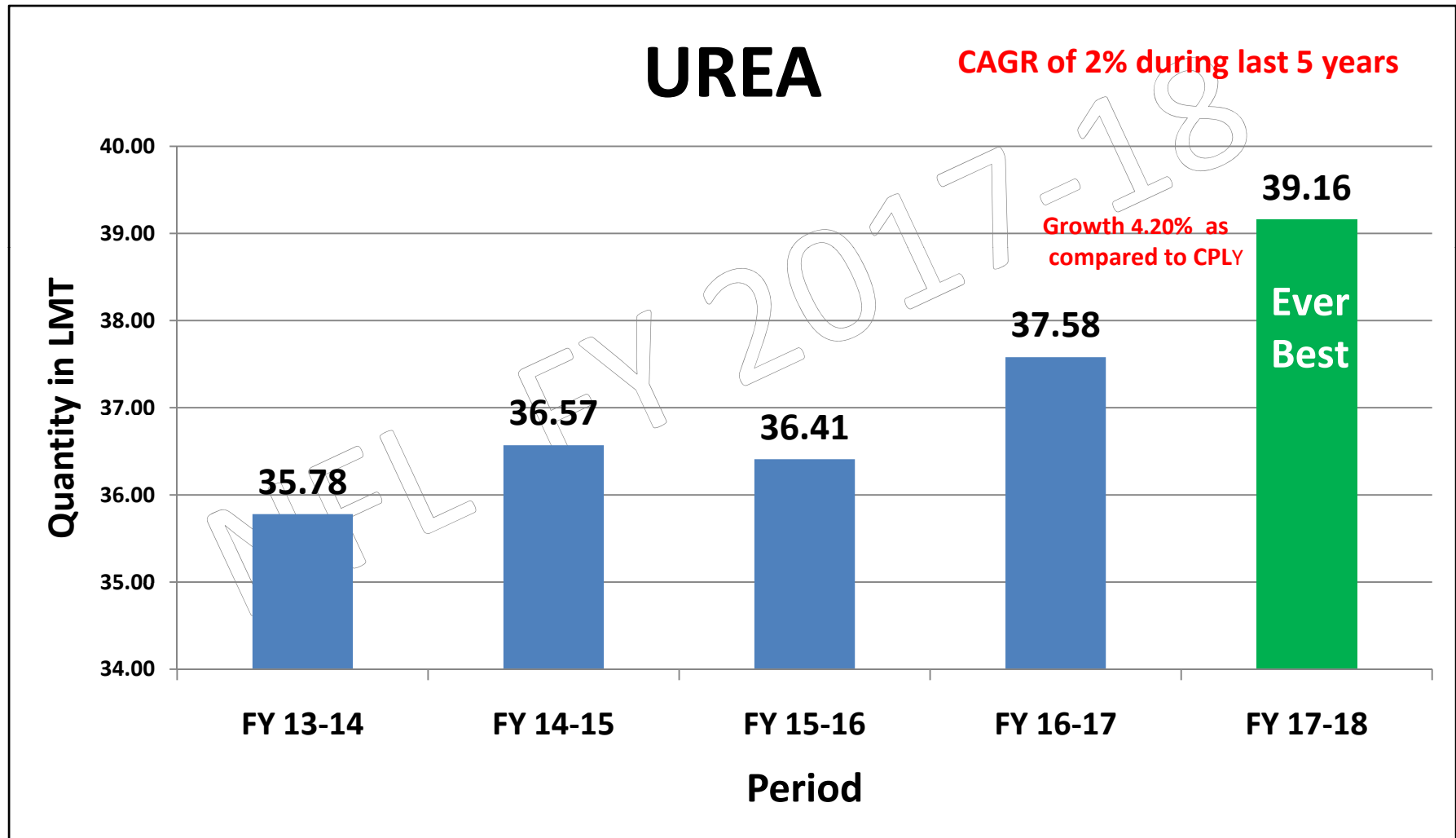
- There is no change in installed capacity (35.68 LMT) of the Plants during last 5 years.
- The Urea production is higher by 1.74 LMT in FY 17-18 as compared to FY 13-14
- CAGR of 1% in 5 years

# Import of DAP/MOP/APS/NPK/BS (Quantity) LMT



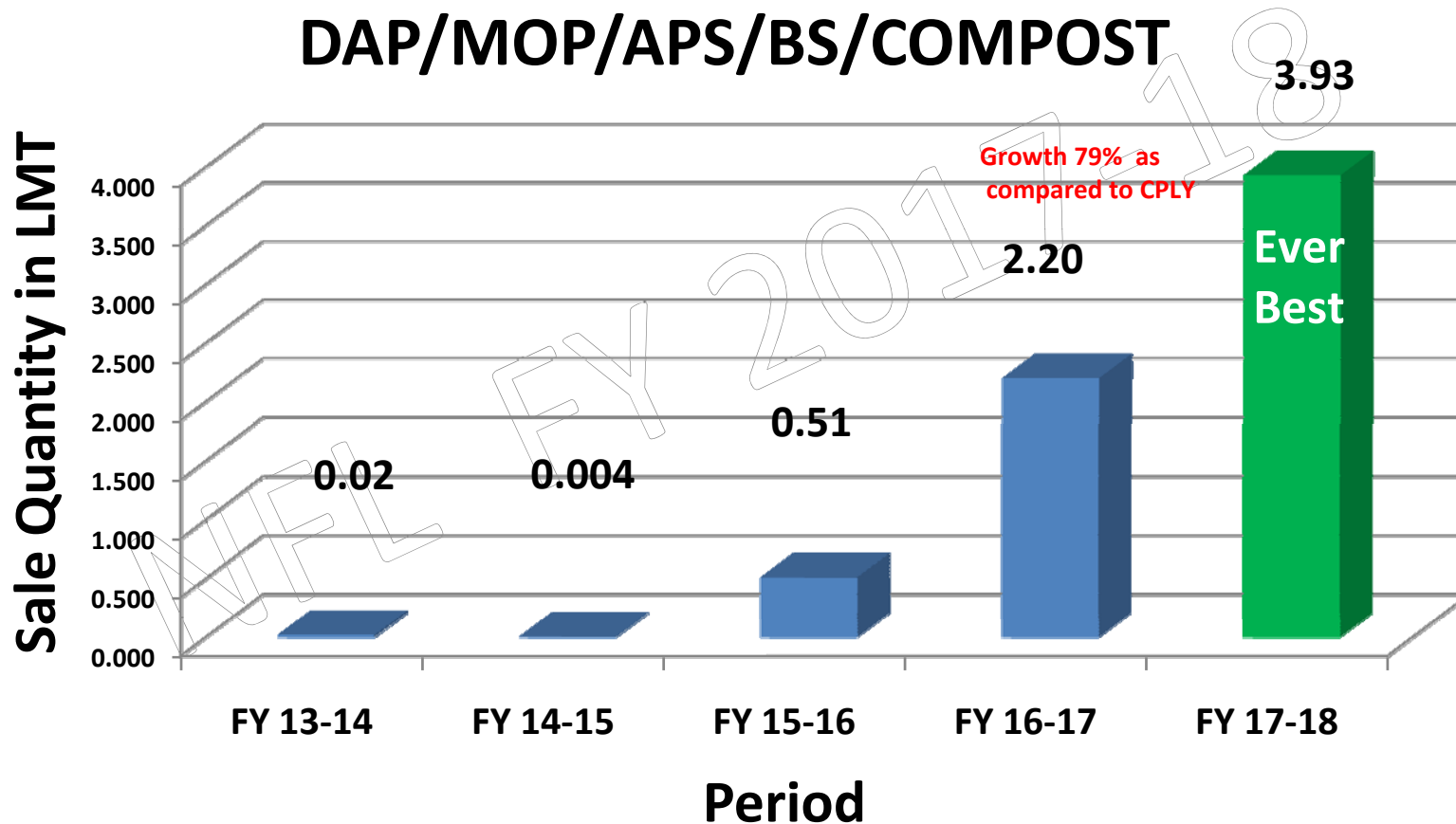


# Sale of Urea (Quantity ) LMT

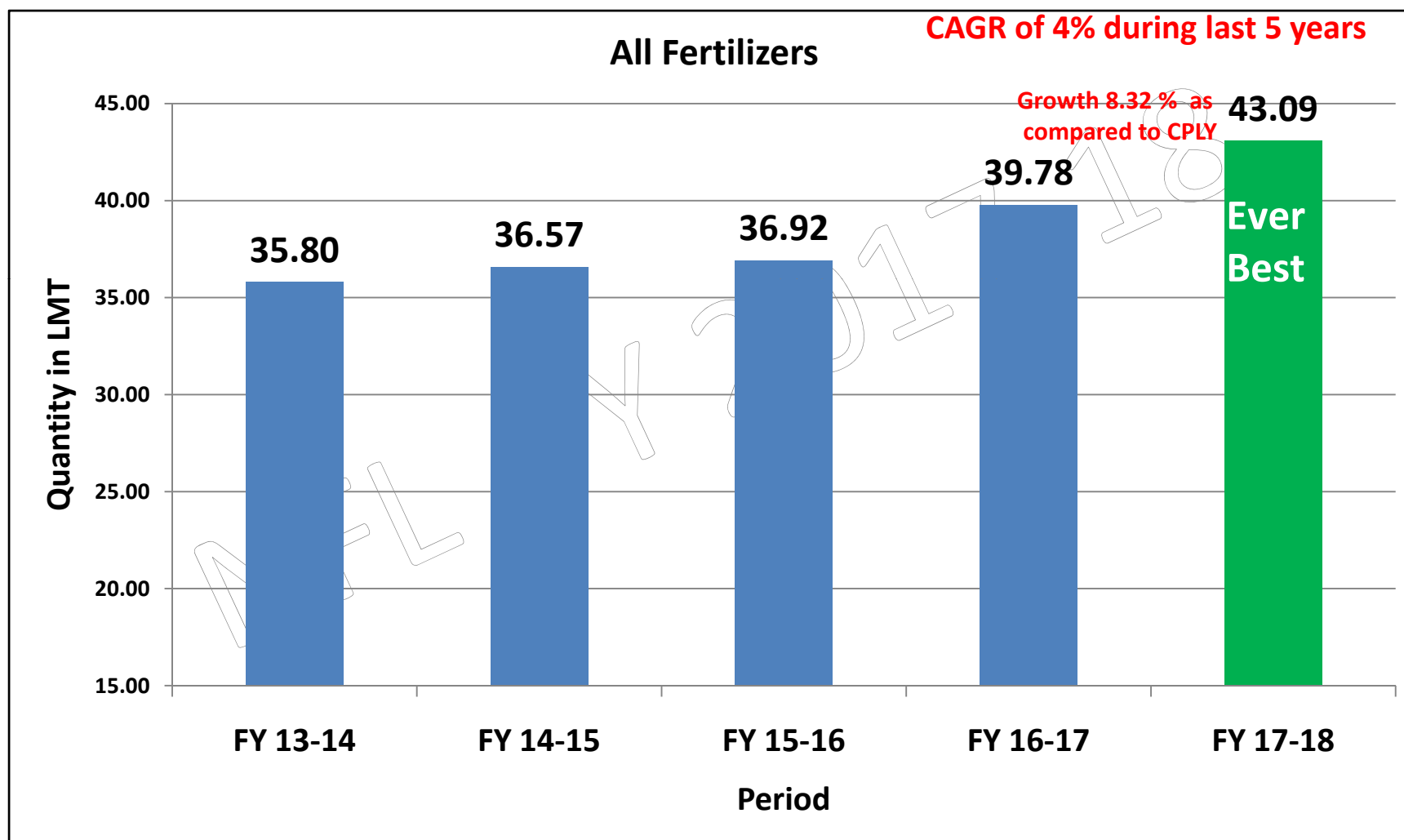


# Sale of Traded Goods (Quantity) LMT

CAGR of 224% during last 3 years

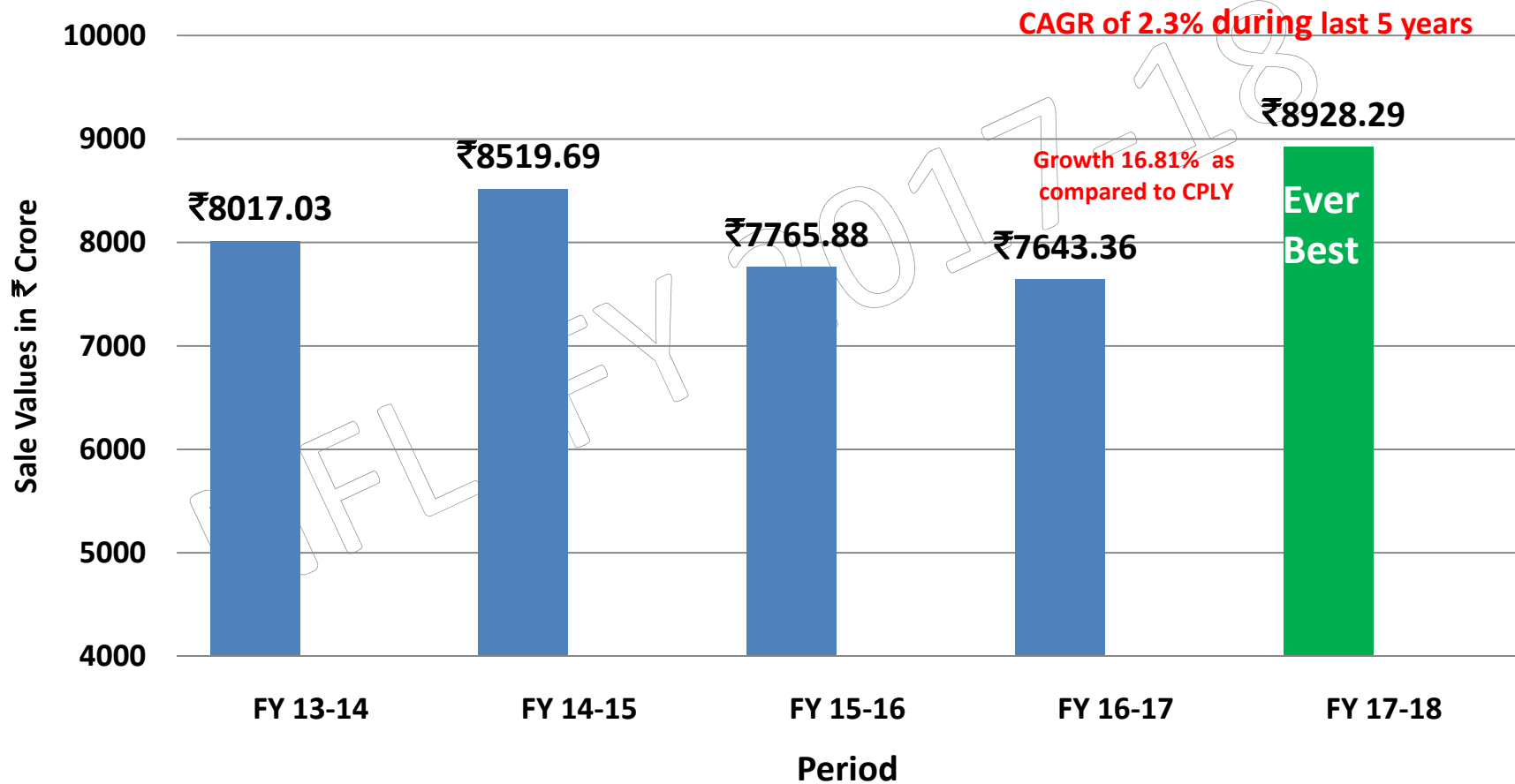


# Sale of All Fertilizers (Quantity) LMT

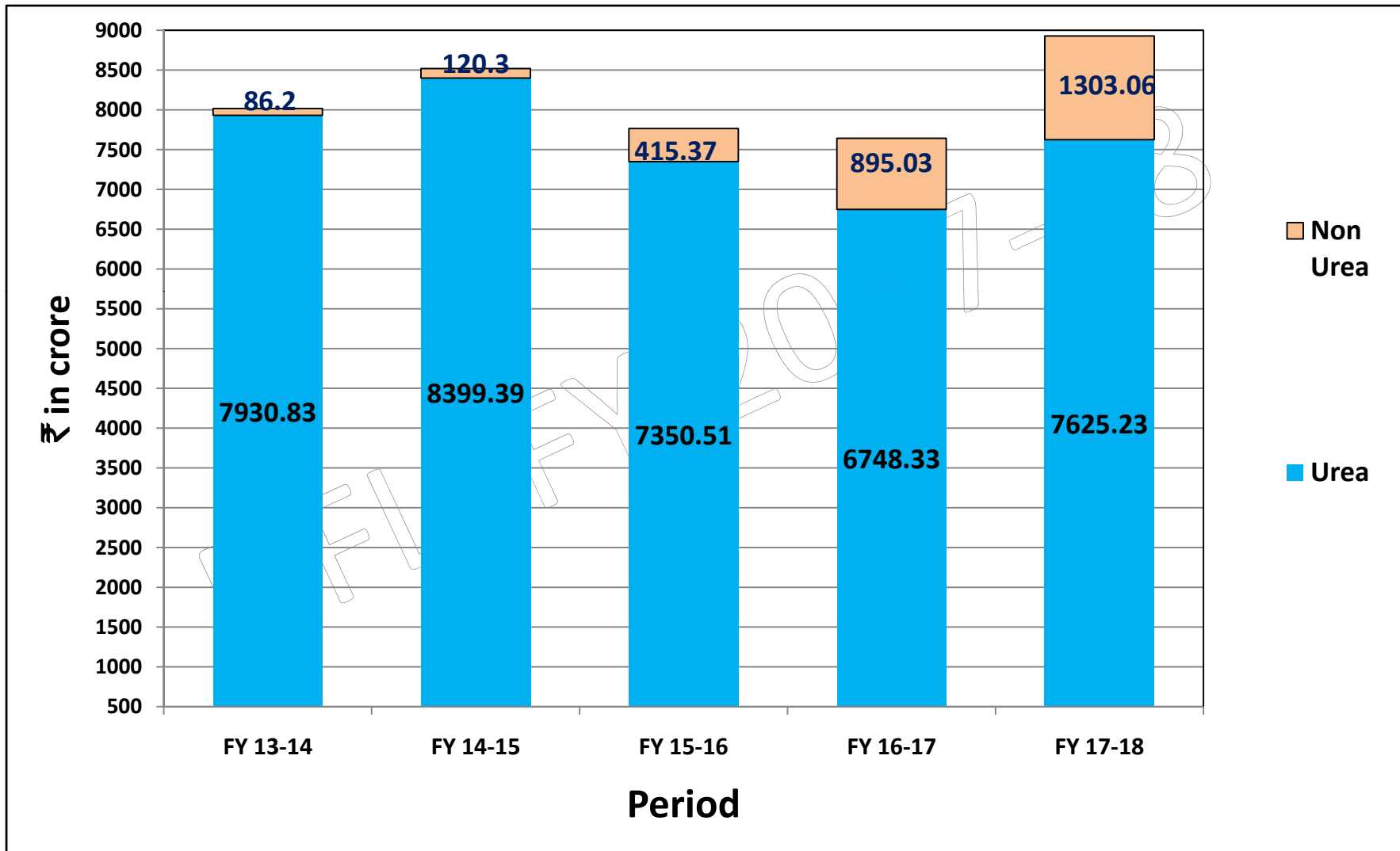


# Sale value of All Product (₹ Crore)

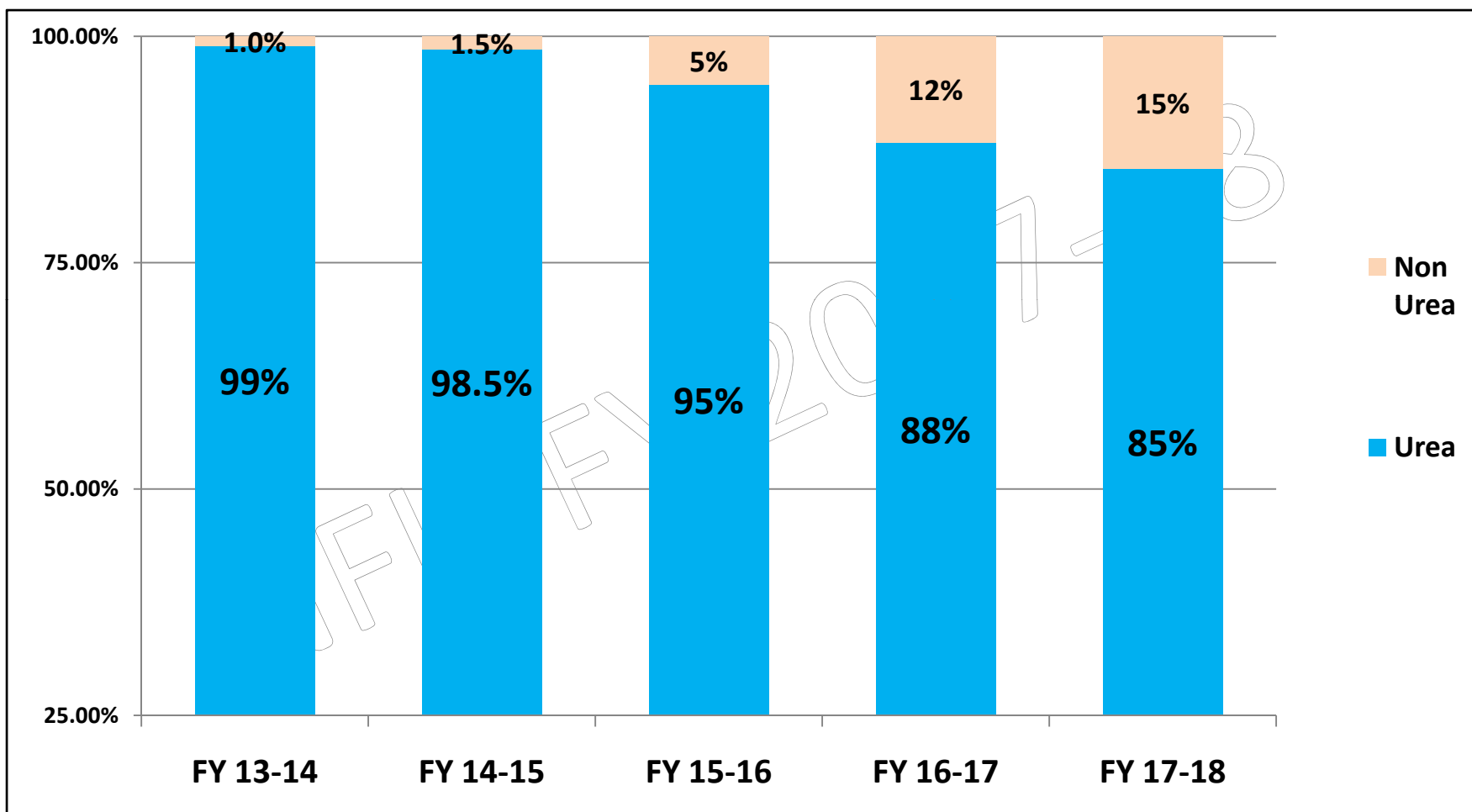
## Urea +Traded Goods+ IP, etc.



## SHARE OF NON UREA PRODUCTS IN TOTAL TURNOVER (₹ in crore)

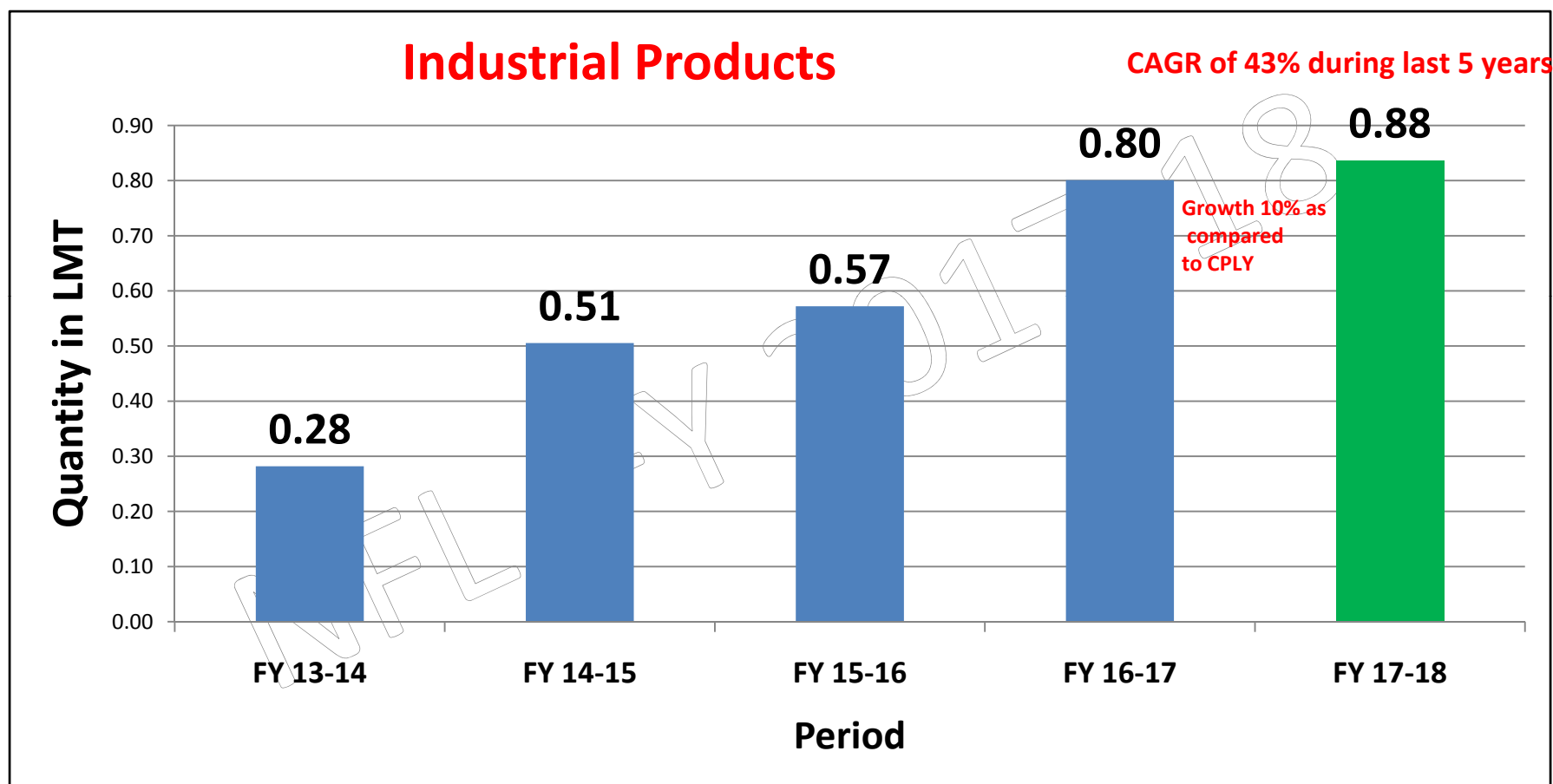


## SHARE OF NON UREA PRODUCTS IN TOTAL TURNOVER (in %)



➤ % are rounded off

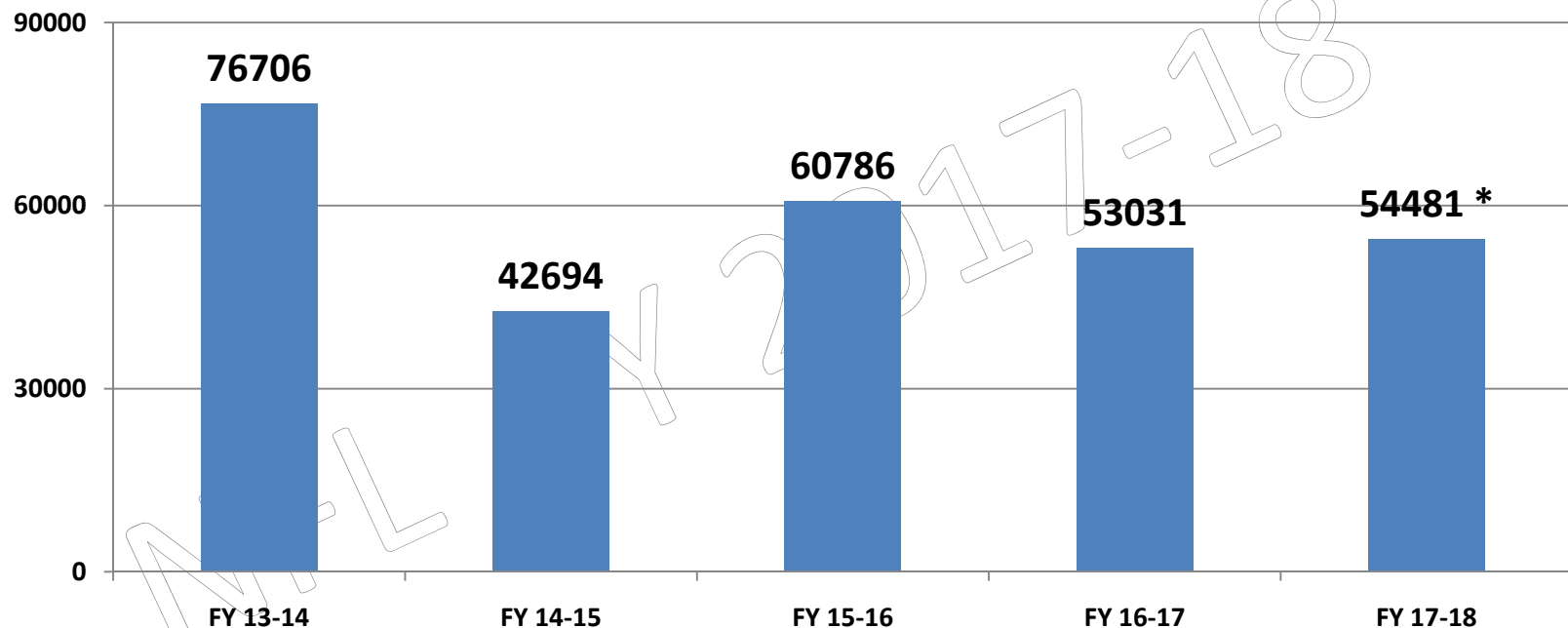
## Sale of Industrial and Other Products (Quantity) LMT



➤ Industrial products includes Nitric Acid, Ammonium Nitrate, Sodium Nitrate/Nitrite, Bio-fertilizers, etc.

# Sale of Seeds (Quintals)

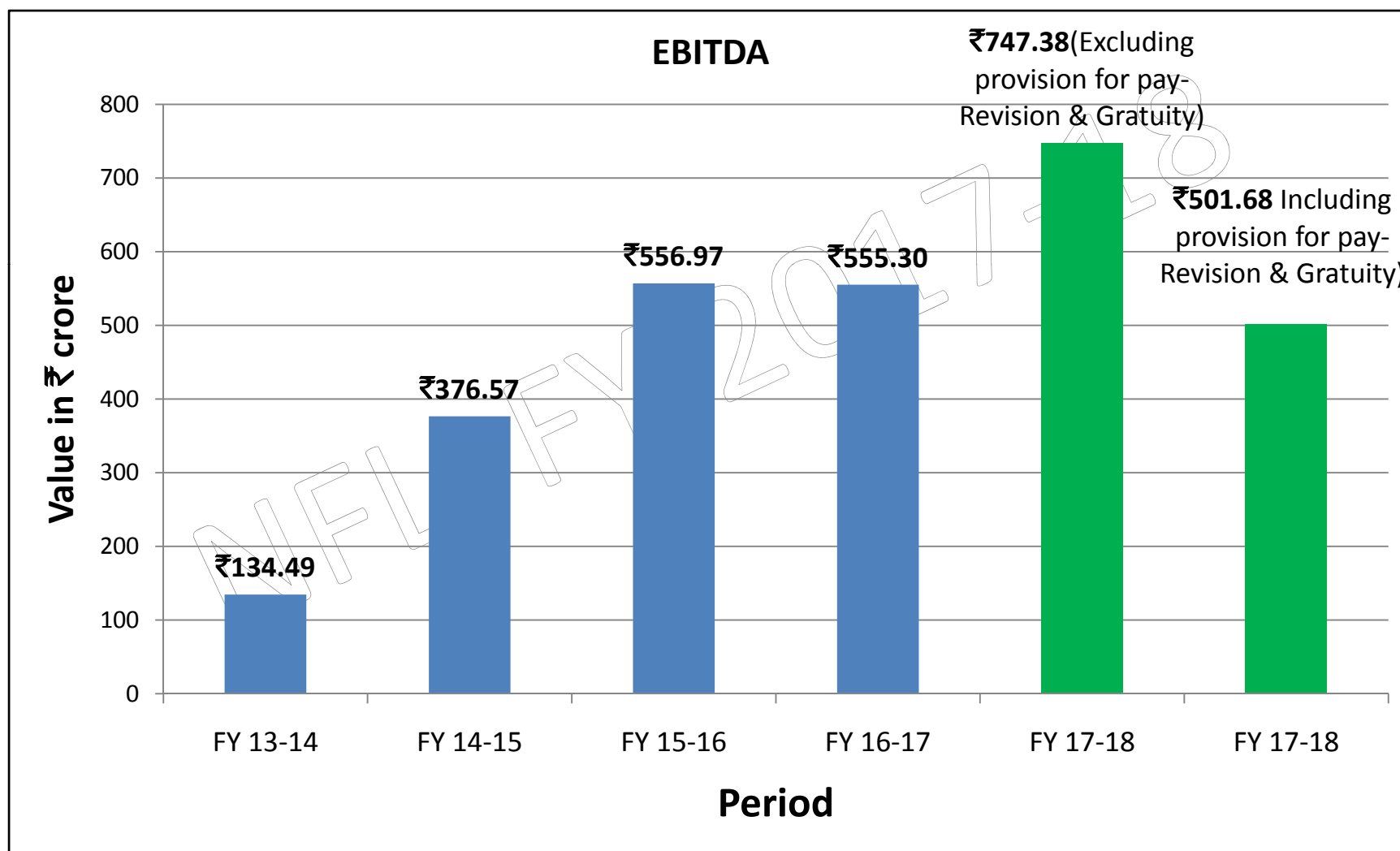
## Seeds



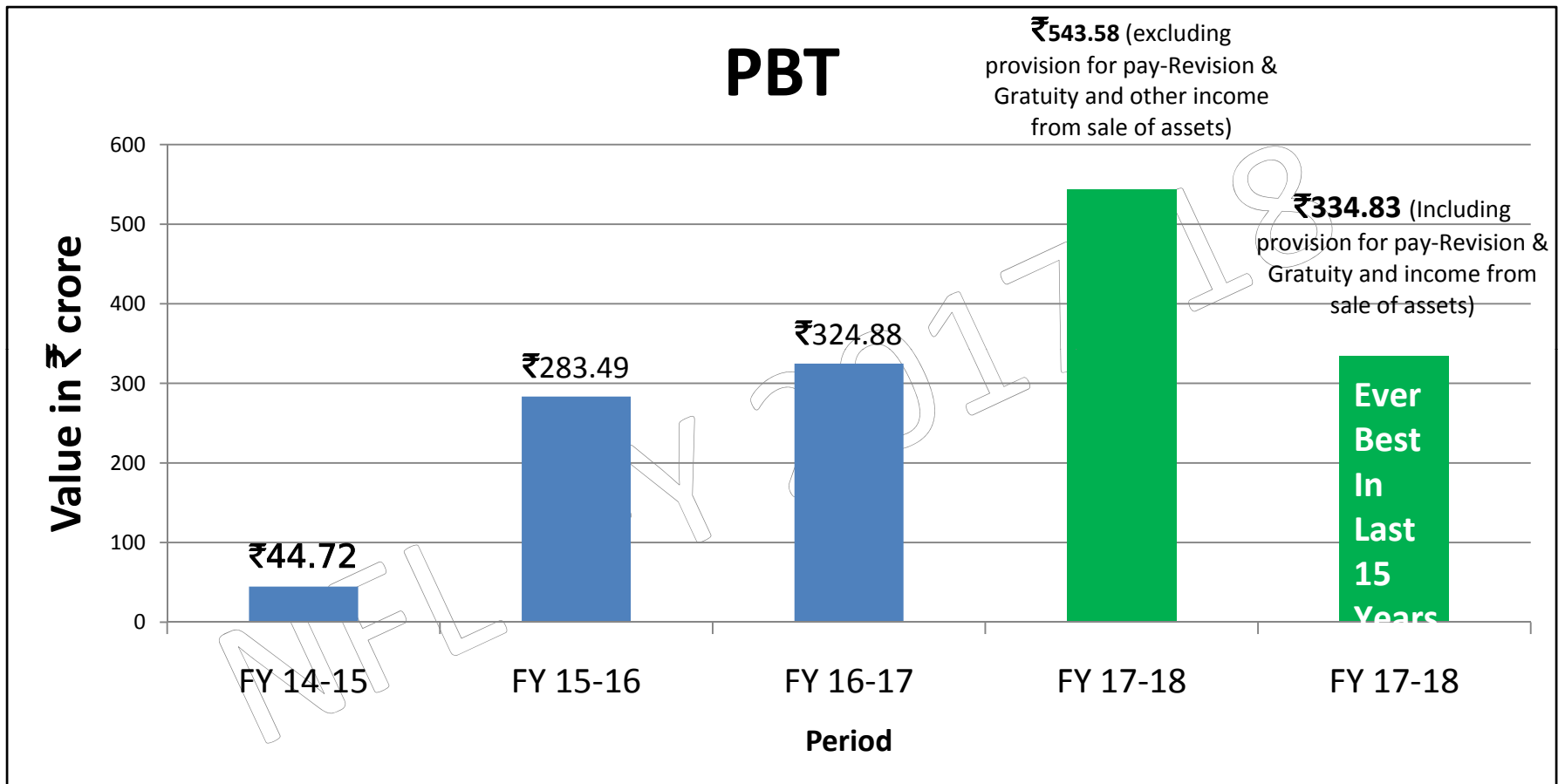
- Procurement constraints from NSC from 2014-15 onwards and hence Seed multiplication program(SMP) taken up .
- \* Includes 31205 quintals of SMP (Paddy, Soya bean and Wheat).



## Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ crore)

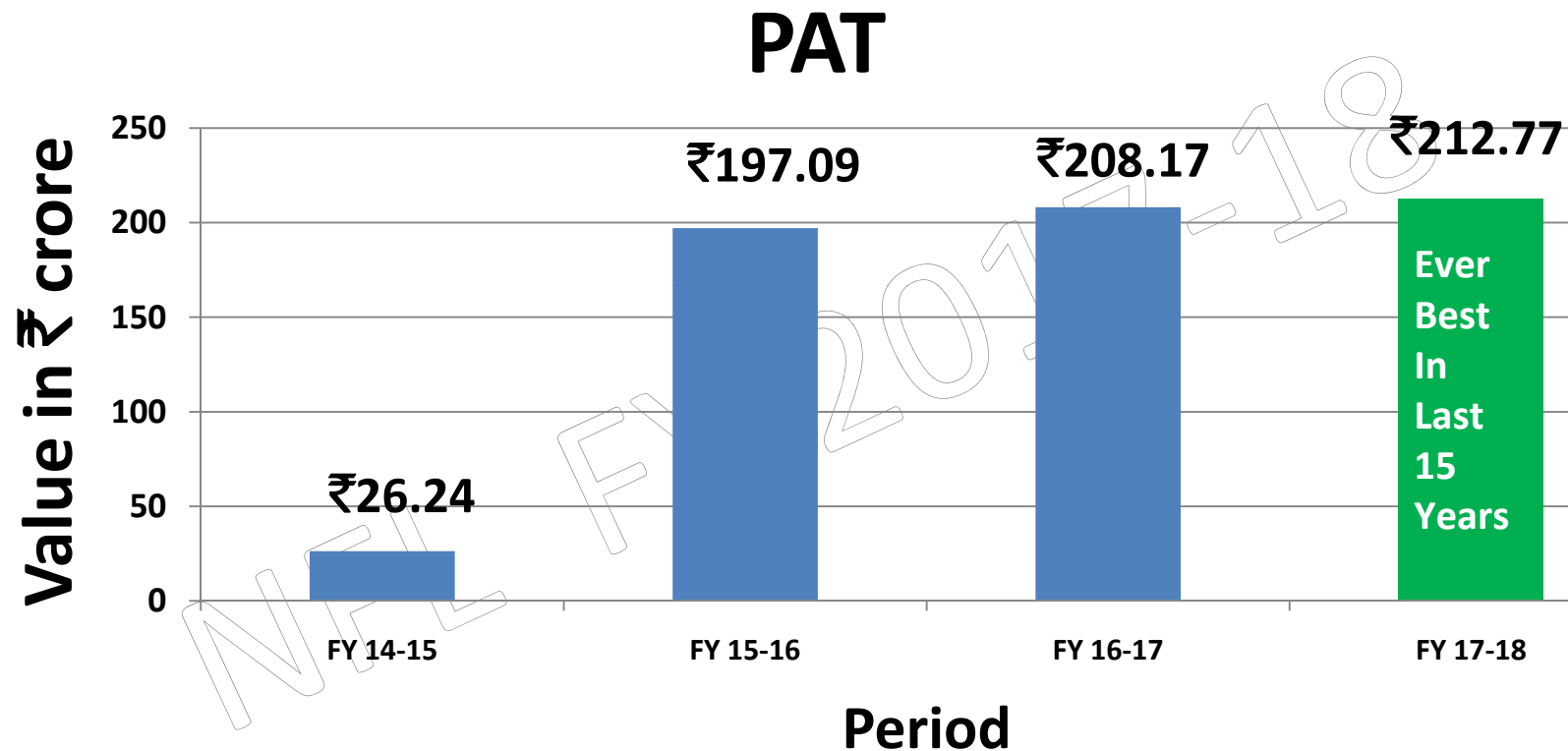


## Profit before tax (PBT), (₹ Crore)



➤ FY 2013-14 not considered being first year of operations after conversion of Plants from FO/LSHS to gas at Nangal/Panipat/Bathinda and increase in capacity of urea at Vijaipur unit.

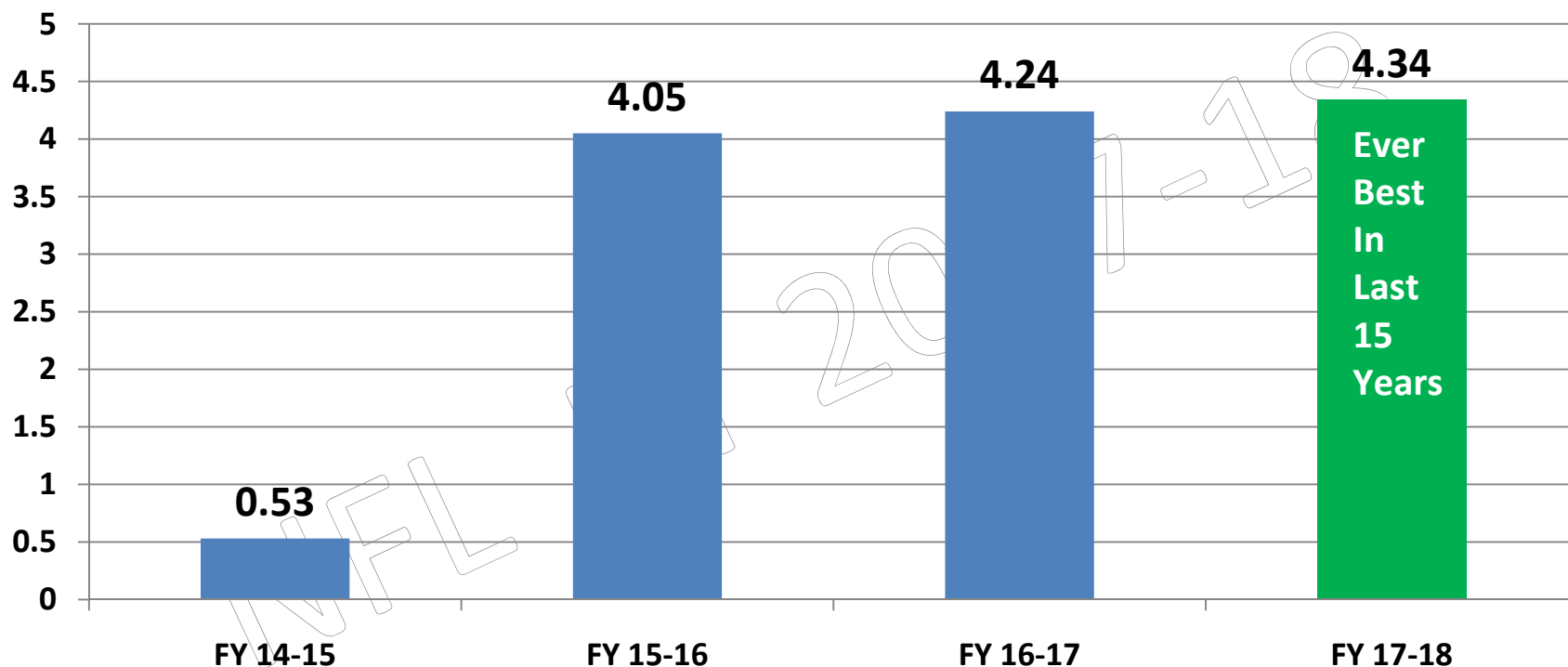
## Profit after tax (PAT) (₹ Crore)



➤ Reference note with slide no. 18.

# Earning Per Share (EPS) of ₹10

## Earning Per Share (EPS) of ₹ 10



➤ Reference note with slide no. 18.

# **PERFORMANCE FOR FY 2017-18**

# OVERALL PERFORMANCE for FY 2017-18 ₹Crore

Particulars	FY 2017-18	CPLY	Increase/(decrease)	
			₹ Crore	%
<b>Gross Sales</b>	<b>8928.29</b>	<b>7643.36</b>	<b>1284.93</b>	<b>17</b>
Total Expenses (excluding provision for Pay-Revision and Gratuity)	8180.91	7062.86	1118.05	16
Total Expenses (including provision for Pay-Revision and Gratuity)	8426.61	7088.06	1338.55	19
<b>EBITDA (excluding provision for Pay-Revision and Gratuity)</b>	<b>747.38</b>	<b>580.50</b>	<b>166.68</b>	<b>29</b>
<b>EBITDA (including provision for Pay-Revision and Gratuity)</b>	<b>501.68</b>	<b>555.30</b>	<b>(53.62)</b>	<b>(10)</b>
Add : Other Income	96.34@	44.59	51.75	116
Less : Finance cost	189.89	189.84	0.05	-
Less : Depreciation	73.30	85.17	(11.87)	(14)
<b>Profit / (Loss) before tax (PBT) - without impact of pay revision and gratuity and one time income from sale of assets</b>	<b>543.58</b>	<b>350.08</b>	<b>193.50</b>	<b>55</b>
<b>Profit / (Loss) before tax (PBT) - with impact of pay revision and gratuity and one time income from sale of assets</b>	<b>334.83</b>	<b>324.88</b>	<b>9.95</b>	<b>3</b>
Tax expense	122.06	116.72	5.34	5
<b>Profit/(Loss) after tax (PAT)</b>	<b>212.77</b>	<b>208.16</b>	<b>4.61</b>	<b>2</b>
Other comprehensive income (net of tax)	(1.82)	(0.83)	(0.99)	119
<b>Total Comprehensive income (net of tax)</b>	<b>210.95</b>	<b>207.33</b>	<b>3.62</b>	<b>2</b>

➤ @ Includes one time income from sale of redundant assets of ₹ 36.95 crore.

## SALE (QTY. & VALUE)

Particulars	FY 2017-18	FY 2016-17	₹crore	
			₹ Crore	%
Sale quantity of Urea (LMT)	39.16	37.58	1.58 LMT	4
Sale quantity of DAP/MOP/APS /BS/Compost (LMT) (details in slide no. 24)	3.93	2.20	1.73 LMT	79
<b>Total</b>	<b>43.09</b>	<b>39.78</b>	<b>3.31 LMT</b>	<b>8</b>
<b>Gross Sales of urea</b>	<b>7625.23</b>	<b>6748.33</b>	<b>876.90</b>	<b>13</b>
Sale of Traded Goods	1129.09	675.63	453.46	67
Sale of Industrial products and Other Products (details in slide no. 25)	173.97	190.67	(16.70)	(9)
<b>Gross Sales</b>	<b>8928.29</b>	<b>7643.36</b>	<b>1284.93</b>	<b>17</b>
<p>➤ Sale value of urea increased mainly due to higher sale quantity (by 1.58 LMT) and increase in gas price (by 20.15%).</p> <p>➤ Sale value of other products increased mainly due to increase in sale of DAP/MOP/APS /BS/Compost (1.73 LMT).</p>				

## Sale Break up of Traded goods (Qty. and Value)

Particulars	FY 2017-18		FY 2016-17		Increase/ (Decrease) with CPLY (₹ Crore)	Qty. Inc./ (Dec.) with CPLY %	Qty. Inc./ (Dec.) with CPLY
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
DAP (LMT)	3.28	986.38	2.14	650.69	335.69	53	1.14
MOP (LMT)	0.27	53.75	-	-	50.22		0.27
APS (LMT)	0.26	61.78	-	-	54.83		0.26
BS (LMT)	-	0.26	0.03	8.43	(8.17)	(100)	(0.03)
Compost (LMT)	0.12	4.78	0.03	1.09	3.69	300	0.09
<b>Sub Total</b>	<b>3.93</b>	<b>1106.95</b>	<b>2.20</b>	<b>660.21</b>	<b>446.74</b>	<b>79</b>	<b>1.73</b>
Seeds (Quintals)	54481	13.00	53031	14.92	(1.92)	3	1450
Agro Chemicals (Nos.)	369533	9.14	25350	0.50	8.64	1358	344183
<b>Traded goods (excluding gas swapping)</b>		<b>1129.09</b>		<b>675.63</b>	<b>453.46</b>		
➤ Increase in sale value (by ₹ 453.46 crore) is due to higher quantity sale of DAP/MOP/APS/Compost/Agro-chemicals.							



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

Particulars	FY 2017-18		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>	69403	123.96	67949	153.24	(29.28)	2%	1454
<b>Ammonium Nitrate (MT)</b>	11299	24.43	8969	21.16	3.27	26%	2330
<b>Sodium Nitrate/Nitrite (MT)</b>	2986	12.85	3159	12.46	0.39	(5%)	-173
<b>Sub Total</b>	<b>83688</b>	<b>161.24</b>	<b>80077</b>	<b>186.86</b>	<b>(25.62)</b>	<b>4.51%</b>	<b>3611</b>
<b>Bio Fertilizers (MT)</b>	496	1.43	532	2.39	(0.96)	(7%)	-36
<b>Technical Surplus Ammonia</b>	3413	8.83	-	-	8.83		3413
<b>Others</b>	-	2.47	-	1.42	1.05		
<b>Total Industrial Products &amp; Bio-Fertilizers</b>	<b>87597</b>	<b>173.97</b>	<b>80609</b>	<b>190.67</b>	<b>(16.70)*</b>	<b>8.67</b>	<b>6988</b>

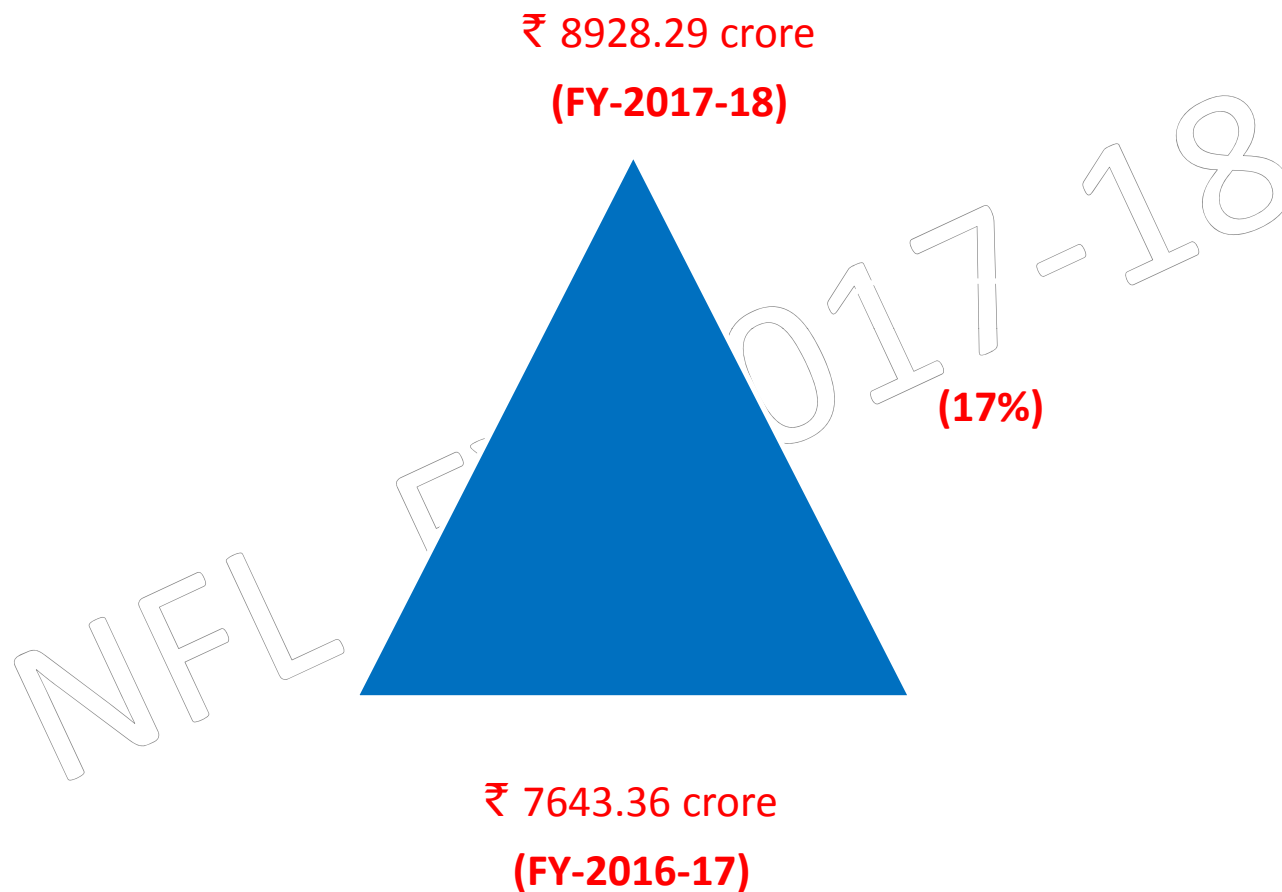
➤ \*Despite increase in sale quantity by 1545 MT, sale value of industrial products decreased by ₹ 16.70 crore mainly due to lower price realization from sale of Nitric Acid (by ₹ 29.28 crore) due to availability of imported Nitric Acid in India at cheaper rates.

## SALE OF ALL FERTILIZERS (ZONE WISE) (LAKH MT)

Zonal Offices	Actual FY 2017-18	CPLY	Increase/ (Decrease)
Chandigarh	17.79	16.42	1.37
Bhopal	11.95	11.09	0.86
Lucknow	13.35	12.27	1.08
<b>TOTAL</b>	<b>43.09</b>	<b>39.78</b>	<b>3.31</b>

➤ Sale of all fertilizers during the period was higher by 3.31 Lakh MT (8%) as compared to CPLY .

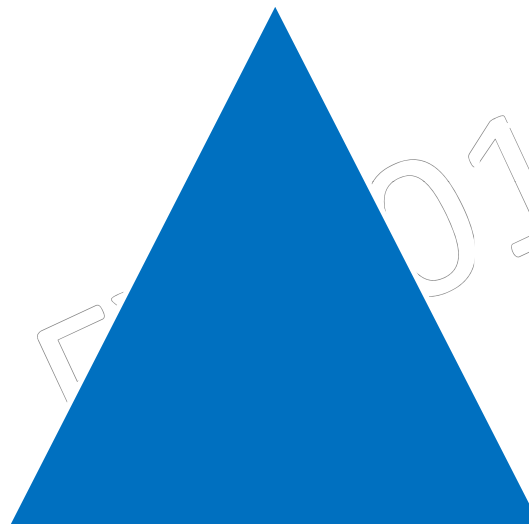
# Turnover Growth in FY 17-18



➤ Turnover i.e. Revenue from operations.

# Total Revenue Growth in FY 17-18

₹ 9024.63 crore  
(FY-2017-18)

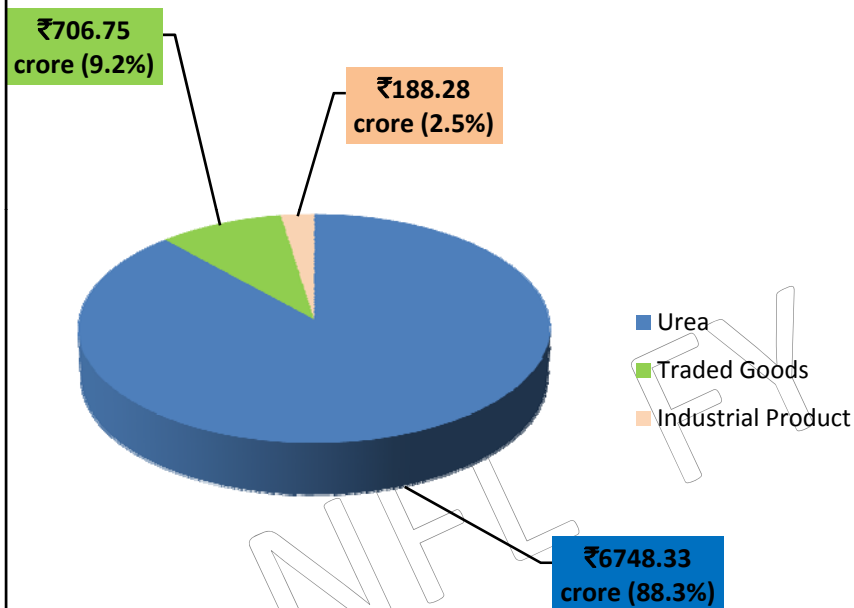


₹ 7687.95 crore  
(FY-2016-17)

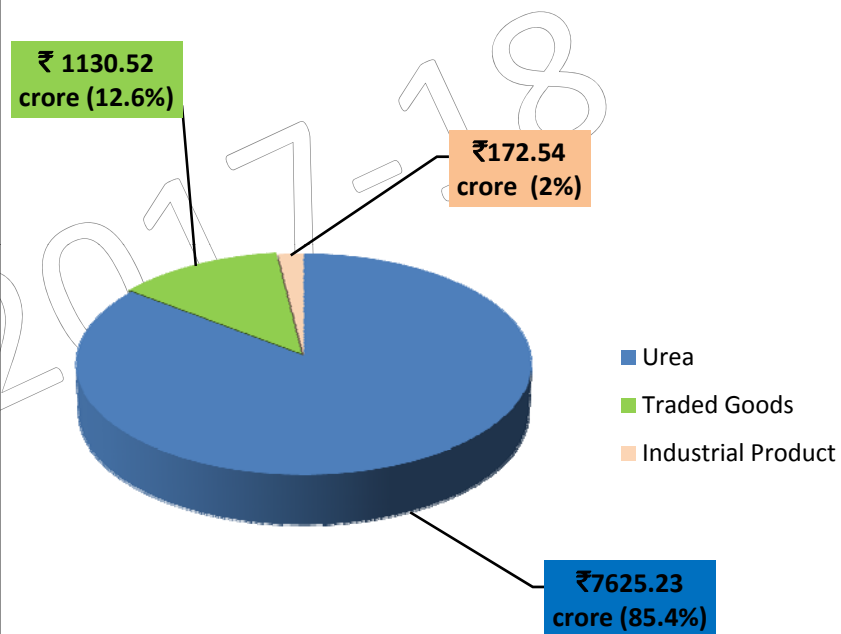
➤ **Total Revenue i.e. Revenue from operations + Other income = Total Income.**

## Sale -Urea/IP/Traded goods (Value & % turnover )

FY 2016-17



FY 2017-18

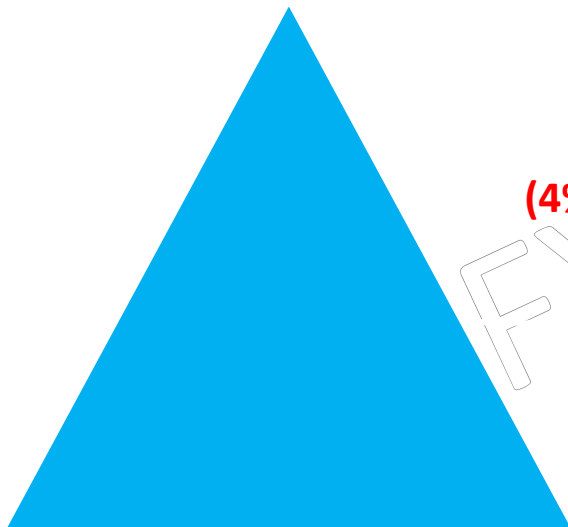


➤ Industrial Products includes Nitric Acid, Ammonium nitrate, Sodium Nitrate/Nitrite, Ammonia, Bio-Fertilizers, etc.

# Urea Sales Quantity & Value

## Quantity

39.16 LMT  
(FY-2017-18)

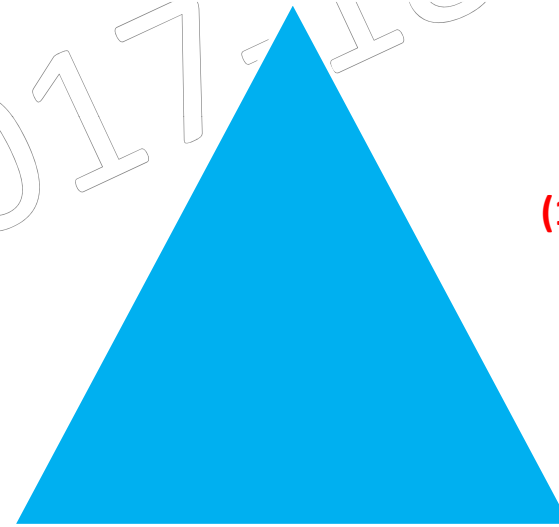


(4%)

37.58 LMT  
(FY-2016-17)

## Value

₹ 7625.23 crore  
(FY-2017-18)



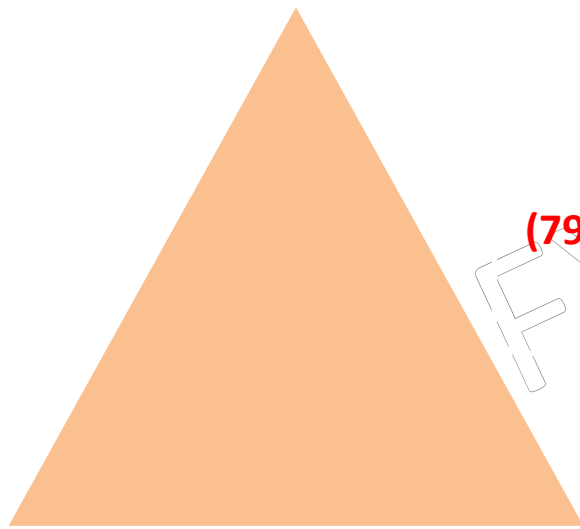
(13%)

₹ 6748.33 crore  
(FY-2016-17)

# Traded Goods Sale Quantity & Value

## Quantity

3.93 LMT  
(FY-2017-18)

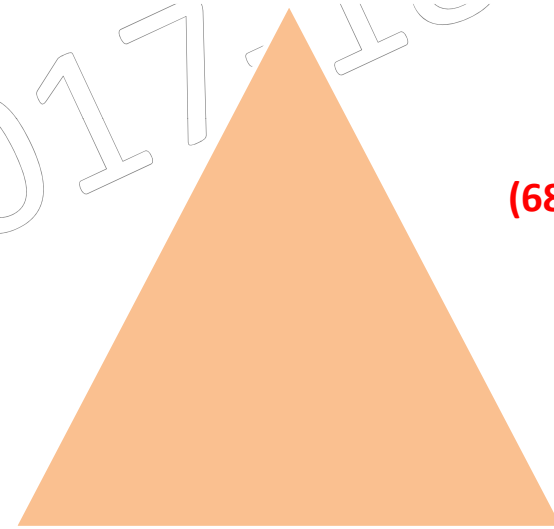


(79%)

2.20 LMT  
(FY-2016-17)

## Value

₹ 1106.95 crore  
(FY-2017-18)



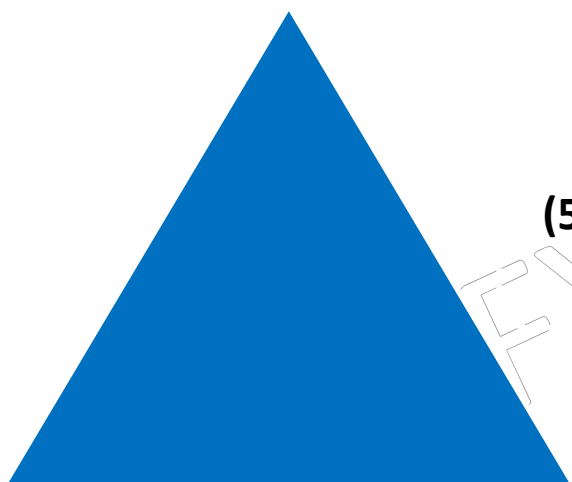
(68%)

₹ 660.21 crore  
(FY-2016-17)

# Sale Quantity & Value of Industrial Products

## Quantity

0.84 LMT  
(FY-2017-18)

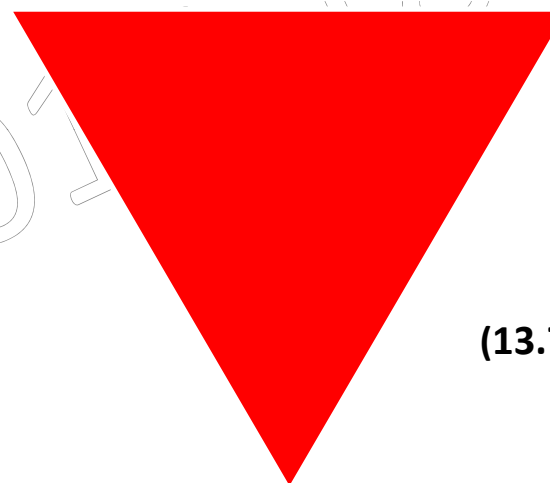


(5%)

0.80 LMT  
(FY-2016-17)

## Value

₹ 161.24 crore  
(FY-2017-18)



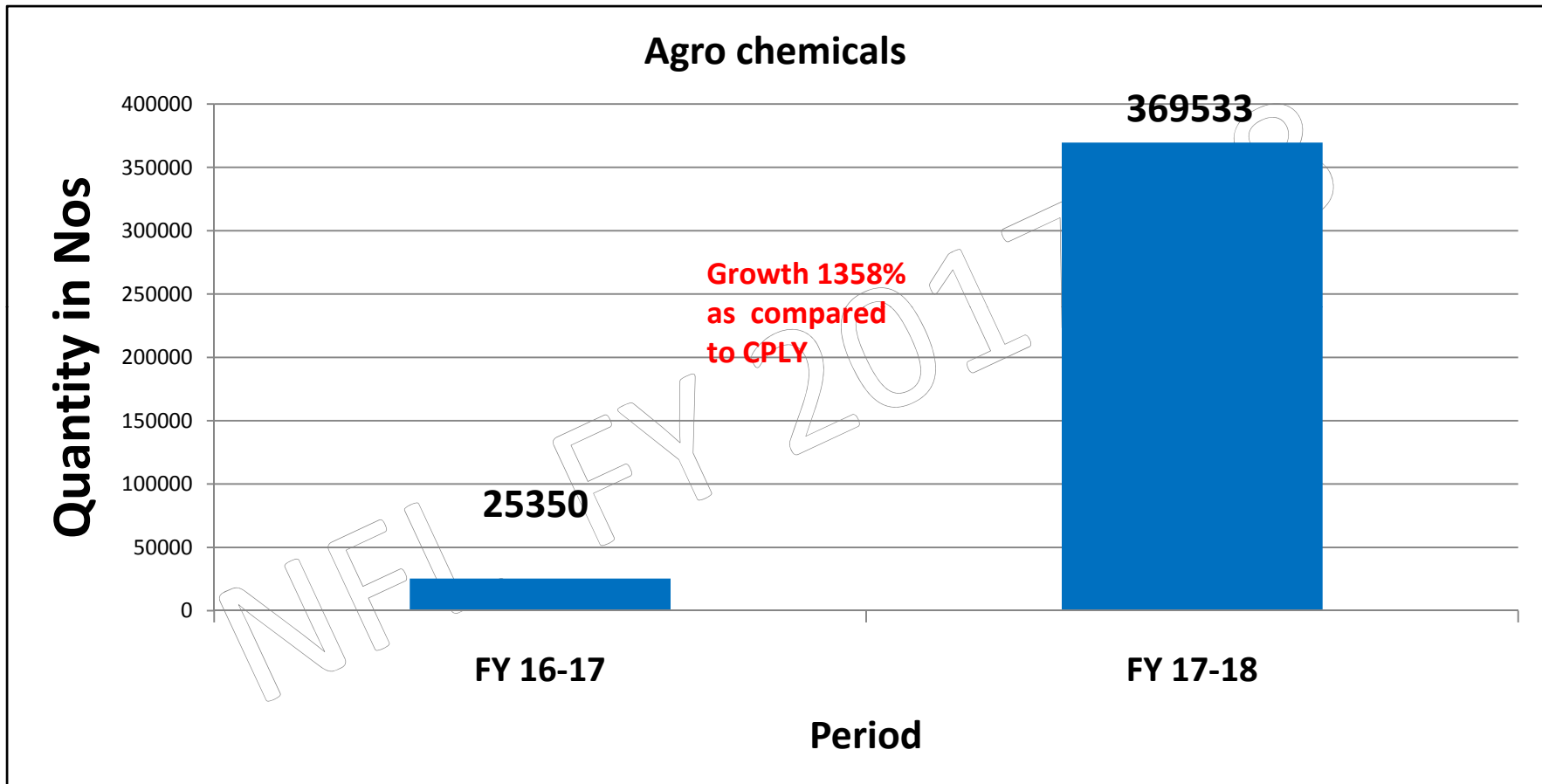
(13.7%)

₹ 186.86 crore  
(FY-2016-17)

➤ \*There is reduction in sale value of IP mainly due to decrease in sale realization of Nitric Acid due to cheaper imports.



# Sale of Agro chemicals (No. of Packets)



➤ \*Prior to 2016-17 NFL was doing Agro-chemicals business on commission basis.

# **DETAILS OF EXPENSES FOR FY 2017-18**

# Details of Expenses for FY 2017-18

Particulars	FY 2017-18	CPLY	Increase/ (Decrease)	Remarks
Production of urea (LMT)	38.10	38.10	196 MT	Higher by 196 MT during FY17-18
Sale of urea (LMT)	39.16 #	37.58	1.58	
	(₹ Crore)	(₹ Crore)	(₹ Crore)	
Cost of Materials consumed	3399.15	3015.06	384.09	Increase in gas price (20.15%)
Power and Fuel	2399.49	2213.12	186.37	
Purchase of Traded Goods (Break up in next 2 slides)	1025.18	579.03	446.15	4.59 LMT of traded goods comprising of 4.47 LMT of DAP/ MOP/ NPK/ APS and 0.12 LMT of compost.
Employee Benefits Expense	725.13	488.08	237.05	Mainly due to provision towards liability for pay revision of ₹ 92.95 crore & gratuity / EL/HPL of ₹ 152.75crore <b>totaling to ₹245.70 crore.</b>
Freight and Handling	607.36	544.79	62.57	Mainly due to higher dispatches
Repairs and Maintenance	76.94	82.19	(5.25)	
Excise duty	11.82	43.28	(31.46)	Goods & Services Tax (GST) replaced Excise Duty w.e.f 01.07.2017.
Other Expenses	174.84	172.08	2.76	
(Increase)/Decrease in inventories – TOTAL	6.70	(49.57)	56.27	
<b>Total Expenses</b>	<b>8426.61</b>	<b>7088.06</b>	<b>1338.55</b>	Increase by 19% as against Gross sales by 17%
<b>➤# Sale was higher over production due to availability of opening stock of urea.</b>				

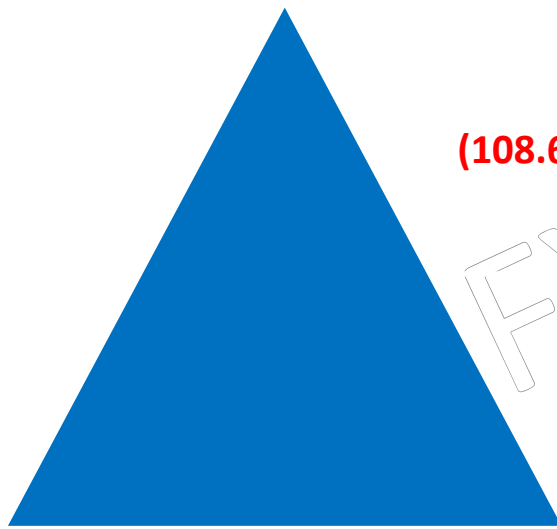
## Purchase of Traded goods (Qty. and Value)

Particulars	FY 2017-18		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)	3.29	783.1	2.14	531.1	252.01	53.7	1.15
MOP (IMP) (LMT)	0.27	39.56	-	-	39.56		0.27
APS (IMP) (LMT)	0.52	90.5	-	-	90.5		0.52
NPK (IMP) (LMT)	0.39	86.48	-	-	86.48	-100	0.39
Bentonite Sulphur (LMT)	-	0.13	0.03	3.36	-3.23		-0.03
Compost (LMT)	0.12	4.12	0.03	0.96	3.16	300	0.09
<b>Sub-total</b>	<b>4.59</b>	<b>1003.89</b>	<b>2.2</b>	<b>535.4</b>	<b>468.48</b>	<b>108.6</b>	<b>2.39</b>
Agro Chemicals (Nos.)	423000	8.76	39250	0.72	8.04	977.7	383750
Seeds (Quintals)	53288	12.53	54298	14.17	-1.64	-1.86	-1010
<b>Total *</b>		<b>1025.18</b>		<b>550.3</b>	<b>453.46</b>		

# Purchase Value and Quantity of Traded Goods

## Quantity

4.59 LMT  
(FY-2017-18)

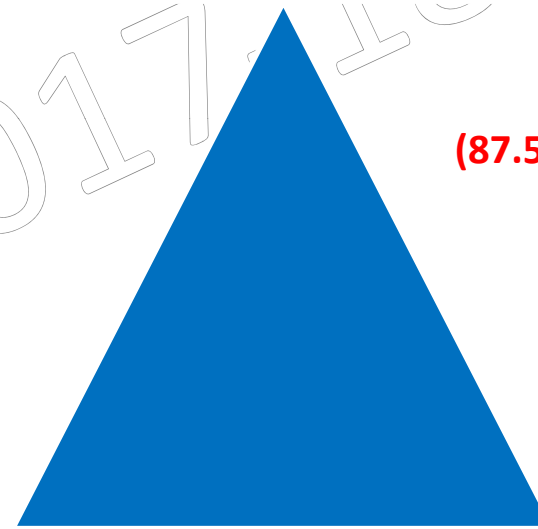


(108.60%)

2.20 LMT  
(FY-2016-17)

## Value

₹ 1003.89 crore  
(FY-2017-18)



(87.50%)

₹ 535.41 crore  
(FY-2016-17)

**PRODUCTION,  
STOCK,  
ENERGY CONSUMPTION  
FOR  
FY 2017-18**

# UREA PRODUCTION

Lakh MT

Unit	FY 2017-18	CPLY	Variance with CPLY
	Actual	Actual	
Nangal	5.43	5.02	0.41
Panipat	5.60	5.43	0.17
Bathinda	5.62	5.68	(0.06)
Vijaipur I	10.50	10.58	(0.08)
Vijaipur II	10.95	11.39	(0.44)
<b>Total</b>	<b>38.10250</b>	<b>38.10054</b>	<b>0.00196</b>

- Ever best production of Urea of 38.10250 LMT during the year as compared to production of Urea of 38.10054 LMT during CPLY.
- Production of urea during the period was higher at Nangal and Panipat units as compared to CPLY.
- The production was lower at Bathinda and Vijaipur-I& II units due to lower on-stream days due to annual turnaround of plant from 26-03-2017 to 12-04-2017 (18 days) at Bathinda unit, from 18.04.2017 to 30.04.2017 (13 days) at Vijaipur-I unit and from 04.09.2017 to 15.10.2017 (42 days) at Vijaipur-II unit.

## ENERGY CONSUMPTION (GCAL/MT OF UREA)

Units	Energy Norms NUP	Actual Energy	
		FY 2017-18	CPLY
Nangal	7.095	6.819	7.012
Panipat	7.614	6.762	7.112
Bathinda	7.479	6.859	6.924
Vijaipur I	5.904	5.753	5.784
Vijaipur II	5.569	5.372	5.364

>Energy consumption during current period was lower than CPLY at all Units except Vijaipur-II where it was slightly higher at 5.372 against 5.364 in CPLY.

>Ever lowest energy consumption at Nangal, Panipat & Bathinda units & Vijaipur I except at Vijaipur II.



# UREA STOCK (LAKH MT)

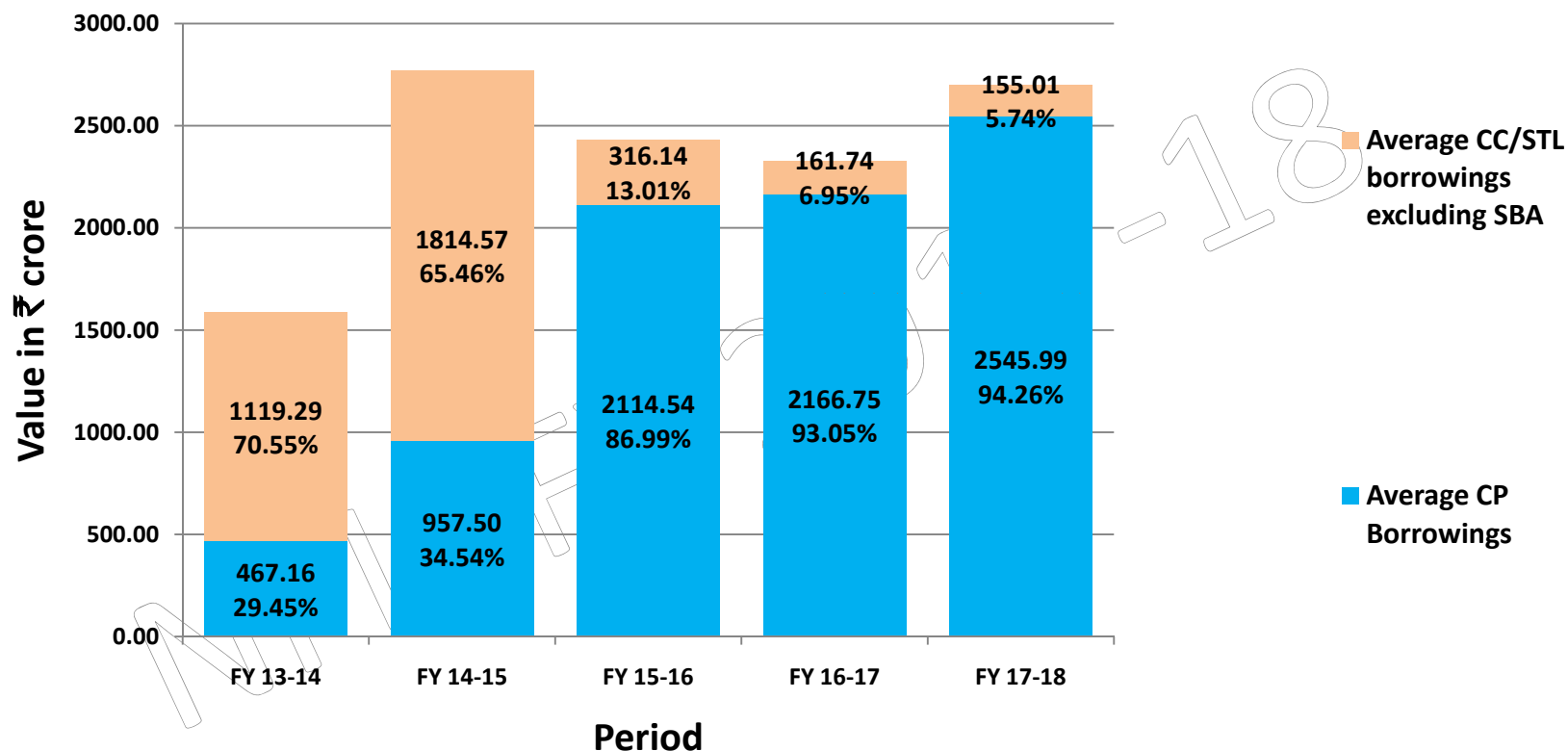
Unit	As on 31.03.2018	As on 31.03.2017
Silo	0.91	1.24
MIT	0.10	0.48
Warehouse	0.40	0.74
<b>Total stock</b>	<b>1.41</b>	<b>2.46</b>
<b>Details of silo stock</b>		
Nangal	0.09	0.04
Panipat	0.08	0.19
Bathinda	0.12	0.21
Vijaipur I	0.16	0.35
Vijaipur II	0.46	0.45
<b>Total</b>	<b>0.91</b>	<b>1.24</b>

## Stock of Traded Fertilizer (MT)

Unit	As on 31.03.2018	As on 31.03.2017
DAP	215	-
APS	25845	-
NPK	38500	-
BS	-	63
Compost	-	30
<b>Total</b>	<b>64560</b>	<b>93</b>

# **Analysis of Finance Cost**

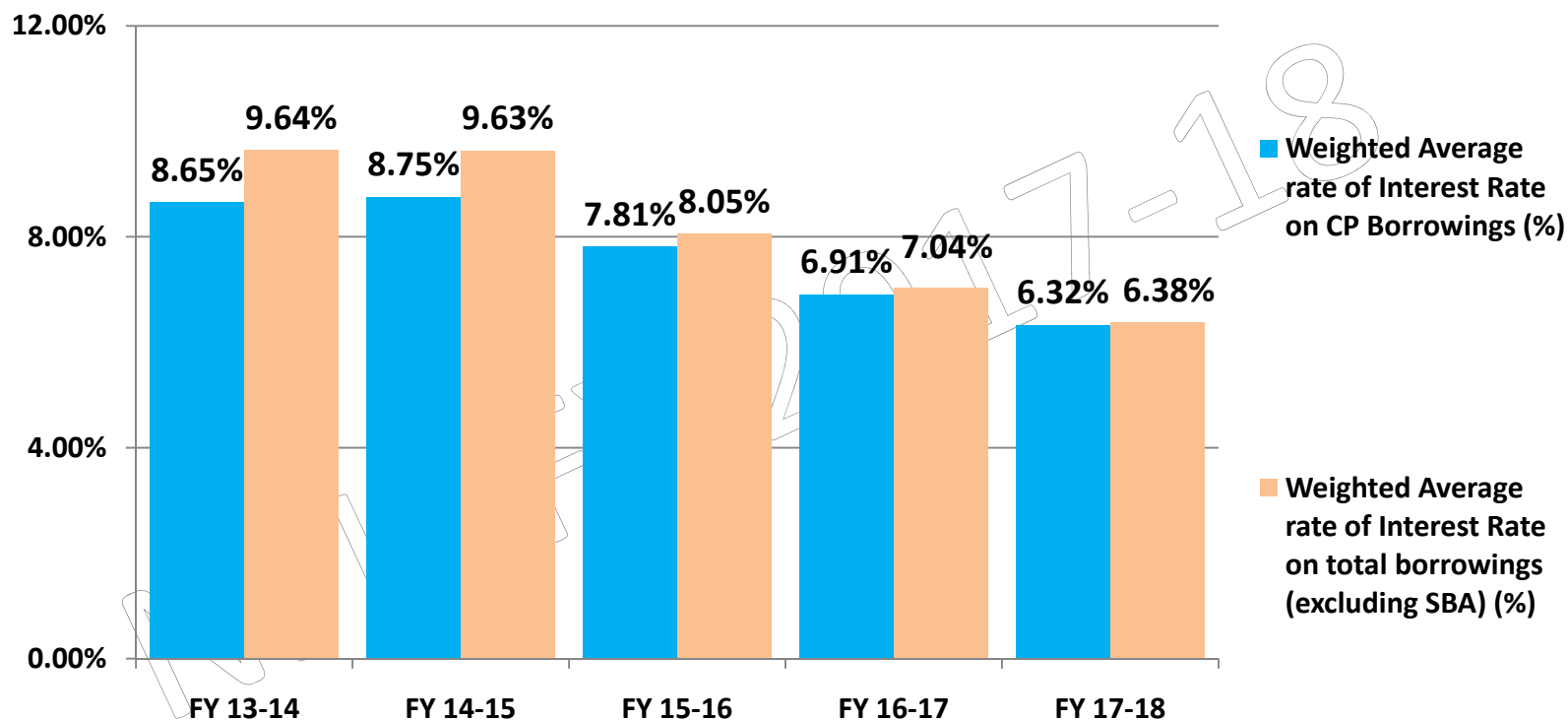
# Commercial Paper (CP) Borrowings vis-à-vis other short term borrowings (₹ crore)



➤ **CC-Cash Credit & STL- Short Term Loan**

➤ **The low cost CP borrowings of 29.45 % in FY 13-14 was increased to 94.26% in FY 17-18**

## Comparative weighted average finance cost on Commercial Paper (CP) Borrowings and Total short term Borrowings



- Weighted average interest rate on CP borrowings has reduced from 8.65% to 6.32% in last 5 years.
- Weighted average interest rate on Total borrowings has reduced from 9.64 % to 6.38% in last 5 years.

## Four year Interest trend of short term finance cost reduction Value (₹ crore ) and % (on like to like basis)

Particulars	2014-15	2015-16	2016-17	2017-18
Working Capital Interest (₹ crore)	269	196	166	173
Less Interest on trading activities			1	36
Working Capital Interest (₹ crore) (on like to like basis)	269	196	165	137
Reduction in Value (₹ crore)		73	31	28
Reduction in %		27.14%	15.82%	16.97%
WC Average Interest Rate excl. SBA (%)	9.63%	8.05%	7.04%	6.38%

➤ Reduction in Interest by ₹132 crore in FY 17-18 in comparison to FY 14-15 which is equal to 49%.

➤ WC Average Interest rate has reduced from 9.63 % to 6.38% in last 4 years (i.e 3.25%).

## BREAK UP OF TOTAL FINANCE COST FOR FY 2017-18 ₹ Crore

Particulars	FY 2017-18	CPLY	Increase/ (Decrease)
Interest on Long Term Loans	8.07	13.58	(5.51)
Interest on working capital Loans (excluding interest on trading activities)	134.35	162.38	(28.03)
Other borrowing costs (CP related charges)	2.77	2.97	(0.20)
Other Interest (on security deposits)	9.04	9.96	(0.92)
<b>Total finance cost</b>	<b>154.23</b>	<b>188.89</b>	<b>(34.66)</b>
Add: Interest on Trading Activities	35.66	0.95	34.71
<b>Total finance cost (including trading activities)</b>	<b>189.89</b>	<b>189.84</b>	<b>0.05</b>
Less: Interest earned on deposits	3.62	7.10	(3.48)
<b>Net finance cost</b>	<b>186.27</b>	<b>182.74</b>	<b>3.53</b>

➤ The interest on working capital on urea operations has reduced by ₹ 28.03 crore due to lower interest rates and efficient borrowings mix adopted by the company, however the same was off set by finance cost on trading activities in FY 17-18.

## ANALYSIS OF FINANCE COST ON WORKING CAPITAL FOR FY 2017-18

₹ Crore

Particulars	FY 2017-18	CPLY	Increase/ (Decrease)
Interest on working capital Loans (excluding interest on trading activities)	134.35	162.38	(28.03)
Interest on Trading Activities	35.66	0.95	34.71
Other borrowing costs (CP related charges)	2.77	2.97	(0.20)
<b>Total finance cost</b>	<b>172.78</b>	<b>166.30</b>	<b>6.48</b>
Average Borrowings	2724.95	2468.92	256.03
Average Interest Rate (%)	6.34	6.74	(0.40)

Particulars	FY 2017-18
Rate Variance	10.90
Quantity Variance	-17.38
<b>Total</b>	<b>6.48</b>

➤ Comparison of interest cost on like to like basis brings out a saving of interest cost of ₹ 10.90 crore due to reduction in average interest cost from 6.74% to 6.34%. This is despite increase in average working capital borrowings by Rs.256 crore.



## STEPS TAKEN TO REDUCE FINANCE COST

- CP borrowing **increased to 94%** (88% in CPLY).
- Interest cost saving by 60 bps (6.32% against 6.92% in CPLY) achieved in CP borrowings.
- Longer duration CPs raised to reduce CP overhead cost .
- The maturity dates of CP borrowings planned for redemption by 31.03.2018 to save interest cost.
- **Inter Corporate Deposits (ICD)** borrowings at the rate of **6.05% to 6.90%**.
- Short term loans raised with structured rates (below MCLR) .
- **Increase in credit period** from 15 days to 60 days for payment of bags supplies.
- Through close monitoring and better planning, mismatch of cash inflows and outflows reduced.
- Payment securitization mechanism of LC for gas supplies from GAIL/IOCL replaced with **Tripartite Facilitation Agreement to save LC charges**
- Introduced Dealer Financing Scheme (**e-DFS**) at cheaper interest rate of 8.80% pa to NFL dealers against their borrowing rates of around 10% to 14% pa and savings to be shared.
- Introduced Vendor Financing Scheme (**e-VFS**) of SBI at interest rate of 8% pa to provide cheaper finance to suppliers with a view to save interest cost .

# **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)**

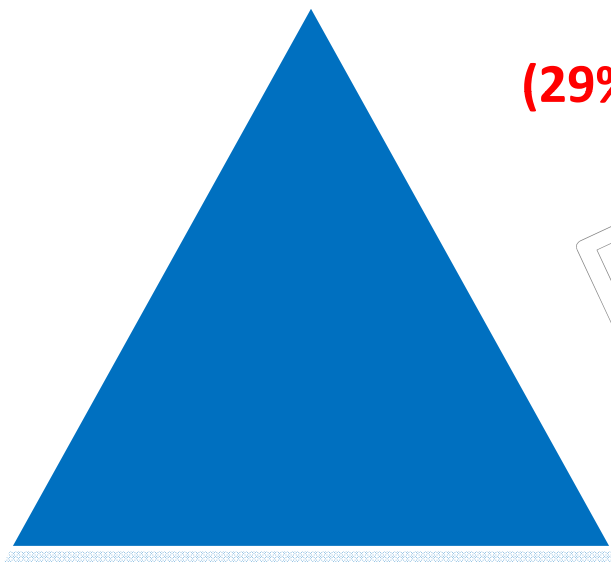
## Earnings before interest, tax, depreciation and amortization (EBITDA) (With & Without Impact of Pay revision & Gratuity)

₹Crore

Particulars	FY 2017-18	CPLY	Increase/(decrease)	
			₹ Crore	%
Gross Sales	8928.29	7643.36	1284.93	17
Total Expenses (excluding provision for Pay-Revision and Gratuity)	8180.91	7063.06	1117.85	16
Total Expenses (including provision for Pay-Revision and Gratuity)	8426.61	7088.06	1338.55	19
EBITDA ( Excluding provision for Pay-Revision and Gratuity)	747.38	580.50	166.68	29
EBITDA ( Including provision for Pay-Revision and Gratuity)	501.68	555.30	(53.62)	(10)

# Earnings before interest, tax, depreciation and amortization (EBITDA)

₹ 747.38 crore (FY-2017-18)  
(Excluding provision for Pay-Revision and  
Gratuity and income from sale of assets)

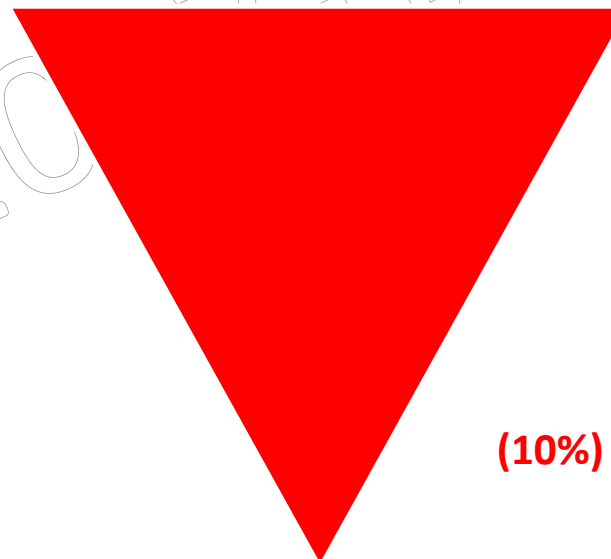


(29%)

₹ 580.50 crore (FY-2016-17)

Growth in EBITDA by 29%

₹ 501.68 crore (FY-2017-18)  
(Including provision for Pay-Revision  
and Gratuity and income from sale of  
assets)



(10%)

₹ 555.30 crore FY-2016-17)

Reduction in EBITDA by 10%

# FINANCIAL PERFORMANCE for FY 2017-18

Company has earned Profit Before Tax of ₹ **334.83 crore** after provision for gratuity and pay revision for ₹ **245.70 crore** (₹25.20 crore during CPLY) the year as against Profit Before Tax of ₹ **324.88 crore** during CPLY i.e. increase in profit by ₹ **9.95 crore**.

**PBT has increased mainly due to:**

1. Increase in contribution from urea due to higher sale of urea.
2. Increase in profitability from traded goods.
3. Decrease in depreciation charge.
4. Decrease in repairs and maintenance expenses and other overheads .
5. Saving on account of decrease in energy consumption.
6. Increase in Misc. Income (excluding interest earned on deposits).

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

1. Increase in salary and wages - mainly due to Provision for Pay revision and Gratuity/EL/HPL.
2. Increase in marketing expenses.
3. Decrease in contribution from sale of Industrial Products (mainly due to fall in net realization rate of Nitric Acid).

# Important Financial Indicators

Particulars	Unit	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Debt Service Coverage Ratio	Times	0.94	2.13	2.39	2.34
Interest Coverage Ratio	Times	1.39	2.65	3.16	3.15
Debt to Equity Ratio	Times	5.07	3.62	2.26	1.54
Earning Per Share of ₹ 10	₹ /Share	0.53	4.05	4.24	4.34
Return on Average Net Worth (PAT /Average NW)	%	1.76	12.77	12.13	11.16 *

➤ \*Due to provision for pay revision and gratuity/EL/HPL amounting to ₹ 245.70 crore.

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

## SEGMENT RESULTS ₹ crore

Particulars	FY 2017-18		FY 2016-17	
	₹ crore	%	₹ crore	%
<b>Segment Revenue</b>				
Own Fertilizers (Urea, BS and Bio-fertilizers)	7626.66	85.42%	6750.72	88.32%
Fertilizer Trading	1106.95	12.40%	660.21	8.64%
Other Products	194.68	2.18%	232.43	3.04%
<b>Total</b>	<b>8928.29</b>	<b>100.00%</b>	<b>7643.36</b>	<b>100.00%</b>
<b>Segment Results (i.e Profit before interest cost and un allocable exp.)</b>				
Own Fertilizers (Urea, BS and Bio-fertilizers)	443.25	76.05%	456.61	83.00%
Fertilizer Trading	108.05	18.54%	48.41	8.80%
Other Products	31.51	5.41%	45.08	8.19%
<b>Total</b>	<b>582.81</b>	<b>100.00%</b>	<b>550.10</b>	<b>100.00%</b>
Less: Interest	189.89		189.84	
Less: Un allocable expenses	58.09		35.38	
<b>Profit Before Tax</b>	<b>334.83</b>		<b>324.88</b>	



# **PERFORMANCE FOR QUARTER ENDED MARCH 2018**

# OVERALL PERFORMANCE (Quarter Ended 31.03.2018) ₹Crore

Particulars	Qtr. March 2018	CPLY	Increase/(decrease)	
			₹ Crore	%
<b>Gross Sales (All Products)</b> detail next slide	<b>2095.73</b>	<b>1858.72</b>	<b>237.01</b>	<b>13</b>
Total Expenses (excluding provision for Pay-Revision and Gratuity)	1872.09	1668.54	203.55	12
Total Expenses (including provision for Pay-Revision and Gratuity) -Details slide no. 45	1957.65	1693.74	263.91	16
<b>EBITDA@</b> (excluding provision for Pay-Revision and Gratuity)	223.64	190.18	<b>33.46</b>	<b>18</b>
<b>EBITDA@</b> (including provision for Pay-Revision and Gratuity)	<b>138.08</b>	<b>164.98</b>	<b>(26.90)</b>	<b>(16)</b>
Add : Other Income	30.50	11.86	18.64	157
Less : Finance cost	46.72	36.50	10.22	28
Less : Depreciation	17.62	18.28	(0.66)	(4)
<b>Profit / (Loss) before tax (PBT)</b> - without impact of pay revision and gratuity and income from sale of assets	<b>189.80</b>	<b>147.06</b>	<b>42.54</b>	<b>29</b>
<b>Profit / (Loss) before tax (PBT)</b> - with impact of pay revision and gratuity and income from sale of assets	<b>104.24</b>	<b>122.06</b>	<b>(17.82)</b>	<b>(15)</b>
Tax expense	36.56	33.05	3.51	11
<b>Profit/(Loss) after tax (PAT)</b>	<b>67.68</b>	<b>89.01</b>	<b>(21.33)</b>	<b>(24)</b>
Other comprehensive income (net of tax)	5.61	5.18	0.43	8
<b>Total Comprehensive income (net of tax)</b>	<b>73.29</b>	<b>94.19</b>	<b>(20.90)</b>	<b>(22)</b>

## SALE (Quarter ended 31.03.2018)

₹crore

Particulars	Qtr. March 2018	CPLY	Increase/(decrease)	
			₹ Crore	%
Sale quantity of urea (LMT)	8.97	8.71	0.26(LMT)	3
Sale quantity of DAP/MOP/NPK (LMT)	0.12	0.11	0.01 (LMT)	9
<b>Gross Sales of urea</b>	<b>2012.33</b>	<b>1783.37</b>	<b>228.96</b>	<b>13</b>
Sale of other products – detail next 2 slides	83.40	75.35	8.05	11
<b>Gross Sales</b>	<b>2095.73</b>	<b>1858.72</b>	<b>237.01</b>	<b>13</b>
<p>➤ Sale value of urea increased mainly due to higher sale quantity (by 0.26 LMT) and increase in gas price (by 20.15%).</p> <p>➤ Sale value of other products increased mainly due to increase in sale of DAP/MOP/APS /BS/Compost (0.01 LMT).</p>				

## Sale of Traded goods (Quarter Ended 31.03.2018)

Particulars	Qtr. March 2018		CPLY		Inc./ (Dec.) with CPLY (₹ Crore)	Qty. Inc./ (Dec.) with CPLY %	Qty. Inc./ (Dec.) with CPLY
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
DAP (LMT)	0.06	12.58	0.09	24.84	(12.26)	(33)	(0.03)
MOP (LMT)	0.02	3.53	-	-	3.53		0.02
APS (LMT)	0.03	6.95	-	-	6.95		0.03
BS (LMT)	-	0.11	0.01	2.83	(2.72)	(100)	(0.11)
Compost (LMT)	0.01	0.99	0.01	0.57	0.42		-
<b>Sub Total</b>	<b>0.12</b>	<b>24.16</b>	<b>0.11</b>	<b>28.24</b>	<b>(4.08)</b>	<b>9</b>	<b>0.01</b>
Seeds (Quintals)	6031	0.98	50357	2.83	(1.85)	(88)	(44326)
Agro Chemicals (Nos.)	14490 8	4.97	25350	0.50	4.47	472	119558
<b>Traded goods</b> (excluding gas swapping)		<b>30.11</b>		<b>31.57</b>	<b>(1.46)</b>		

➤ There was a marginal decrease in sale of traded goods by ₹ 1.46 crore (5%).

## Sale of Industrial Products & Others (Quarter Ended 31.03.2018)

Particulars	Qtr. March 2018		CPLY		Increase/ (Decrease) with CPLY (₹ Crore)	Qty. Inc./ (Dec.) with CPLY %	Qty. Inc. / (Dec.) with CPLY
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)			
Nitric Acid (MT)	18952	37.05	17509	33.40	3.65	8	1443
Ammonium Nitrate (MT)	4314	9.49	2484	5.58	3.91	74	1830
Sodium Nitrate/Nitrite (MT)	738	3.51	720	2.84	0.67	3	18
<b>Sub Total</b>	<b>24004</b>	<b>50.05</b>	<b>20713</b>	<b>41.82</b>	<b>8.23</b>	<b>16</b>	<b>3191</b>
Bio Fertilizers (MT)	125	0.35	204	0.95	(0.60)	(39)	(79)
Technical surplus Ammonia	953	2.56		-	2.56		953
Others		0.33		1.01	(0.68)		
<b>Total Industrial Products &amp; Bio-Fertilizers</b>		<b>53.29</b>		<b>43.78</b>	<b>9.51</b>		

➤ Sale value of Industrial Products and Bio-fertilizers (₹ 53.29 crore) was higher by ₹9.51 crore (₹ 43.78 crore CPLY) mainly on account of higher sales realization from Nitric Acid (by ₹ 3.65 crore), Ammonium Nitrate (by ₹ 3.91 crore) and Technical Surplus of Ammonia (by ₹ 2.56 crore).

## FINANCE COST (Quarter Ended 31.03.2018) ₹ Crore

The finance cost for the quarter ended March-2018 was ₹ 46.72 crore and was higher by ₹ 10.22 crore as compared to ₹ 36.50 crore during CPLY as per details below:

Particulars	Qtr. March 2017	CPLY	Increase/ (Decrease)
Interest on Long Term Loans	1.65	1.92	(0.27)
Interest on working capital Loans (excluding interest on trading activities)	34.48	30.34	4.14
Other borrowing costs (CP related charges)	0.45	0.74	(0.29)
Other Interest (on security deposits)	3.57	3.48	0.09
<b>Total finance cost for non- trading</b>	<b>40.15</b>	<b>36.48</b>	<b>3.67</b>
<b>Interest on Trading Activities</b>	<b>6.57</b>	<b>0.02</b>	<b>6.55</b>
<b>Total finance cost (including trading activities)</b>	<b>46.72</b>	<b>36.50</b>	<b>10.22</b>
Less: Interest earned on deposits	1.52	0.23	1.29
<b>Net finance cost</b>	<b>45.20</b>	<b>36.27</b>	<b>8.93</b>

➤ The increase in total finance cost by ₹10.22 crore during the qtr was due to increase in total average borrowings by ₹ 154 crore and lower SBA funds received during the qtr by ₹ 970 crore as compared to CPLY. During FY 17-18, SBA funds of ₹ 195 crore were received for 9 days as compared to SBA funds of ₹ 1165 crore for 44 days during 16-17.

## Details of Expenses (Quarter Ended 31.03.2018)

Particulars	Qtr. March 2017	CPLY	Increase/ (Decrease )	Remarks
Production of urea (LMT)	9.62	9.29	0.33	
Sale of urea (LMT)	8.97	8.71	0.26	
	(₹ Crore)	(₹ Crore)	(₹ Crore)	
Cost of Materials consumed	994.60	838.99	155.61	Mainly due to rise in gas prices by 23.52% & higher production of Urea
Power and Fuel	654.44	603.76	50.68	
Purchase of Traded Goods	134.23	8.54	125.69	Higher import of DAP/MOP/NPK (by 0.65 LMT).
Employee Benefits Expense	186.51	132.21	54.30	Mainly due to provision towards liability for gratuity and pay revision
Freight and Handling	128.87	126.35	2.52	Mainly due to higher dispatches of urea.
Repairs and Maintenance	15.60	23.12	(7.52)	
Excise duty	0.01	5.08	(5.07)	Mainly due to implementation of Goods & Services Tax (GST) from July-2017 onwards.
Other Expenses	47.86	41.89	5.97	
(Incr.)/Dec. in inventories	(204.47)	(86.20)	(118.27)	Increase in stock of Urea and Traded Goods during the quarter.
<b>Total Expenses (other than Interest and Depreciation)</b>	<b>1957.65</b>	<b>1693.74</b>	<b>263.91</b>	Increase of 13% as against increase in Gross sales by 16%

# UREA PRODUCTION (Quarter Ended 31.03.2018)

Lakh MT

Unit	Jan-March 2018	CPLY	Variance with CPLY
	Actual	Actual	
Nangal	1.15	1.19	(0.04)
Panipat	1.18	1.44	(0.26)
Bathinda	<b>1.50</b>	1.38	0.12
Vijaipur I	<b>2.72</b>	2.56	0.16
Vijaipur II	<b>3.07</b>	2.72	0.35
<b>Total</b>	<b>9.62</b>	<b>9.29</b>	<b>0.33</b>

- Production of urea during the quarter was higher at Bathinda, Vijaipur-I& II units as compared to CPLY.
- Urea production was lower (by 0.26 LMT) at Panipat unit due to leakage problem of Urea Reactor liner and oil seal leakage of synthesis compressor during January 2018.
- Production was marginally lower (0.04 LMT) at Nangal unit in comparison to CPLY.



## FINANCIAL PERFORMANCE (Quarter Ended 31.03.2018)

➤ Company has earned profit before tax of ₹ 104.24 crore after provision for gratuity and pay revision for ₹ 85.56 crore (₹ 25.20 crore during CPLY) during the quarter ended 31<sup>st</sup> March, 2018 as against profit before tax of ₹ 122.06 crore during CPLY i.e. decrease in profit by ₹ 17.82 crore.

➤ The PBT on like to like basis would have been ₹189.80 crore which shows higher profit by ₹ 42.54 crore in comparison to CPLY

### **PBT has increased mainly due to:**

1. Saving on account of decrease in energy consumption
2. Decrease in repairs and maintenance expenses
3. Increase in contribution from sale of Industrial Products
4. Decrease in other expenses

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

1. Increase in salary and wage (mainly due to provision for Pay revision and gratuity/EL/HPL).
2. Increase in finance charges

## Summarized Comparison on like to like basis and otherwise

₹Crore

Particulars	FY 2017-18	FY 2016-17
Gross Sales	8928.29	7643.36
Total Expenses (with provision for Pay-Revision and Gratuity/EL/HPL)	8426.61	7088.06
EBITDA	501.68	555.30
Impact of pay revision and gratuity	245.70	25.20
<b>EBITDA (on like-to-like basis)</b>	<b>747.38</b>	<b>580.50</b>
Finance Cost, Depreciation & Other Income	166.85	230.42
Profit / (Loss) before tax (PBT)	334.83	324.88
<b>Profit / (Loss) before tax (PBT) (on like-to-like basis)</b>	<b>543.58</b>	<b>350.08</b>
Profit/(Loss) after tax (PAT)	212.77	208.16

# PROJECT ACTIVITIES

# Project Activities

- Energy saving scheme at Nangal, Bathinda and Panipat units at an estimated cost of ~ ₹ 700 crore has been taken up and work is in progress.
- Energy saving schemes at Vijaipur I & II with capex of ₹ 220 crore. TEFR is under finalization.
- 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. Company has received “Letter of Intent” from ISRO on BOOS (Built, Own, Operate and Supply) basis.
- 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 - ₹ 3827 crore**

➤ **Expenditure Incurred - ₹ 1697 crore**

➤ **Physical Progress – 80.1%**

➤ **Likely Completion – March, 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