



# मद्रास फ़र्टिलाइज़र्स लिमिटेड Madras Fertilizers Limited

(भारत सरकार का उपक्रम / A Government of India Undertaking)

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February 12, 2016

National Stock Exchange of India Ltd  
Exchange Plaza C-1 Block G  
Bandra Kurla Complex  
Bandra (E)  
Mumbai 400051.

Sirs,

**Sub: Submission of unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities for the period 2012-13, 2013-14 & 2014-15.**

This has reference to the letter from Securities and Exchange Board of India vide CDF/FAC/PM/OW/34757/2015 dated December 16, 2015 wherein we were informed to restate the accounts for the years 2012-13, 2013-14 & 2014-15.

In this connection we are submitting the Unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities for the financial years ending 31<sup>st</sup> March 2013, 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2015. This has been approved by the Board of MFL in their 281<sup>st</sup> meeting held on 12.02.2016.

Please take the same on record.

Very truly yours

*V. Muralidharan*  
12/2/2016

V MURALIDHARAN  
COMPANY SECRETARY

**MADRAS FERTILIZERS LIMITED**  
(A Govt. of India Undertaking)  
Regd. Office : Manali, Chennai 600 068

(Under SEBI Circular No.CIR/CFD/DIL/7/2012 dated Aug 13, 2012 read with the SEBI Circular CIR/CFD/DIL/9/2013 dated June 05, 2013)

<b>Restatement of Proforma Financial Statement (Unaudited)</b>				
Particulars		Year ended		
		31.03.2015	31.03.2014	31.03.2013
<b>1</b>	<b>Income from Operations</b>			
	(a) Net Sales/Income from Operations (Net of excise duty)	167807	257267	229893
	(b) Other Operating Income	0	0	0
	<b>Total income from Operations (net)</b>	167807	257267	229893
<b>2</b>	<b>Expenses</b>			
	(a) Cost of Materials consumed	151306	208206	205424
	(b) Purchase of stock-in-trade	521	678	337
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	675	5949	(3791)
	(d) Employee benefits expense	9298	8793	7389
	(e) Depreciation and amortisation expense	1761	4241	4173
	(f) Other Expenses	13453	13871	12174
	<b>Total Expenses</b>	177014	241738	225706
<b>3</b>	<b>Profit / (Loss) from Operations before Other Income, finance costs and Exceptional</b>	(9207)	15529	4187
<b>4</b>	<b>Other Income</b>	1755	1250	882
<b>5</b>	<b>Profit/ (Loss) from Ordinary activities before finance costs and exceptional items</b>	(7452)	16779	5069
<b>6</b>	<b>Finance costs</b>	8397	8279	7361
<b>7</b>	<b>Profit/ (Loss) from Ordinary activities after finance costs but before exceptional</b>	(15849)	8500	(2292)
<b>8</b>	<b>Exceptional Items</b>	-	-	-
<b>9</b>	<b>Profit / (Loss) from Ordinary Activities before tax (7 + 8)</b>	(15849)	8500	(2292)
<b>10</b>	<b>Tax Expense</b>	-	576	-
<b>11</b>	<b>Net Profit / (Loss) from Ordinary Activities after tax (9 - 10)</b>	(15849)	7924	(2292)
<b>12</b>	<b>Extraordinary Items (net of tax expense)</b>	-	-	-
<b>13</b>	<b>Net Profit / (Loss) for the period (11+12)</b>	(15849)	7924	(2292)
<b>14</b>	<b>Share of Profit/(Loss) of associates</b>	-	-	-
<b>15</b>	<b>Minority Interest</b>	-	-	-
<b>16</b>	<b>Net Profit / (Loss) after taxes, minority interest and share of profit /(Loss) of</b>	(15849)	7924	(2292)
<b>17</b>	<b>Paid-up equity share capital (Face Value ₹ 10 per Share)</b>	16110	16110	16110
<b>18</b>	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting</b>	(43822)	(51573)	(49281)
<b>19</b>	<b>i Earnings Per Share (before extraordinary items) (of ₹ 10/- each) (not annualised):</b>			
	- (a) Basic	(8.36)	4.92	(1.42)
	- (b) Diluted	(8.36)	4.92	(1.42)
<b>19</b>	<b>ii Earnings Per Share (after extraordinary items) (of ₹ 10/- each) (not annualised):</b>			
	- (a) Basic	(8.36)	4.92	(1.42)
	- (b) Diluted	(8.36)	4.92	(1.42)

(₹ in lakhs)			
<b>Proforma Statement of Assets and Liabilities (Unaudited)</b>			
Particulars	Year ended		
	31.03.2015	31.03.2014	31.03.2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	16214	16214	16214
(b) Reserves and Surplus	(59671)	(43649)	(51573)
(c) Money received against share warrants	-	-	-
<b>Sub-total - Shareholders' fund</b>	<b>(43457)</b>	<b>(27435)</b>	<b>(35359)</b>
<b>2 Share application money pending allotment</b>	-	-	-
<b>3 Minority interest</b>	-	-	-
<b>4 Non-current liabilities</b>			
(a) Long-term borrowings	19654	22922	26204
(b) Deferred tax liabilities (net)	-	-	-
(c) Other long-term liabilities	-	-	-
(d) Long-term provisions	1690	1803	1953
<b>Sub-total - Non-current liabilities</b>	<b>21344</b>	<b>24725</b>	<b>28157</b>
<b>5 Current liabilities</b>			
(a) Short-term borrowings	35944	23566	4459
(b) Trade payables	26441	69006	23351
(c) Other current liabilities	85379	76314	65379
(d) Short-term provisions	709	564	658
<b>Sub-total - Current liabilities</b>	<b>148473</b>	<b>169450</b>	<b>93847</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>126360</b>	<b>166740</b>	<b>86645</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	19803	21351	24825
(b) Goodwill on consolidation	-	-	-
(c) Non-current investments	40	40	40
(d) Deferred tax assets (net)	-	-	-
(e) Long-term loans and advances	1709	1456	1073
(f) Other non-current assets	-	-	-
<b>Sub-total - Non-current assets</b>	<b>21552</b>	<b>22847</b>	<b>25938</b>
<b>2 Current assets</b>			
(a) Current investments	-	-	-
(b) Inventories	18984	22370	30745
(c) Trade receivables	1359	9	373
(d) Cash and cash equivalents	1768	2276	582
(e) Short-term loans and advances	586	1264	1601
(f) Other current assets	82111	117974	27406
<b>Sub-total - Current assets</b>	<b>104808</b>	<b>143893</b>	<b>60707</b>
<b>TOTAL - ASSETS</b>	<b>126360</b>	<b>166740</b>	<b>86645</b>

By order of the Board

Chennai  
February 12, 2016

A B Khare  
Chairman & Managing Director



## **Notes to the Unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities.**

The company have received a letter from Securities and Exchange Board of India for restatement of financial results for giving effect to the impact of the audit qualifications(s) for the year ended 31.03.2013 in respect of matters is invited to Note 24 (B) (iii) regarding accounting of a sum of Rs 47.40 Crores towards additional compensation under Nutrient Based Subsidy (NBS) for producing P&K fertilizers which has been considered as receivable from Department of Fertilizers (DOF). As the proposal to extend the scheme for additional compensation is still under consideration by DOF as at the year end, in our opinion, the above sum of Rs 47.40 crores is not recoverable and to that extent has the effect of overstatement of profit for the year ended 31st March 2013 and claims recoverable (forming part of Note 16 - Other Current Assets) as at 31st March 2013 in terms of SEBI Circular no. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI Circular CIR/CFD/DIL/9/2013 dated June 05, 2013 ('SEBI Circulars') vide CFD\FAC\PM\OW\34757\2015 dated December 16, 2015.

The additional compensation was originally approved by DOF for three Companies using Naphtha based Ammonia, in the production of NPK complex fertilizers up to March 31, 2012 to support them to sustain production of NPK and to convert to Natural Gas feedstock by that time. None of them could convert to Natural Gas as the same was not available.

For one of the Companies which signed Gas Transportation Agreement, additional compensation was extended up to June 2013. Applying the same principle, the Company has realistically accounted the additional compensation at the 2011-12 announced rates for 2012-13, 2013-14 and based on the letter from DOF during Mar 2015 stating that the proposal to extend the additional compensation up to March 2015 is under the active consideration, the Company has realistically accounted the same as receivable for 2014-15 also.

In the considered opinion of the Company, had the same not been accounted, the Accounts shall not give a true and fair view and shall defeat the very purpose of matching concept in as much as the expenditure is accounted, the estimated income also has to be accounted.

This is adequately disclosed under the Significant Accounting Policies - Note 24 (A) 10 (ii).

In this context, the Company have prepared the Unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities pertaining to the respective financial years after adjusting for the qualification.

The Company have prepared the Unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities and the same has not been reviewed or audited by the Company's Statutory Auditors.

The Unaudited Proforma Financial Statement and Proforma Statement of Assets and Liabilities should be read in conjunction with the Company's historical financial statements/results.