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Fax : (91-40)23354788
Website: www.nagarjunafertilizers.com
CIN - L24129AP2006PLC076238



Friday, November 09, 2018

To,
BSE Limited
Corporate Relationship Department
1st Floor, Routunda Building
B S Marg, Fort
Mumbai - 400 001
Scrip Code:539917

To,
The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai - 400 051
Scrip Code: NAGAFERT

Dear Sir / Madam,

Sub: Outcome of Board Meeting

Ref:Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Board of Directors of the Company at their meeting held today approved the Unaudited Financial Results for the quarter and period ended September 30, 2018 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

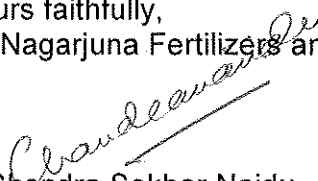
The Unaudited Financial Results for the quarter and period ended September 30, 2018 accompanied by the Limited Review Report given by M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, is enclosed. Also find enclosed the statement of Assets and Liabilities as at September 30, 2018.

The Meeting of the Board Commenced at 11:30 A.M. and concluded at 3:00 P.M.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
for Nagarjuna Fertilizers and Chemicals Limited


K Chandra Sekhar Naidu
Company Secretary

Encl: As above

Nagarjuna Fertilizers and Chemicals Limited
Nagarjuna Hills, Hyderabad - 500 082.
Website: www.nagarjunafertilizers.com
CIN: L24129AP2006PLC076238

Statement of Unaudited Standalone Financial Results for the Quarter / Half Year Ended September 30, 2018

₹ in Lakhs

SI No	PARTICULARS	Quarter ended			Half Year ended		Year ended
		30-09-2018 (Unaudited)	30-06-2018 (Unaudited)	30-09-2017 (Unaudited)	30-09-2018 (Unaudited)	30-09-2017 (Unaudited)	31-03-2018 (Audited)
I	Revenue from Operations	38,424.12	90,046.80	1,03,611.95	1,28,470.92	1,90,084.03	3,92,367.63
II	Other Income	458.76	257.74	1,718.63	716.50	3,272.62	4,497.14
III	Total income (I+II)	38,882.88	90,304.54	1,05,330.58	1,29,187.42	1,93,356.65	3,96,864.77
IV	Expenses						
	a) Cost of materials consumed	4,418.35	41,272.89	30,059.81	45,691.24	63,253.86	1,38,145.65
	b) Purchase of Stock-in-Trade	10,483.42	8,960.14	16,571.72	19,443.56	27,424.79	45,854.23
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	13,996.35	(12,215.37)	7,864.86	1,780.98	2,670.87	6,604.67
	d) Power and Fuel	5,569.18	29,440.55	23,517.32	35,009.73	47,396.67	1,00,242.57
	e) Employee Benefits Expense	3,836.22	4,124.36	4,397.15	7,960.58	8,751.04	17,350.53
	f) Finance cost	8,287.12	7,814.46	7,597.98	16,101.58	15,074.47	30,820.99
	g) Depreciation and Amortization Expense	2,234.76	2,215.57	2,255.04	4,450.33	4,462.73	8,928.10
	h) Excise Duty	-	-	-	-	228.19	228.19
	i) Other Expenses	8,795.39	8,967.81	12,957.96	17,763.20	24,559.30	51,344.03
	Total expenses	57,620.79	90,580.41	1,05,221.84	1,48,201.20	1,93,821.92	3,99,518.96
V	Profit / (Loss) before exceptional items and tax (III-IV)	(18,737.91)	(275.87)	108.74	(19,013.78)	(465.27)	(2,654.19)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	(18,737.91)	(275.87)	108.74	(19,013.78)	(465.27)	(2,654.19)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	-	56.91
	(c) Deferred Tax	(1,497.24)	(172.06)	74.36	(1,669.30)	(31.40)	(559.09)
		(1,497.24)	(172.06)	74.36	(1,669.30)	(31.40)	(502.18)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(17,240.67)	(103.81)	34.38	(17,344.48)	(433.87)	(2,152.01)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-

₹ in Lakhs

SI No	PARTICULARS	Quarter ended			Half Year ended		Year ended
		30-09-2018 (Unaudited)	30-06-2018 (Unaudited)	30-09-2017 (Unaudited)	30-09-2018 (Unaudited)	30-09-2017 (Unaudited)	31-03-2018 (Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(17,240.67)	(103.81)	34.38	(17,344.48)	(433.87)	(2,152.01)
XIV	Other Comprehensive Income (net of tax)						
	A Items that will not be reclassified to profit or loss						
	(i) Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	369.01
	(ii) Income tax relating to these items	-	-	-	-	-	(127.71)
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-	-
	Total Other Comprehensive income, net of tax	-	-	-	-	-	241.30
XV	Total Comprehensive Income (XIII+XIV)	(17,240.67)	(103.81)	34.38	(17,344.48)	(433.87)	(1,910.71)
XVI	Paid-up Equity Share Capital (Face Value of ₹ 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XVII	Earning Per Share (of ₹ 1/- each) (not annualised) (for continuing operations)						
	- Basic and Diluted	(2.88)	(0.02)	0.01	(2.90)	(0.07)	(0.36)
XVIII	Earning Per Share (of ₹ 1/- each) (not annualised) (for discontinued operations)						
	- Basic and Diluted	-	-	-	-	-	-
XIX	Earning Per Share (of ₹ 1/- each) (not annualised) (for discontinued and continuing operations)						
	- Basic and Diluted	(2.88)	(0.02)	0.01	(2.90)	(0.07)	(0.36)

Balance Sheet

₹ in Lakhs

Particulars	Standalone	
	As At September 30, 2018 (Unaudited)	As At March 31, 2018 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2,52,534.91	2,56,370.89
(b) Capital work-in-progress	3,124.27	2,212.95
(c) Other Intangible Assets	1,227.83	1,474.20
(d) Financial Assets		
(i) Investments	1,796.17	1,796.17
(ii) Loans	2,847.14	2,744.45
(iii) Other Financial Assets	30.44	36.92
(e) Other Non-Current Assets	271.34	256.20
Total non-current Assets	2,61,832.10	2,64,891.78
2. Current Assets		
(a) Inventories	12,672.81	14,526.91
(b) Financial Assets		
(i) Trade Receivables	1,15,814.87	1,69,790.31
(ii) Cash and Cash Equivalents	1,758.41	1,323.91
(iii) Bank Balances other than (ii) above	2,714.73	5,874.50
(iv) Loans	3,309.06	3,309.16
(v) Other Financial assets	704.31	762.71
(c) Current Tax Assets (Net)	617.22	664.37
(d) Other Current Assets	9,657.43	8,016.15
Total current assets	1,47,248.84	2,04,268.02
Total - Assets	4,09,080.94	4,69,159.80
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	84,002.13	1,01,346.61
Total Equity	89,982.78	1,07,327.26
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	33,559.05	40,824.74
(ii) Other Financial Liabilities	8,340.42	7,814.61
(b) Provisions	710.41	530.10
(c) Deferred Tax Liabilities (Net)	36,080.92	37,750.22
(d) Government grants	1,563.47	1,737.43
Total non-current liabilities	80,254.27	88,657.10
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,16,633.97	1,04,516.70
(ii) Trade Payables	94,504.90	1,46,274.04
(iii) Other Financial Liabilities	25,754.15	19,895.56
(b) Other Current Liabilities	1,302.96	1,815.90
(c) Government grants	347.91	347.91
(d) Provisions	300.00	325.33
Total current liabilities	2,38,843.89	2,73,175.44
Total liabilities	3,19,098.16	3,61,832.54
Total Equity and Liabilities	4,09,080.94	4,69,159.80

Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2018.
- 2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter / half year ended September 30, 2018.
- 3) The financial results comprise the combined operations of the Company relating to Fertilizer, Micro Irrigation and Agri Services businesses. The financial results of Micro Irrigation and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, are neither disclosed as separate segments nor are combined as "all other segments" for the purposes of disclosures under Ind AS 108 - Operating Segments.
- 4) The Company had taken plant maintenance activities and shutdown Urea complex on July 4, 2018. The shutdown had to be extended due to inadequate working capital. The main reasons for inadequate working capital is accumulated losses due to GAIL pipe line accident and introduction of Direct Benefit Transfer Scheme for subsidy payment by the Government. The Company is working out with Banks for necessary support to restart the Urea Complex and the long term resolution plan.
- 5) In relation to some of the contracts, international Arbitration Awards have been passed against the Company
 - (i) in September 2016 for USD 14,398,188 and GBP 690,630 and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.
 - (ii) in October 2017, for USD 877,500, EUR 455,000 and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, the Company could not proceed further and hence the said award is not maintainable.The Company is contesting the enforcement of the Awards in the Courts in India. Since the matter being sub-judice, the said claims have been treated as contingent liability.
- 6) Government of India announced New Urea Policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector which are effective from June 1, 2015. Income from Urea Operations has been accounted in accordance with the said policies, with Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation / de-escalation, and for production beyond reassessed capacity have been accounted for during the quarter in terms of the said policies. However, pending notification of the final prices by Government of India, the recognition of the same is based on the Management estimates.

Adjustments, if any, required will be considered on notification of final prices.
- 7) Ind AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at April 1, 2018 in standalone financial results. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the standalone financial results.
- 8) The figures for the corresponding previous periods have been restated / regrouped, wherever necessary, to make them comparable.

HYDERABAD
November 9, 2018


K. RAHUL RAJU
MANAGING DIRECTOR

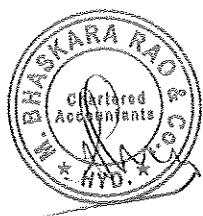
**Independent Auditor's Report on Limited Review of the Interim Standalone Financial Results
To the Board of Directors
Nagarjuna Fertilizers and Chemicals Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Nagarjuna Fertilizers and Chemicals Limited ("the Company") for the Quarter and Half Year ended September 30, 2018 ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified from time to time. This statement which is the responsibility of the Company's management and has been approved by its Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standard 34 "Interim Financial Reporting" (IND AS 34), prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement, based on our review.
2. We conducted our review of the said Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatements. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
3. **Emphasis of Matter**
Attention is invited to following Notes to the Statement:

- a) Note.4 regarding Company's efforts to restart urea operations and, long term resolution plan submitted to lenders to address inadequate working capital. The financial results are continued to be prepared on a going concern basis, pending approval of resolution plan by the lenders.
- b) Note.5 regarding International Arbitration awards passed against the Company for USD 15,275,688, GBP 11,45,630 and INR 221.39 Lakhs and interest thereon as applicable in relation to contracts for purchase of fertilizers.

No provision has been made towards the above awards for the reasons stated in the Note.5 notwithstanding the execution petition filed by the suppliers for enforcement of the awards in India.

- c) Note.6 regarding Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation and freight subsidy being accounted as per New Urea Policy 2015, pending notification of final prices and consequential adjustments, if any that may arise.



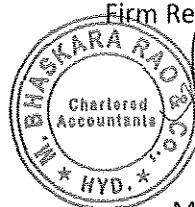
Our conclusion herein is not modified in respect of above matters.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for M. Bhaskara Rao & Co.

Chartered Accountants

Firm Registration No.000459S



Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, November 09, 2018