

Registered Office :
Nagarjuna Hills,
Hyderabad - 500 082. INDIA
Phones : 23357200, 23357204
23357589, 23356859
Fax : (91-40)23354788
Website: www.nagarjunafertilizers.com
CIN - L24129AP2006PLC076238



May 25, 2018

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

Dear Sir,

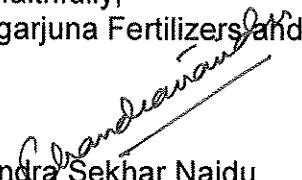
Scrip Code : NAGAFERT

This is to inform you that the Board of Directors of the Company at their meeting held today approved the Audited Financial Results for the year ended March 31, 2018, in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the approved results is enclosed.

Please also find enclosed the Auditors Report in relation to the Standalone Accounts and Consolidated Accounts of the company for the year ended March 31, 2018. The Audit report has not been modified by the Auditors.

Thanking you,

Yours faithfully,
for Nagarjuna Fertilizers and Chemicals Limited


K Chandra Sekhar Naidu
Compliance Officer/Company Secretary

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Date: May 25, 2018

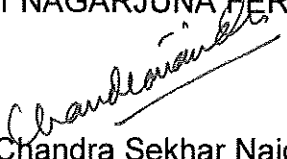
To,
The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (E)
Mumbai - 400051

DECLARATION

This is to declare that the Annual Audited Standalone Financial Results and Annual Audited Consolidated Financial Results, as approved and recommended by Audit Committee and approved by the Board of Directors at their meetings held on Friday, May 25, 2018, the Statutory Auditors of the company, M/s. M. Bhaskara Rao & Co., Chartered Accountants, have expressed an Unmodified Opinion on the Audit Report for the year ended on March 31, 2018.

Kindly take the declaration on your records.

Thanking you,
For NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED


K Chandra Sekhar Naidu
Compliance Officer

Standalone and Consolidated Audited Financial Results for the Quarter / Year Ended March 31, 2018

₹ in Lakhs

Sl No	PARTICULARS	Standalone			Consolidated		
		Quarter ended		Year ended		Year ended	
		31-03-2018 (Audited)	31-12-2017 (Unaudited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)	31-03-2017 (Audited)
I	Revenue from Operations	1,02,094.67	1,00,188.93	76,329.37	3,92,367.63	3,38,506.62	3,38,506.62
II	Other Income	812.80	411.72	2,365.86	4,497.14	3,527.32	3,528.57
III	Total income (I+II)	1,02,907.47	1,00,600.65	78,695.23	3,96,864.77	3,42,033.94	3,42,035.19
IV	Expenses						
	a) Cost of materials consumed	40,494.23	34,397.56	30,278.63	1,38,145.65	1,16,457.86	1,16,457.86
	b) Purchase of Stock-in-Trade	4,588.20	13,841.24	2,650.63	45,854.23	46,156.44	46,156.44
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	4,668.23	(734.43)	2,161.33	6,604.67	1,309.75	1,309.75
	d) Power and Fuel	28,113.38	24,732.52	21,961.57	1,00,242.57	84,068.01	84,068.01
	e) Employee Benefits Expense	4,297.52	4,301.97	4,056.60	17,350.53	15,451.61	15,453.89
	f) Finance cost	7,547.37	8,199.15	7,179.47	30,820.99	32,489.97	32,489.98
	g) Depreciation and Amortization Expense	2,209.96	2,255.41	2,184.16	8,928.10	8,920.56	8,920.56
	h) Excise Duty	-	-	188.40	228.19	879.40	879.40
	i) Other Expenses	11,755.81	15,028.92	14,096.98	51,344.03	52,108.60	52,109.21
	Total expenses	1,03,674.70	1,02,022.34	84,757.77	3,99,518.96	3,57,842.20	3,57,845.10
V	Profit / (Loss) before exceptional items and tax (III-IV)	(767.23)	(1,421.69)	(6,062.54)	(2,654.19)	(15,808.26)	(15,809.91)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	(767.23)	(1,421.69)	(6,062.54)	(2,654.19)	(15,808.26)	(15,809.91)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	56.91	-	56.91	(628.84)	(628.84)
	(c) Deferred Tax	(57.84)	(469.85)	(854.58)	(559.09)	(3,001.71)	(3,001.71)
		(57.84)	(412.94)	(854.58)	(502.18)	(3,630.55)	(3,630.55)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(709.39)	(1,008.75)	(5,207.96)	(2,152.01)	(12,177.71)	(12,179.36)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-

Sl No	PARTICULARS	Standalone				Consolidated		
		Quarter ended		Year ended		Year ended		31-03-2017 (Audited)
		31-03-2018 (Audited)	31-12-2017 (Unaudited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)	31-03-2018 (Audited)	
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	(709.39)	(1,008.75)	(5,207.96)	(2,152.01)	(12,177.71)	(2,153.73)	(12,179.36)
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 (ii) Income tax relating to these items 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	369.01 (127.71)	- -	46.44 (16.07)	369.01 (127.71)	46.44 (16.07)	369.01 (127.71)	46.44 (16.07)
	Attributable to: - Shareholders of the Parent Company - Non Controlling interest	- -	- -	- -	- -	- -	- -	- -
XV	Total Comprehensive Income (XIII+XIV) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	241.30	-	30.37	241.30	30.37	241.30	30.37
		(468.09)	(1,008.75)	(5,177.59)	(1,910.71)	(12,147.34)	(1,912.43)	(12,148.99)
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	5,980.65
XVII	Earning Per Share (of ₹ 1/- each) (not annualised) (for continuing operations) - Basic and Diluted	(0.12)	(0.17)	(0.87)	(0.36)	(2.04)	(0.36)	(2.04)
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	(0.12)	(0.17)	(0.87)	(0.36)	(2.04)	(0.36)	(2.04)

Particulars	Standalone		Consolidated	
	As At March 31, 2018 (Audited)	As At March 31, 2017 (Audited)	As At March 31, 2018 (Audited)	As At March 31, 2017 (Audited)
I. ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	2,56,370.89	2,63,792.29	2,56,370.89	2,63,792.29
(b) Capital work-in-progress	2,212.95	809.58	2,212.95	809.58
(c) Other Intangible Assets	1,474.20	1,965.60	1,474.20	1,965.60
(d) Financial Assets				
(i) Investments	1,796.17	1,796.17	-	-
(ii) Loans	2,744.45	2,417.97	4,558.30	4,231.82
(iii) Other Financial Assets	36.92	33.22	49.79	49.09
(e) Other Non-Current Assets	256.20	66.46	256.20	66.46
Total non-current Assets	2,64,891.78	2,70,881.29	2,64,922.33	2,70,914.84
2. Current Assets				
(a) Inventories	14,526.91	21,248.75	14,526.91	21,248.75
(b) Financial Assets				
(i) Trade Receivables	1,69,790.31	1,19,232.27	1,69,790.31	1,19,232.27
(ii) Cash and Cash Equivalents	1,323.91	5,688.82	1,324.93	5,689.03
(iii) Bank Balances other than (ii) above	5,874.50	5,742.45	5,874.50	5,742.45
(iv) Loans	3,309.16	3,317.01	3,309.16	3,317.01
(v) Other Financial assets	762.71	725.17	764.14	725.86
(c) Current Tax Assets (Net)	664.37	573.48	664.60	573.73
(d) Other Current Assets	8,016.15	2,020.05	8,016.15	2,020.05
Total current assets	2,04,268.02	1,58,548.00	2,04,270.70	1,58,549.15
Total - Assets	4,69,159.80	4,29,429.29	4,69,193.03	4,29,463.99
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	5,980.65	5,980.65	5,980.65	5,980.65
(b) Other Equity	1,01,346.61	1,03,257.32	1,01,341.39	1,03,253.81
Equity attributable to shareholders of the Company	1,07,327.26	1,09,237.97	1,07,322.04	1,09,234.46
Non-Controlling Interest	-	-	2.82	2.83
Total Equity	1,07,327.26	1,09,237.97	1,07,324.86	1,09,237.29
Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	40,824.74	55,880.97	40,824.74	55,880.97
(ii) Other Financial Liabilities	7,814.61	7,525.65	7,814.61	7,525.65
(b) Provisions	530.10	709.56	530.10	709.56
(c) Deferred Tax Liabilities (Net)	37,750.22	38,181.60	37,750.22	38,181.60
(d) Government grants	1,737.43	2,089.58	1,737.43	2,089.58
Total non-current liabilities	88,657.10	1,04,387.36	88,657.10	1,04,387.36
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,04,516.70	1,01,306.76	1,04,516.70	1,01,306.76
(ii) Trade Payables	1,46,274.04	94,743.79	1,46,274.62	94,744.08
(iii) Other Financial Liabilities	19,895.56	18,347.47	19,930.61	18,382.56
(b) Other Current Liabilities	1,815.90	933.58	1,815.90	933.58
(c) Government grants	347.91	343.67	347.91	343.67
(d) Provisions	325.33	128.69	325.33	128.69
Total current liabilities	2,73,175.44	2,15,803.96	2,73,211.07	2,15,839.34
Total liabilities	3,61,832.54	3,20,191.32	3,61,868.17	3,20,226.70
Total Equity and Liabilities	4,69,159.80	4,29,429.29	4,69,193.03	4,29,463.99

Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 25, 2018.
- 2) 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.
- 3) In relation to some of the contracts, international Arbitration Awards have been passed against the Company
 - (i) in September 2016 for USD 1,43,98,188 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.
- 4) 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.
- 5) The figures of the current quarter and quarter ended March 31, 2017 are the balancing figures between the audited figures of the full financial year ended March 31, 2018 and March 31, 2017, respectively and the published year to date figures up to third quarter ended December 31, 2017 and December 31, 2016, respectively.
- 6) The figures for the corresponding previous periods have been restated / regrouped, wherever necessary, to make them comparable.



K. RAHUL RAJU
MANAGING DIRECTOR

HYDERABAD
May 25, 2018

**Independent Auditors' Report
To The Board of Directors
NAGARJUNA FERTILIZERS and CHEMICALS LIMITED**

1. We have audited the accompanying Statement of standalone financial results (SFR) of NAGARJUNA FERTILIZERS and CHEMICALS LIMITED ("the Company") for the quarter ended March 31, 2018, the year to date results for year ended on that date, ("the statement"), attached hereto being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement and the Standalone Financial Statements which form the basis for this Statement are the responsibility of the Company's management and have been approved by its Board of Directors, have been prepared in accordance with the Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules there under, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Standalone financial statements, based on our audit thereof.
2. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the evidence obtained in the course of our audit provides a reasonable basis for our opinion.

3. Emphasis of Matter

We draw attention to the following;

- a. Note 3 of the SFR regarding Arbitration awards passed against the Company for USD 15,275,688, GBP 11,45,630 and INR 221.39 Lakhs; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- b. Note 4 of the SFR regarding Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, freight subsidy and for production beyond reassessed capacity being accounted as per New Urea Policy 2015, pending notification of final prices and consequential adjustments, if any that may arise.
- c. regarding the provision for diminution in the value of investments made for the value of Investment in Jaiprakash Engineering and Steel Company Limited (JESCO), a subsidiary and its adequacy based on Management assessment -Refer Note 5.1 of the Financial Statements,

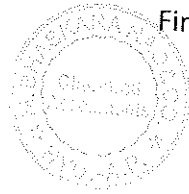
Our Opinion is not modified in respect of the above matters.



4. In our opinion and to the best of our information and according to the explanations given to us, the said Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Company for the year ended March 31, 2018.

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Registration No.000459S



Anilkumar Mehta
Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, May 25, 2018

**Independent Auditors' Report
To The Board of Directors
NAGARJUNA FERTILIZERS and CHEMICALS LIMITED**

1. We have audited the accompanying Statement of Consolidated financial results (CFR) of NAGARJUNA FERTILIZERS and CHEMICALS LIMITED ("the Company") for the quarter ended March 31, 2018 and its subsidiaries (together referred to as "the Group") for the year ended March 31, 2018 ("the statement"), attached hereto being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement and the Consolidated Annual Financial Statements which form the basis for this Statement are the responsibility of the Company's management and have been approved by its Board of Directors, have been prepared in accordance with the Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules there under, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated Financial Statements, based on our audit thereof.
2. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the evidence obtained in the course of our audit provides a reasonable basis for our opinion.
3. **Emphasis of Matter**

We draw attention to the following;

- a. Note 3 of the CFR regarding Arbitration awards passed against the Company for USD 15,275,688, GBP 11,45,630 and INR 221.39 Lakhs; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- b. Note 4 of the CFR regarding Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, freight subsidy and for production beyond reassessed capacity being accounted as per New Urea Policy 2015, pending notification of final prices and consequential adjustments, if any that may arise.
- c. The financials of the subsidiary, Jaiprakash Engineering and Steel Company Limited (JESCO) being drawn up on a going concern basis, despite the project envisaged is shelved, in view of the Order of the Hon'ble High Court of Karnataka staying the order



Karnataka staying the order of the Government of Karnataka for dispossessing the land from JESCO, refer note 43 in the consolidated financial statements.

Our opinion is not modified in respect of the above matters.

4. Other Matter

This Statement includes the Group's share of loss of Rs. 1.72 Lakhs-for the year ended March 31, 2018, as considered in the Consolidated Annual Financial Statements, in respect of its Subsidiary, whose financial statements have not been audited by us. The financial statements of the Subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the said Subsidiary is based solely on the report of the other auditor. Our opinion is not modified in respect of this matter.

5. In our opinion and to the best of our information and according to the explanations given to us, the said Statement:

- (iii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iv) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Group for the year ended March 31, 2018.

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Registration No.000459S



Anilkumar Mehta
Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, May 25, 2018