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May 26, 2017

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, 2017, 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, 2017. The Audit report has not been modified by the Auditors.

Thanking you,

Yours faithfully,
for Nagarjuna Fertilizers and Chemicals Limited

M Ramakanth
Sr. Vice President – Legal & Company Secretary

Standalone and Consolidated Audited Financial Results for the Quarter / Year Ended March 31, 2017

SI No	PARTICULARS	Standalone				Consolidated	
		Quarter ended		Year ended		Year ended	
		31-03-2017 (Audited)	31-12-2016 (Unaudited)	31-03-2016 (Audited)	31-03-2017 (Audited)	31-03-2017 (Audited)	31-03-2016 (Audited)
1	Income from operations a) Sales / Income from operations b) Other Operating Income	76,283.18 46.19	87,273.52 24.85	84,452.93 33.75	3,38,305.05 201.57	3,38,305.05 201.57	3,97,551.76 212.63
	Total income from operations	76,329.37	87,298.37	84,486.68	3,38,506.62	3,38,506.62	3,97,764.39
2	Expenses						
	a) Cost of materials consumed	30,278.63	30,677.47	29,748.68	1,16,457.86	1,16,457.86	1,15,434.30
	b) Purchase of Traded Products	2,650.63	9,703.58	2,438.61	46,156.44	46,156.44	90,949.20
	c) (Increase) / Decrease in Stock	2,161.33	(554.94)	4,650.42	1,309.75	1,309.75	(6,008.03)
	d) Power and Fuel	21,961.57	21,949.34	21,160.09	84,068.01	84,068.01	86,400.40
	e) Employee Benefits Expense	4,056.60	3,966.46	3,448.39	15,451.61	15,453.89	14,803.11
	f) Depreciation and Amortization	2,184.16	2,225.16	2,398.66	8,920.56	8,920.56	9,298.73
	g) Excise Duty	188.40	239.05	217.37	879.40	879.40	779.67
	h) Other Expenses	14,096.98	13,783.13	18,491.20	52,108.60	52,109.21	68,720.10
	Total expenses	77,578.30	81,989.25	82,553.42	3,25,352.23	3,25,355.12	3,80,377.48
3	Profit / (Loss) from operations before other income, finance cost and exceptional items (1-2)	(1,248.93)	5,309.12	1,933.26	13,154.39	13,151.50	17,386.91
4	Other Income	2,365.86	112.18	1,230.68	3,527.32	3,528.57	3,194.05
5	Profit / (Loss) from ordinary activities before finance cost and exceptional items (3+4)	1,116.93	5,421.30	3,163.94	16,681.71	16,680.07	20,580.96
6	Finance cost	7,179.47	8,218.55	10,410.69	32,489.97	32,489.98	32,890.32
7	Profit / (Loss) from ordinary activities after finance cost but before exceptional items (5-6)	(6,062.54)	(2,797.25)	(7,246.75)	(15,808.26)	(15,809.91)	(12,309.36)
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before Tax (7-8)	(6,062.54)	(2,797.25)	(7,246.75)	(15,808.26)	(15,809.91)	(12,309.36)
10	Tax Expense / (Credit) (net)	(854.58)	(770.34)	(318.71)	(3,630.55)	(3,630.55)	(3,379.07)
11	Net Profit / (Loss) from ordinary activities after Tax (9-10)	(5,207.96)	(2,026.91)	(6,928.04)	(12,177.71)	(12,179.36)	(8,930.29)
12	Minority Interest	-	-	-	-	(0.00)	(0.01)
13	Net Profit / (Loss) after taxes and minority interest (11+12)	(5,207.96)	(2,026.91)	(6,928.04)	(12,177.71)	(12,179.36)	(8,930.28)
14	Other Comprehensive Income (net of tax)	30.37	-	38.98	30.37	30.37	38.98
15	Total Comprehensive Income (13+14)	(5,177.59)	(2,026.91)	(6,889.06)	(12,147.34)	(12,148.99)	(8,891.30)
16	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
17	Reserves excluding revaluation reserve as per Balance Sheet of previous accounting year	-	-	-	1,15,404.67	1,15,402.44	1,24,228.17
18	Earning Per Share (of ₹ 1/- each) (not annualised) - Basic and Diluted	(0.87)	(0.34)	(1.16)	(2.04)	(2.04)	(1.49)

₹ in Lakhs

Statement of Assets and Liabilities

Particulars	₹ in Lakhs		
	Standalone		Consolidated
	As At March 31, 2017 (Audited)	As At March 31, 2016 (Audited)	As At March 31, 2016 (Audited)
I. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2,63,792.29	2,75,744.41	2,75,744.40
(b) Capital work-in-progress	809.58	708.61	708.61
(c) Other Intangible Assets	1,965.60	2,457.00	2,500.93
(e) Financial Assets			
(i) Investment in Subsidiaries / associates etc., at cost	1,796.17	1,803.29	-
(ii) Loans and Advances	2,417.97	1,869.51	3,683.36
(iii) Other Financial Assets	33.22	33.69	50.18
(e) Other Non-Current Assets	66.46	747.45	747.45
Total non-current Assets	2,70,881.29	2,83,363.96	2,83,434.93
2. Current Assets			
(a) Inventories	21,248.75	22,815.72	22,815.72
(b) Financial Assets			
(i) Trade Receivables	1,19,232.27	1,98,999.44	1,98,999.44
(ii) Cash and Cash Equivalents	5,688.82	2,817.30	2,821.94
(iii) Bank Balances other than (ii) above	5,742.45	6,585.26	6,585.26
(iii) Loans and Advances	3,317.01	227.23	205.57
(iv) Other Financial assets	725.17	527.58	528.48
(c) Current Tax Assets (Net)	573.48	459.69	459.96
(d) Other Current Assets	2,020.05	4,870.47	4,870.47
Total current assets	1,58,548.00	2,37,302.69	2,37,286.84
Total - Assets	4,29,429.29	5,20,666.65	5,20,721.77
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	5,980.65	5,980.65	5,980.65
(b) Other Equity	1,03,257.32	1,15,404.67	1,15,402.44
Total Equity	1,09,237.97	1,21,385.32	1,21,383.09
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	55,880.97	71,620.52	71,620.52
(ii) Other Financial Liabilities	7,525.65	7,384.47	7,384.47
(b) Provisions	709.56	443.32	443.32
(c) Deferred Tax Liabilities (Net)	38,181.60	41,167.23	41,167.22
(d) Government grants	2,089.58	2,405.66	2,405.66
Total non-current liabilities	1,04,387.36	1,23,021.20	1,23,021.19
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1,01,306.76	93,437.41	93,437.41
(ii) Trade Payables	-	4.36	4.36
(A) Micro, Small, Medium Enterprises (MSMEs)			
(B) Other than MSMEs	94,743.79	1,65,491.36	1,65,513.68
(iii) Other Financial Liabilities	18,347.47	15,855.19	15,890.23
(b) Other Current Liabilities	933.58	1,000.50	1,000.50
(c) Government grants	343.67	343.67	343.67
(d) Provisions	128.69	127.64	127.64
Total current liabilities	2,15,803.96	2,76,260.13	2,76,317.49
Total liabilities	3,20,191.32	3,99,281.33	3,99,338.68
Total Equity and Liabilities	4,29,429.29	5,20,666.65	5,20,721.77

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 26, 2017. The Standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no CIR/CFD/FAC/62/2016 dt. July 05, 2016.

2) On account of transition from the previous Indian Generally Accepted Accounting Principles (IGAAP) to Ind AS, the reconciliation of Statement of Profit and Loss and Other Comprehensive Income is as follows:

Particulars	₹ in Lakhs		
	Standalone		Consolidated
	Quarter ended	Year ended	Year ended
	31-03-2016	31-03-2016	31-03-2016
Net Profit / (Loss) under Previous GAAP (After Tax)	(7,496.62)	(11,401.36)	(11,057.93)
Government grant - Reclassification of Deferred Sales Tax Loan	85.92	343.67	343.67
Interest on Sales Tax deferral	51.71	51.71	51.71
Actuarial (gain) / loss on employee benefit plans	(59.61)	(59.61)	(59.61)
Exchange (gain)/ loss on foreign currency exposure	20.39	20.39	20.39
Deferred tax adjustments	470.17	1,771.49	1,771.49
Net Profit / (Loss) under Ind AS (After Tax)	(6,928.04)	(9,273.71)	(8,930.28)
Other Comprehensive Income	38.98	38.98	38.98
Total Comprehensive Income under Ind AS	(6,889.06)	(9,234.73)	(8,891.30)

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) Tax Expense for the current quarter under report comprises deferred tax.

5) In relation to some of the contracts for purchase of fertilisers, an international Arbitration Award has been passed against the Company 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 is contesting the enforcement of the Award in the Courts in India and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.

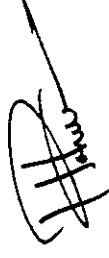
Accordingly the said claim has been disclosed as a contingent liability as at March 31, 2017 in these financial statements.

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 based on the Management estimates pending notification of final prices.

Adjustments, if any, required will be considered on notification of final prices.

7) The figures of the current quarter and quarter ended March 31, 2016 are the balancing figures between the audited figures of the full financial year ended March 31, 2017 and March 31, 2016 (Ind AS), respectively and the published year to date figures (Ind AS) up to third quarter ended December 31, 2016 and December 31, 2015, respectively.

8) The figures for the corresponding previous periods have been restated / regrouped, wherever necessary, to make them comparable.



K. RAHUL RAJU
MANAGING DIRECTOR

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

1. We have audited the accompanying Statement of standalone financial results of NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED ("the Company") for the quarter ended March 31, 2017 and for 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. Without qualifying our report, we draw attention to the following;
 - a. Note 5 regarding Arbitration awards passed against the Company for USD 14398188 and GBP 690630, the impact of which has not been recognised in the Financial Statements but has been disclosed as a contingent liability, for reasons stated in the said note;
 - b. Note 6 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.
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 quarter/ year ended March 31, 2017.

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



D. Bapu Raghavendra
D. Bapu Raghavendra

Partner

Membership No: 213274

Hyderabad, May 26 , 2017

**Independent Auditors' Report
To The Board of Directors
NAGARJUNA FERTILIZER AND CHEMICALS LIMITED**

1. We have audited the accompanying Statement of Consolidated financial results of NAGARJUNA FERTILIZERS AND CHEMICALS and its subsidiaries (together referred to as "the Group") for the year ended March 31, 2017 ("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 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. Without qualifying our report, we draw attention to the following:
 - a. Note 5 regarding Arbitration Awards passed against the Company for USD 14398188 and GBP 690630, the impact of which has not been recognised in the Financial Statements but has been disclosed as a contingent liability, for reasons stated in the said note;
 - b. Note 6 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. In the consolidated financial statements, regarding the financial statements of one of the subsidiaries, Jaiprakash Engineering and Steel Company Limited (JESCO) being drawn up on a going concern basis, despite the project envisaged being shelved, in view of the Order of the Hon'ble High Court of Karnataka staying the order of the Government of Karnataka for dispossessing the land from JESCO.



4. 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, 2017.

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



D. Bapu Raghavendra
D. Bapu Raghavendra

Partner

Membership No: 213274

Hyderabad, May 26, 2017