

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



Friday, 08 February 2019

To,
The Secretary, Listing Dept
BSE Limited
P J Towers, 25th Floor,
Dalal Street, Mumbai – 400001
Maharashtra, India.
Scrip Code: **539917**

To,
The Manager, Listing Department
The National Stock Exchange of India Ltd
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Maharashtra, India.
Symbol: **NAGAFERT**

Dear Sir / Madam(s),

Sub: Outcome of Board Meeting

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

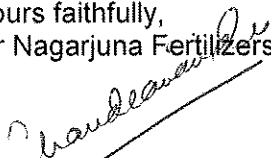
This is to inform you that the Board of Directors of the Company at their meeting held today approved the Unaudited Financial Results for the quarter and period ended December 31, 2018 in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Unaudited Financial Results for the quarter and period ended December 31, 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.

The Meeting of the Board Commenced at 11:30 Hours and concluded at 16.00 Hours
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 / Nine Months Ended December 31, 2018

₹ in Lakhs

SI No	PARTICULARS	Quarter ended			Nine Months ended		Year ended
		31-12-2018 (Unaudited)	30-09-2018 (Unaudited)	31-12-2017 (Unaudited)	31-12-2018 (Unaudited)	31-12-2017 (Unaudited)	31-03-2018 (Audited)
I	Revenue from Operations	14,539.87	38,424.12	1,00,188.93	1,43,010.79	2,90,272.96	3,92,367.63
II	Other Income	210.55	458.76	411.72	927.05	3,684.34	4,497.14
III	Total income (I+II)	14,750.42	38,882.88	1,00,600.65	1,43,937.84	2,93,957.30	3,96,864.77
IV	Expenses						
	a) Cost of materials consumed	5,278.59	4,418.35	34,397.56	50,969.83	97,651.42	1,38,145.65
	b) Purchase of Stock-in-Trade	5,376.25	10,483.42	13,841.24	24,819.81	41,266.03	45,854.23
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	(2,435.99)	13,996.35	(734.43)	(655.01)	1,936.44	6,604.67
	d) Power and Fuel	6,947.60	5,569.18	24,732.52	41,957.33	72,129.19	1,00,242.57
	e) Employee Benefits Expense	3,828.59	3,836.22	4,301.97	11,789.17	13,053.01	17,350.53
	f) Finance cost	7,293.26	8,287.12	8,199.15	23,394.84	23,273.62	30,820.99
	g) Depreciation and Amortization Expense	2,244.65	2,234.76	2,255.41	6,694.98	6,718.14	8,928.10
	h) Excise Duty	-	-	-	-	228.19	228.19
	i) Other Expenses	4,939.82	8,795.39	15,028.92	22,703.02	39,588.22	51,344.03
	Total expenses	33,472.77	57,620.79	1,02,022.34	1,81,673.97	2,95,844.26	3,99,518.96
V	Profit / (Loss) before exceptional items and tax (III-IV)	(18,722.35)	(18,737.91)	(1,421.69)	(37,736.13)	(1,886.96)	(2,654.19)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	(18,722.35)	(18,737.91)	(1,421.69)	(37,736.13)	(1,886.96)	(2,654.19)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	56.91	-	56.91	56.91
	(c) Deferred Tax	(809.43)	(1,497.24)	(469.85)	(2,478.73)	(501.25)	(559.09)
		(809.43)	(1,497.24)	(412.94)	(2,478.73)	(444.34)	(502.18)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(17,912.92)	(17,240.67)	(1,008.75)	(35,257.40)	(1,442.62)	(2,152.01)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-

₹ in Lakhs

SI No	PARTICULARS	Quarter ended			Nine Months ended		Year ended
		31-12-2018 (Unaudited)	30-09-2018 (Unaudited)	31-12-2017 (Unaudited)	31-12-2018 (Unaudited)	31-12-2017 (Unaudited)	31-03-2018 (Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(17,912.92)	(17,240.67)	(1,008.75)	(35,257.40)	(1,442.62)	(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)	(17,912.92)	(17,240.67)	(1,008.75)	(35,257.40)	(1,442.62)	(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	(3.00)	(2.88)	(0.17)	(5.90)	(0.24)	(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	(3.00)	(2.88)	(0.17)	(5.90)	(0.24)	(0.36)

Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 8, 2019.
- 2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter / nine months ended December 31, 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 has exceeded the threshold limits for the quarter ended December 31, 2018 due to shutdown of Urea complex and other factors mentioned in Note 4 below.

Management is of the view that the results of Micro Irrigation for the full financial year 2018-19 will be less than the threshold limits and hence the same is not disclosed as a separate segment 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 due to inadequate working capital, the shutdown had to be extended till December 22, 2018.

With the lenders accepting the Company's request for Holding on Operations (HOO) during November 2018, the operations at Plant 1 were restarted from December 23, 2018.

The Company has submitted long term resolution plan to the lenders and also working out with them for necessary support to restart the Urea Plant 2.

- 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.



**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 Nine Months ended December 31, 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 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 690,630, EUR 455,000 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 said note, 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
Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, February 08, 2019