

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

Standalone and Consolidated Audited Financial Results for the Quarter / Year Ended March 31, 2019

₹ in Lakhs

Sl No	PARTICULARS	Standalone				Consolidated		
		Quarter ended		Year ended		Year ended		
		31-03-2019 (Audited)	31-12-2018 (Unaudited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
I	Revenue from Operations	51,023.97	14,539.87	1,02,094.67	1,94,034.76	3,92,367.63	1,94,034.76	3,92,367.63
II	Other Income	1,719.83	210.55	812.80	2,646.88	4,497.14	2,647.79	4,498.18
III	Total income (I+II)	52,743.80	14,750.42	1,02,907.47	1,96,681.64	3,96,864.77	1,96,682.55	3,96,865.81
IV	Expenses							
	a) Cost of materials consumed	19,972.29	5,278.59	40,494.23	70,942.12	1,38,145.65	70,942.12	1,38,145.65
	b) Purchase of Stock-in-Trade	1,035.79	5,376.25	4,588.20	25,855.60	45,854.23	25,855.60	45,854.23
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	4,203.51	(2,435.99)	4,668.23	3,548.50	6,604.67	3,548.50	6,604.67
	d) Power and Fuel	18,037.23	6,947.60	28,113.38	59,994.56	1,00,242.57	59,994.56	1,00,242.57
	e) Employee Benefits Expense	3,955.75	3,828.59	4,297.52	15,744.92	17,350.53	15,744.92	17,352.20
	f) Finance cost	7,404.63	7,293.26	7,547.37	30,799.47	30,820.99	30,799.48	30,821.00
	g) Depreciation and Amortization Expense	2,188.04	2,244.65	2,209.96	8,883.02	8,928.10	8,883.02	8,928.10
	h) Excise Duty	-	-	-	-	228.19	-	228.19
	i) Other Expenses	9,013.77	4,939.82	11,755.81	31,716.79	51,344.03	31,718.39	51,345.11
	Total expenses	65,811.01	33,472.77	1,03,674.70	2,47,484.98	3,99,518.96	2,47,486.59	3,99,521.72
V	Profit / (Loss) before exceptional items and tax (III-IV)	(13,067.21)	(18,722.35)	(767.23)	(50,803.34)	(2,654.19)	(50,804.04)	(2,655.91)
VI	Exceptional Items	1,885.95	-	-	1,885.95	-	1,885.95	-
VII	Profit / (Loss) before Tax (V-VI)	(14,953.16)	(18,722.35)	(767.23)	(52,689.29)	(2,654.19)	(52,689.99)	(2,655.91)
VIII	Tax Expense:							
	(a) Current Tax	-	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	56.91	-	56.91
	(c) Deferred Tax	(1,137.71)	(809.43)	(57.84)	(3,616.44)	(559.09)	(3,616.44)	(559.09)
		(1,137.71)	(809.43)	(57.84)	(3,616.44)	(502.18)	(3,616.44)	(502.18)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(13,815.45)	(17,912.92)	(709.39)	(49,072.85)	(2,152.01)	(49,073.55)	(2,153.73)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-	-

₹ in Lakhs

SI No	PARTICULARS	Standalone				Consolidated	
		Quarter ended		Year ended		Year ended	
		31-03-2019 (Audited)	31-12-2018 (Unaudited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2018 (Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(13,815.45)	(17,912.92)	(709.39)	(49,072.85)	(2,152.01)	(49,073.55)
	Attributable to:						
	- Shareholders of the Parent Company					(49,073.55)	(2,153.73)
	- Non Controlling interest					-	-
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	12.91	-	369.01	12.91	369.01	12.91
	(ii) Income tax relating to these items	(4.47)	-	(127.71)	(4.47)	(127.71)	(4.47)
	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	8.44	-	241.30	8.44	241.30	8.44
	Attributable to:						
	- Shareholders of the Parent Company					8.44	241.30
	- Non Controlling interest					-	-
XV	Total Comprehensive Income (XIII+XIV)	(13,807.01)	(17,912.92)	(468.09)	(49,064.41)	(1,910.71)	(49,065.11)
	Attributable to:						
	- Shareholders of the Parent Company					(49,065.11)	(1,912.43)
	- Non Controlling interest					-	-
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	(2.31)	(3.00)	(0.12)	(8.21)	(0.36)	(8.21)
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	(2.31)	(3.00)	(0.12)	(8.21)	(0.36)	(8.21)

Particulars	Standalone		Consolidated	
	As At March 31, 2019 (Audited)	As At March 31, 2018 (Audited)	As At March 31, 2019 (Audited)	As At March 31, 2018 (Audited)
<b>I. ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property, Plant and Equipment	2,48,046.17	2,56,370.89	2,48,046.17	2,56,370.89
(b) Capital work-in-progress	2,794.31	2,212.95	2,794.31	2,212.95
(c) Other Intangible Assets	-	1,474.20	-	1,474.20
(d) Financial Assets				
(i) Investments	1,346.17	1,796.17	-	-
(ii) Loans	564.12	2,744.45	2,377.97	4,558.30
(iii) Other Financial Assets	1.03	36.92	13.66	49.79
(e) Other Non-Current Assets	86.11	256.20	86.11	256.20
<b>Total non-current Assets</b>	<b>2,52,837.91</b>	<b>2,64,891.78</b>	<b>2,53,318.22</b>	<b>2,64,922.33</b>
<b>2. Current Assets</b>				
(a) Inventories	10,276.52	14,526.91	10,276.52	14,526.91
(b) Financial Assets				
(i) Trade Receivables	83,150.23	1,69,790.31	83,150.23	1,69,790.31
(ii) Cash and Cash Equivalents	5,620.14	1,323.91	5,621.66	1,324.93
(iii) Bank Balances other than (ii) above	9,014.55	5,874.50	9,014.55	5,874.50
(iv) Loans	3,779.75	3,309.16	3,779.75	3,309.16
(v) Other Financial assets	700.53	762.71	701.01	764.14
(c) Current Tax Assets (Net)	945.09	664.37	945.31	664.60
(d) Other Current Assets	6,042.32	8,016.15	6,042.32	8,016.15
<b>Total current assets</b>	<b>1,19,529.13</b>	<b>2,04,268.02</b>	<b>1,19,531.35</b>	<b>2,04,270.70</b>
<b>Total - Assets</b>	<b>3,72,367.04</b>	<b>4,69,159.80</b>	<b>3,72,849.57</b>	<b>4,69,193.03</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	5,980.65	5,980.65	5,980.65	5,980.65
(b) Other Equity	52,282.20	1,01,346.61	52,726.29	1,01,341.39
Equity attributable to shareholders of the Company	58,262.85	1,07,327.26	58,706.94	1,07,322.04
Non-Controlling Interest	-	-	2.81	2.82
<b>Total Equity</b>	<b>58,262.85</b>	<b>1,07,327.26</b>	<b>58,709.75</b>	<b>1,07,324.86</b>
<b>Liabilities</b>				
<b>1. Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	3,266.02	40,824.74	3,266.02	40,824.74
(ii) Other Financial Liabilities	7,852.86	7,814.61	7,852.86	7,814.61
(b) Provisions	435.52	530.10	435.52	530.10
(c) Deferred Tax Liabilities (Net)	34,138.24	37,750.22	34,138.24	37,750.22
(d) Government grants	1,389.52	1,737.43	1,389.52	1,737.43
<b>Total non-current liabilities</b>	<b>47,082.16</b>	<b>88,657.10</b>	<b>47,082.16</b>	<b>88,657.10</b>
<b>2. Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1,29,516.55	1,04,516.70	1,29,516.55	1,04,516.70
(ii) Trade Payables				
(a) Micro Enterprises and Small Enterprises	201.07	-	201.07	-
(b) Other than Micro Enterprises and Small Enterprises	74,459.26	1,46,274.04	74,459.84	1,46,274.62
(iii) Other Financial Liabilities	60,586.48	19,895.56	60,621.53	19,930.61
(b) Other Current Liabilities	1,356.84	1,815.90	1,356.84	1,815.90
(c) Government grants	347.91	347.91	347.91	347.91
(d) Provisions	553.92	325.33	553.92	325.33
<b>Total current liabilities</b>	<b>2,67,022.03</b>	<b>2,73,175.44</b>	<b>2,67,057.66</b>	<b>2,73,211.07</b>
<b>Total liabilities</b>	<b>3,14,104.19</b>	<b>3,61,832.54</b>	<b>3,14,139.82</b>	<b>3,61,868.17</b>
<b>Total Equity and Liabilities</b>	<b>3,72,367.04</b>	<b>4,69,159.80</b>	<b>3,72,849.57</b>	<b>4,69,193.03</b>

**Nagarjuna Fertilizers and Chemicals Limited**  
**Cash Flow Statement for the year ended March 31, 2019**

₹ in Lakhs		
Particulars	Period ended Mar 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>		
Loss before Tax	(52,689.29)	(2,654.19)
<i>Adjustments:</i>		
Depreciation and Amortisation	8,883.02	8,928.10
Provision for Impairment	1,493.67	222.70
Provision for Doubtful Debts / Advances	2,404.68	762.60
Finance Cost	30,799.47	30,820.99
Provision/write off for Diminution in value of Investments	450.00	-
Deferred government grant	(347.91)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	311.22	198.50
<b>Operating Profit before working capital changes</b>	(8,695.14)	37,930.79
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	(60,588.33)	53,013.71
Increase/(decrease) in long term provisions	(81.67)	189.55
Increase/(decrease) in short term provisions	228.59	196.64
Increase/(decrease) in other current liabilities	(459.06)	882.32
Increase/(decrease) in other current financial liabilities	3,028.51	907.12
Increase/(decrease) in other long term liabilities	38.25	288.96
Decrease/(increase) in trade receivables	86,121.35	(51,302.22)
Decrease/(increase) in inventories	4,250.39	6,721.84
Decrease/(increase) in long term loans and advances	2,180.33	(341.48)
Decrease/(increase) in short term loans and advances	(2,356.54)	4.44
Decrease/(increase) in other current assets	1,973.83	(5,996.10)
Decrease/(increase) in other financial assets	62.18	(37.54)
Decrease/(increase) in other non current assets	3.38	5.52
Cash generated from/(used) in operations	25,706.06	42,463.55
(Direct Taxes Paid -net of refunds)	(280.72)	(147.80)
<b>Net cash flow from / (used) in operating activities</b>	<b>25,425.34</b>	<b>42,315.75</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of fixed assets and CWIP	(1,328.09)	(3,043.79)
Margin Money Deposits	(3,104.16)	(135.75)
Proceeds from Sale of fixed assets	24.46	8.66
<b>Net cash flow from / (used) in investing activities</b>	<b>(4,407.79)</b>	<b>(3,170.88)</b>
<b>C. Cash flow from Financing activities</b>		
Increase/(decrease) in Buyers/Suppliers credit	-	(7,434.18)
Repayment of long term borrowings	(4,929.59)	(14,389.63)
Finance Costs paid	(25,531.36)	(30,706.25)
Dividend Paid	(234.85)	(140.37)
<b>Net cash flow from / (used) in financing activities</b>	<b>(30,695.80)</b>	<b>(52,670.43)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(9,678.24)</b>	<b>(13,525.56)</b>
Cash and Cash Equivalents as at beginning of the year	(1,01,709.32)	(88,183.76)
Cash and Cash Equivalents as at end of the year	(1,11,387.56)	(1,01,709.32)

**Nagarjuna Fertilizers and Chemicals Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2019**

₹ in Lakhs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A. Cash Flow from Operating Activities</b>		
Loss before Tax	(52,689.99)	(2,655.91)
<i>Adjustments:</i>		
Depreciation and Amortisation	8,883.02	8,928.10
Provision for Impairment	1,493.67	222.70
Provision for Doubtful Debts / Advances	2,404.67	762.60
Finance Cost	30,799.48	30,821.00
Provision/write off for Diminution in value of Investments	450.00	-
Deferred government grant	(347.91)	(347.91)
Loss on sale of assets / assets discarded / assets decapitalised	311.22	198.50
<b>Operating Profit before working capital changes</b>	(8,695.84)	37,929.08
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	(65,975.57)	53,014.00
Increase/(decrease) in long term provisions	(81.67)	189.55
Increase/(decrease) in short term provisions	228.59	196.64
Increase/(decrease) in other current liabilities	(459.06)	882.32
Increase/(decrease) in other current financial liabilities	3,028.51	907.08
Increase/(decrease) in other long term liabilities	38.25	288.96
Decrease/(increase) in trade receivables	86,121.35	(51,302.22)
Decrease/(increase) in inventories	4,250.39	6,721.84
Decrease/(increase) in long term loans and advances	2,180.33	(341.48)
Decrease/(increase) in short term loans and advances	(2,356.54)	4.44
Decrease/(increase) in other current assets	1,973.83	(5,996.10)
Decrease/(increase) in other financial assets	63.13	(38.28)
Decrease/(increase) in other non current assets	3.38	5.52
Cash generated from operations	<b>20,319.08</b>	<b>42,461.35</b>
Direct Taxes Paid (net of refunds)	(280.71)	(147.78)
<b>Net cash flow from operating activities</b>	<b>20,038.37</b>	<b>42,313.57</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of fixed assets and CWIP	(1,328.09)	(3,043.79)
Term deposits / Margin Money Deposits	(3,103.92)	(132.75)
Proceeds from Sale of fixed assets	24.46	8.66
<b>Net cash flow from / (used) in investing activities</b>	<b>(4,407.55)</b>	<b>(3,167.88)</b>
<b>C. Cash flow from Financing activities</b>		
Increase/(decrease) in Buyers/Suppliers credit	-	(7,434.18)
Repayment of long term borrowings	(4,929.59)	(14,389.63)
Finance Costs paid	(20,144.13)	(30,706.26)
Dividend Paid	(234.85)	(140.37)
<b>Net cash flow used in financing activities</b>	<b>(25,308.57)</b>	<b>(52,670.44)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(9,677.75)</b>	<b>(13,524.75)</b>
<b>Cash and Cash Equivalents as at beginning of the year</b>	<b>(1,01,708.30)</b>	<b>(88,183.55)</b>
<b>Cash and Cash Equivalents as at end of the year</b>	<b>(1,11,386.05)</b>	<b>(1,01,708.30)</b>

**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 24, 2019.
- 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) With the lenders accepting the Company's request made during Nov 2018 for Holding on Operations (HOO), the operations at Plant 1 were resumed in December 2018 and are continuing during the quarter. The Company has submitted long term resolution plan to lenders. The Company is working out for early resolution of the same with lenders and to facilitate to restart the Urea Plant 2.
- 4) 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.

While the Company is contesting the enforcement of the Awards in the Courts in India a sum of Rs. 557 lakhs have been provided for in the books in FY 2018-19 in respect of matter stated in para 4 (ii) above. Further, since the matter being sub-judice, the said claims have been treated as contingent liability.

- 5) 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. 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 prescribed Norms and Management estimates.

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

- 6) 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.
- 7) The figures of the current quarter and quarter ended March 31, 2018 are the balancing figures between the audited figures of the full financial year ended March 31, 2019 and March 31, 2018, respectively and the published year to date figures up to third quarter ended December 31, 2018 and December 31, 2017, respectively.
- 8) The figures for the corresponding previous periods have been restated / regrouped, wherever necessary, to make them comparable.

HYDERABAD  
May 24, 2019

  
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, 2019, 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 regarding Company's proposal to the lenders regarding the long term resolution plan to address inadequate working capital and efforts to start the Urea Plant 2. The financial statements are continued to be prepared on a going concern basis, pending approval of resolution plan by the lenders.
- b. Note 4 of the Statement regarding International Arbitration awards passed against the Company for USD 15,275,688, GBP 6,90,630 EURO 4,55,000; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- c. Note 5 of the Statement regarding accounting of Income towards 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 and management estimates, pending notification of final prices and consequential adjustments, if any that may arise.

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, 2019.

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



*Anilkumar Mehta*  
Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, May 24, 2019