

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

Standalone Audited Financial Results for the Quarter / Year Ended March 31, 2020

SI No	PARTICULARS	Standalone				
		Quarter ended			Year ended	
		31-03-2020 (Audited)	31-12-2019 (Unaudited)	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2019 (Audited)
I	Revenue from Operations	42,527.77	45,002.49	51,023.97	1,70,451.43	1,94,034.76
II	Other Income	798.11	705.43	1,719.83	2,898.39	2,646.88
III	Total income (I+II)	43,325.88	45,707.92	52,743.80	1,73,349.82	1,96,681.64
IV	Expenses					
	a) Cost of materials consumed	21,864.08	20,369.17	19,972.29	78,562.41	70,942.12
	b) Purchase of Stock-in-Trade	507.54	213.79	1,035.79	1,395.01	25,855.60
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	(1,271.44)	(181.44)	4,203.51	(501.13)	3,548.50
	d) Power and Fuel	18,030.91	17,138.07	18,037.23	70,123.06	59,994.56
	e) Employee Benefits Expense	2,211.04	2,602.55	3,955.75	10,532.74	15,744.92
	f) Finance cost	8,449.38	8,832.49	7,404.63	32,879.38	30,799.47
	g) Depreciation and Amortization Expense	2,034.33	2,063.01	2,188.04	8,213.49	8,883.02
	h) Other Expenses	7,381.17	6,628.11	9,013.77	22,725.95	31,716.79
	Total expenses	59,207.01	57,665.75	65,811.01	2,23,930.91	2,47,484.98
V	Profit / (Loss) before exceptional items and tax (III-IV)	(15,881.13)	(11,957.83)	(13,067.21)	(50,581.09)	(50,803.34)
VI	Exceptional Items	-	-	1,885.95	-	1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(15,881.13)	(11,957.83)	(14,953.16)	(50,581.09)	(52,689.29)
VIII	Tax Expense:					
	(a) Current Tax	-	-	-	-	-
	(b) Adjustments relating to earlier years	77.52	-	-	77.52	-
	(c) Deferred Tax	(1,196.50)	(758.95)	(1,137.71)	(3,423.56)	(3,616.44)
		(1,118.98)	(758.95)	(1,137.71)	(3,346.04)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(14,762.15)	(11,198.88)	(13,815.45)	(47,235.05)	(49,072.85)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-

SI No	PARTICULARS	Standalone				
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		31-03-2020 (Audited)	31-12-2019 (Unaudited)	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2019 (Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(14,762.15)	(11,198.88)	(13,815.45)	(47,235.05)	(49,072.85)
	Attributable to:					
	- Shareholders of the Parent Company					
	- 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	522.46	-	12.91	522.46	12.91
	(ii) Income tax relating to these items	(180.81)	-	(4.47)	(180.81)	(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	341.65	-	8.44	341.65	8.44
	Attributable to:					
	- Shareholders of the Parent Company					
	- Non Controlling interest					
XV	Total Comprehensive Income (XIII+XIV)	(14,420.50)	(11,198.88)	(13,807.01)	(46,893.40)	(49,064.41)
	Attributable to:					
	- Shareholders of the Parent Company					
	- Non Controlling interest					
XVI	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5980.65	5980.65	5980.65	5,980.65	5,980.65
XVII	Earning Per Share (of Rs. 1/- each) (not annualised) (for continuing operations)					
	- Basic and Diluted	(2.47)	(1.87)	(2.31)	(7.90)	(8.21)
XVIII	Earning Per Share (of RS.1/- each) (not annualised) (for discontinued operations)					
	- Basic and Diluted	-	-	-	-	-
XIX	Earning Per Share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)					
	- Basic and Diluted	(2.47)	(1.87)	(2.31)	(7.90)	(8.21)

Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 14, 2020.
- 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) The Company is operating in a regulated environment under the Essential Commodities Act and supported by Government Subsidy. Due to inadequate working capital, financial stress and continued losses on account of stoppage of production activities at plant during 2018, the company has taken up with its Lenders for a long-term financial Resolution Plan (RP). The lenders have initially permitted 'Holding on Operations' (HOO) from December 2018 which now stands extended till October 31, 2020, which has facilitated operations of one Urea Plant from December 2018 till end of the current quarter March 31, 2020.

In view of operating with single plant under HOO, the losses continued with substantial erosion of net worth and the company faced severe liquidity crisis and was unable to meet payments to its secured lenders, employees, vendors and statutory remittances on time. As at the year end, the Company's current liabilities exceeded current assets by Rs 1,89,403.27 Lakhs.

In view of these circumstances, the Company had submitted a revised draft resolution plan in terms of extant guidelines issued by the Reserve Bank of India to its lenders for their consideration and approval. The said resolution plan, amongst other things, include Segregation of debt into sustainable and unsustainable debt, Reduction in the rate of interest and Induction of new investors and infusion of funds.

Lenders held a series of Joint Lenders Meetings since the company requested the resolution plan for suggestions of all the other lenders. Several meetings were held during the months from February 2020 to June 2020, there was an in principle discussion on the terms of the proposed debt under RP. All the lenders have favorably agreed to the way forward in the key lenders meeting. The lead bank had organized various third-party studies for Techno Economic Viability (TEV), Rating agencies and valuers.

Keeping in view the status of discussions of lenders with potential investors, the Company is hopeful of a positive outcome and approval of resolution plan.

Accordingly, the financial statements for the year 2019-20 are drawn on a going concern basis, pending finalization of resolution plan by the lenders.

- 4) The Company has continued to default on repayment of principal and interest during the year on the borrowings from various lenders on account of continued losses and the lenders have accordingly classified the company's account as NPA in the financial year 2018-19. Pending completion of the resolution plan and receipt of confirmation of balances from various lenders, the Company has accounted for the interest / penal interest during the year based on the prevailing rate of interest and internal working. Adjustments, if any, for the interest and penal interest accounted will be dealt on completion and on the outcome of 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. In view of the current pandemic Covid-19, the Matter yet to be listed for hearing.

(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, hence the Company could not proceed further and the said award is not maintainable. In view of the current pandemic Covid-19, the Matter yet to be listed for hearing.

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 5 (ii) above. Further, 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 to 31st Mar 2019. Government of India extended the NUP -2015 from 1st April, 2019 until further orders. 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, have been accounted during the quarter in terms of the said policies and Department of Fertilizers Letter dated March 30, 2020 issued with reference to Modified NPS-III policy notified on April,02,2014. Adjustments, if any, required will be considered on notification of final prices.
- 7) The Company has reviewed the requirements of IND AS 116 in respect of its lease arrangements entered into prior to application of the standard. The impact on adoption of the Standard is not material on the applicable leases and hence no adjustments are required to be made.
- 8) In view of rapid spread of virus causing Covid-19 pandemic, Government of India imposed lockdown from 25th March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of the company due to non-availability of labour, transportation and supply chain disruptions. However, the Government classified urea and micro irrigation business of the company as "Essential Commodity" and granted certain relaxations and guidelines so that production and distribution of Urea will not be effected. The Company operated one Urea plant during the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.
- 9) The consolidated results include results of subsidiary, i.e Jaiprakash Engineering and Steel Company Ltd and excludes associates Nagarjuna Agricultural and Research Development Insititute Pvt Ltd and KVK Raju International Leadership Ltd. The said associates are excluded as there are no operations in the said Companies.
- 10) The figures of the current quarter and quarter ended March 31, 2019 are the balancing figures between the audited figures of the full financial year ended March 31, 2020 and March 31, 2019, respectively and the published year to date figures upto third quarter ended December 31, 2019 and December 31, 2018, respectively.
- 11) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

HYDERABAD
August 14, 2020


K. RAHUL RAJU
MANAGING DIRECTOR

Particulars	Standalone	
	As At March 31, 2020 (Audited)	As At March 31, 2019 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2,39,833.85	2,48,046.17
(b) Capital work-in-progress	2,827.23	2,794.32
(c) Other Intangible Assets	-	-
(d) Financial Assets		
(i) Investments	-	1,346.17
(ii) Loans	994.31	564.12
(iii) Other Financial Assets	15.50	1.03
(e) Other Non-Current Assets	152.49	86.11
Total non-current Assets	2,43,823.38	2,52,837.92
2. Current Assets		
(a) Inventories	10,524.59	10,276.52
(b) Financial Assets		
(i) Trade Receivables	1,22,647.86	83,150.23
(ii) Cash and Cash Equivalents	4,895.18	5,620.14
(iii) Bank Balances other than (ii) above	8,994.58	9,014.55
(iv) Loans	3,312.72	3,779.75
(v) Other Financial assets	914.99	700.53
(c) Current Tax Assets (Net)	680.88	945.09
(d) Other Current Assets	6,078.60	6,042.32
Total current assets	1,58,049.40	1,19,529.13
Total - Assets	4,01,872.78	3,72,367.05
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	5,388.80	52,282.20
Total Equity	11,369.45	58,262.85
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,042.42	3,266.02
(ii) Other Financial Liabilities	7,708.76	7,852.86
(b) Provisions	362.37	435.52
(c) Deferred Tax Liabilities (Net)	30,895.50	34,138.24
(d) Government grants	1,041.61	1,389.52
Total non-current liabilities	43,050.66	47,082.16
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,47,850.25	1,29,297.03
(ii) Trade Payables		
(a) Micro Enterprises and Small Enterprises	135.37	201.07
(b) Other than Micro Enterprises and Small Enterprises	1,30,965.64	74,678.79
(iii) Other Financial Liabilities	66,311.19	60,586.48
(b) Other Current Liabilities	1,421.90	1,356.84
(c) Government grants	347.91	347.91
(d) Provisions	420.41	553.92
Total current liabilities	3,47,452.67	2,67,022.04
Total liabilities	3,90,503.33	3,14,104.20
Total Equity and Liabilities	4,01,872.78	3,72,367.05

Nagarjuna Fertilizers and Chemicals Limited
Cash Flow Statement for the Year ended March 31, 2020

Particulars	Rs.in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Flow from Operating Activities		
Loss before Tax	(50,581.09)	(52,689.29)
<i>Adjustments:</i>		
Depreciation and Amortisation	8,213.49	8,883.02
Provision for Impairment	-	1,493.67
Provision for Doubtful Debts / Advances	1,607.23	2,404.68
Finance Cost	32,879.38	30,799.47
Provision/write off for Diminution in value of Investments	1,346.17	450.00
Deferred government grant	(347.91)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	(42.23)	311.22
Operating Profit before working capital changes	(6,924.96)	(8,695.14)
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	56,073.56	(60,588.33)
Increase/(decrease) in long term provisions	449.31	(81.67)
Increase/(decrease) in short term provisions	(133.51)	228.59
Increase/(decrease) in other current liabilities	65.06	(459.06)
Increase/(decrease) in other current financial liabilities	(1,230.74)	3,028.51
Increase/(decrease) in other long term liabilities	(144.10)	38.25
Decrease/(increase) in trade receivables	(41,104.86)	86,121.35
Decrease/(increase) in inventories	(248.07)	4,250.39
Decrease/(increase) in long term loans and advances	(430.19)	2,180.33
Decrease/(increase) in short term loans and advances	467.03	(2,356.54)
Decrease/(increase) in other current assets	(36.28)	1,973.83
Decrease/(increase) in other financial assets	(214.46)	62.18
Decrease/(increase) in other non current assets	6.84	3.38
Cash generated from/(used) in operations	6,594.63	25,706.06
(Direct Taxes Paid -net of refunds)	186.69	(280.72)
Net cash flow from / (used) in operating activities	6,781.32	25,425.34
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(111.65)	(1,328.09)
Margin Money Deposits	5.50	(3,104.16)
Proceeds from Sale of fixed assets	46.58	24.46
Net cash flow from / (used) in investing activities	(59.57)	(4,407.79)
C. Cash flow from Financing activities		
Repayment of long term borrowings	(632.24)	(4,929.59)
Finance Costs paid (Refer Note 31.1)	(9,444.26)	(25,531.36)
Dividend Paid (Refer Note 23.2)	(278.55)	(234.85)
Net cash flow from / (used) in financing activities	(10,355.05)	(30,695.80)
Net Increase/(decrease) in Cash and Cash Equivalents	(3,633.30)	(9,678.24)
Cash and Cash Equivalents as at beginning of the year	(1,11,387.56)	(1,01,709.32)
Cash and Cash Equivalents as at end of the year	(1,15,020.86)	(1,11,387.56)

H.R.

Independent Auditor's Report

To
The Board of Directors
NAGARJUNA FERTILIZERS and CHEMICALS LIMITED

Report on the audit of the Standalone Annual Financial Results

1. Opinion

We have audited the accompanying Statement of standalone annual financial results of NAGARJUNA FERTILIZERS and CHEMICALS LIMITED ("the Company") for the year ended March 31, 2020 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the quarter and year ended March 31, 2020.

2. Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the Statement regarding annual financial results being drawn up on a going concern basis for considering its understanding of status of approval process by consortium of lenders as at the date of approval of financial statements. As stated in the said note, in view of the reduced operations caused due to strained financial conditions, the Company has incurred continuous losses which had substantially eroded the



Company's networth and current liabilities as at the year-end exceeded the current asset by Rs.189,403.27 Lakhs. These circumstances have affected the Company's ability to meet its obligations to repay its loans, other financial and non-financial liabilities including statutory liabilities. The Company's management is currently in discussion with the lenders with a resolution plan and are hopeful of a positive outcome and approval of resolution plan. These events and conditions indicate material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as going concern is solely dependent on the acceptance of debt restructuring proposal, which is not wholly within the control of the Company.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter

We draw attention to the following notes to the Statement:

- a. Note 4 regarding non-receipt of confirmation of balances from lenders and accounting of interest and penal interest on the overdue borrowings. Adjustments, if any, in respect of interest, penal interest and other charges will be dealt with by the Company upon final outcome of resolution plan.
- b. Note 5 regarding International Arbitration awards passed against the Company for USD 15,275,688, GBP 6,90,630 and EURO 4,55,000 [aggregating to Rs.15,641.51 Lakhs (31.03.2019: Rs.14,188.03 Lakhs), approximately] and Rs.221.39 Lakhs; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- c. Note 6 regarding accounting of Income towards reimbursement claims for additional fixed cost, input escalation/de-escalation and freight subsidy 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.

5. Management's Responsibilities for the Standalone Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with



relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figures between the audited figures in respect of the financial year ended 31 March 2020 and the published unaudited year-to-date figures up to 31 December 2019, which were subjected to a limited review by us.

for M. Bhaskara Rao & Co
Chartered Accountants

Firm Registration No.000459S



D. Bapu Raghavendra
D. Bapu Raghavendra

Partner

Membership No: 213274

UDIN: 20213274 AAAAC08051

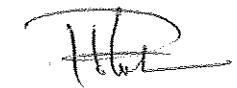
Hyderabad, August 14, 2020

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

Consolidated Audited Financial Results for the Quarter / Year Ended March 31, 2020

Rs. in Lakhs

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	f) Finance cost	8,449.39	8,832.49	7,404.63	32,879.39	30,799.48
	g) Depreciation and Amortization Expense	2,034.33	2,063.01	2,188.04	8,213.49	8,883.02
	h) Excise Duty					
	i) Other Expenses	6,035.38	6,628.49	9,014.19	21,381.31	31,718.39
	Total expenses	57,861.23	57,666.13	65,811.43	2,22,586.28	2,47,486.59
V	Profit / (Loss) before exceptional items and tax (III-IV)	(14,534.83)	(11,957.97)	(13,067.24)	(49,235.26)	(50,804.04)
VI	Exceptional Items	-	-	1,885.95	-	1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(14,534.83)	(11,957.97)	(14,953.19)	(49,235.26)	(52,689.99)
VIII	Tax Expense:					
	(a) Current Tax	-	-	-	-	-
	(b) Adjustments relating to earlier years	77.52	-	-	77.52	-
	(c) Deferred Tax	(1,196.50)	(758.95)	(1,137.71)	(3,423.56)	(3,616.44)
		(1,118.98)	(758.95)	(1,137.71)	(3,346.04)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(13,415.85)	(11,199.02)	(13,815.48)	(45,889.22)	(49,073.55)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-



SI No	PARTICULARS	Consolidated				
		Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(13,415.85)	(11,199.02)	(13,815.48)	(45,889.22)	(49,073.55)
	Attributable to:					
	- Shareholders of the Parent Company	(13,415.85)	(11,199.02)	(13,815.48)	(45,889.22)	(49,073.55)
	- 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	522.46	-	12.91	522.46	12.91
	(ii) Income tax relating to these items	(180.81)	-	(4.47)	(180.81)	(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	341.65	-	8.44	341.65	8.44
	Attributable to:					
	- Shareholders of the Parent Company	341.65	-	8.44	341.65	8.44
	- Non Controlling interest	-	-	-	-	-
XV	Total Comprehensive Income (XIII+XIV)	(13,074.20)	(11,199.02)	(13,807.04)	(45,547.57)	(49,065.11)
	Attributable to:					
	- Shareholders of the Parent Company	(13,074.20)	(11,199.02)	(13,807.04)	(45,547.57)	(49,065.11)
	- Non Controlling interest	-	-	-	-	-
XVI	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XVII	Earning Per Share (of Rs. 1/- each) (not annualised) (for continuing operations)					
	- Basic and Diluted	(2.24)	(1.87)	(2.31)	(7.67)	(8.21)
XVIII	Earning Per Share (of RS.1/- each) (not annualised) (for discontinued operations)					
	- Basic and Diluted	-	-	-	-	-
XIX	Earning Per Share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)					
	- Basic and Diluted	(2.24)	(1.87)	(2.31)	(7.67)	(8.21)

Balance Sheet

₹ in Lakhs

Particulars	Consolidated	
	As At March 31, 2020 (Audited)	As At March 31, 2019 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2,39,833.85	2,48,046.17
(b) Capital work-in-progress	2,827.23	2,794.32
(c) Other Intangible Assets	-	-
(d) Financial Assets		
(i) Investments	-	-
(ii) Loans	2,808.16	2,377.97
(iii) Other Financial Assets	28.95	13.66
(e) Other Non-Current Assets	152.49	86.11
Total non-current Assets	2,45,650.68	2,53,318.23
2. Current Assets		
(a) Inventories	10,524.59	10,276.52
(b) Financial Assets		
(i) Trade Receivables	1,22,647.86	83,150.23
(ii) Cash and Cash Equivalents	4,895.92	5,621.66
(iii) Bank Balances other than (ii) above	8,994.58	9,014.55
(iv) Loans	3,312.72	3,779.75
(v) Other Financial assets	915.47	701.01
(c) Current Tax Assets (Net)	681.19	945.31
(d) Other Current Assets	6,078.60	6,042.32
Total current assets	1,58,050.93	1,19,531.35
Total - Assets	4,03,701.61	3,72,849.58
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	7,178.71	52,726.28
Equity attributable to shareholders of the Company	13,159.36	58,706.93
Non-Controlling interest	2.82	2.82
Total Equity	13,162.18	58,709.75
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,042.42	3,266.02
(ii) Other Financial Liabilities	7,708.76	7,852.86
(b) Provisions	362.37	435.52
(c) Deferred Tax Liabilities (Net)	30,895.50	34,138.24
(d) Government grants	1,041.61	1,389.52
Total non-current liabilities	43,050.66	47,082.16
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,47,850.25	1,29,297.03
(ii) Trade Payables		
(a) Micro Enterprises and Small Enterprises	135.37	201.07
(b) Other than Micro Enterprises and Small Enterprises	1,30,966.65	74,679.37
(iii) Other Financial Liabilities	66,346.24	60,621.53
(b) Other Current Liabilities	1,421.94	1,356.84
(c) Government grants	347.91	347.91
(d) Provisions	420.41	553.92
Total current liabilities	3,47,488.77	2,67,057.67
Total liabilities	3,90,539.43	3,14,139.83
Total Equity and Liabilities	4,03,701.61	3,72,849.58

Nagarjuna Fertilizers and Chemicals Limited
Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ in Lakhs

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash Flow from Operating Activities		
Loss before Tax	(49,235.28)	(52,239.99)
<i>Adjustments:</i>		
Depreciation and Amortisation	8,213.49	8,883.02
Provision for Impairment	-	1,493.67
Provision for Doubtful Debts / Advances	1,607.23	2,404.67
Finance Cost	32,879.39	30,799.48
Provision/write off for Diminution in value of Investments	-	-
Deferred government grant	(347.91)	(347.91)
Loss on sale of assets / assets discarded / assets decapitalised	(42.23)	311.22
Operating Profit before working capital changes	(6,925.31)	(8,695.84)
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	56,074.01	(65,975.56)
Increase/(decrease) in long term provisions	449.31	(81.67)
Increase/(decrease) in short term provisions	(133.51)	228.59
Increase/(decrease) in other current liabilities	65.10	(459.06)
Increase/(decrease) in other current financial liabilities	(1,230.75)	3,028.51
Increase/(decrease) in other long term liabilities	(144.10)	38.25
Decrease/(increase) in trade receivables	(41,104.86)	86,121.35
Decrease/(increase) in inventories	(248.07)	4,250.39
Decrease/(increase) in long term loans and advances	(430.19)	2,180.33
Decrease/(increase) in short term loans and advances	467.03	(2,356.54)
Decrease/(increase) in other current assets	(36.28)	1,973.83
Decrease/(increase) in other financial assets	(214.46)	63.13
Decrease/(increase) in other non current assets	6.84	3.38
Cash generated from operations	6,594.77	20,319.09
Direct Taxes Paid (net of refunds)	186.60	(280.71)
Net cash flow from operating activities	6,781.37	20,038.38
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP	(111.65)	(1,328.09)
Term deposits / Margin Money Deposits	4.68	(3,103.92)
Proceeds from Sale of fixed assets	46.58	24.46
Net cash flow from / (used) in investing activities	(60.39)	(4,407.55)
C. Cash flow from Financing activities		
Repayment of long term borrowings	(632.24)	(4,929.59)
Finance Costs paid (Refer Note 31.1)	(9,444.27)	(20,144.13)
Dividend Paid (Refer Note 23.2)	(278.55)	(234.85)
Net cash flow used in financing activities	(10,355.06)	(25,308.57)
Net Increase/(decrease) in Cash and Cash Equivalents	(3,634.08)	(9,677.74)
Cash and Cash Equivalents as at beginning of the year	(1,11,386.04)	(1,01,708.30)
Cash and Cash Equivalents as at end of the year	(1,15,020.12)	(1,11,386.04)

Independent Auditor's Report

To

The Board of Directors

NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Report on the audit of Consolidated Financial Results

1. Opinion

We have audited the accompanying Statement of annual Consolidated financial results of NAGARJUNA FERTILIZERS and CHEMICALS LIMITED ("the Company") and its subsidiaries (together referred to as "the Group") for the year ended March 31, 2020 ("the statement"), attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements/ financial information of subsidiaries the aforesaid consolidated financial results:

- a. include the annual financial results of
Jaiprakash Engineering and Steel Company Ltd (JESCO) -Wholly Owned
Subsidiary
- b. did not consider share of profit / loss from Nagarjuna Agricultural & Research
Development Institute Pvt Ltd and KVK Raju International Leadership Ltd for the purpose
of consolidation for the reasons stated in Note 9 to the Statement
- c. are presented in accordance with the requirements of Regulation 33 of the Listing
Regulations, as amended; and
- d. gives a true and fair view in conformity with the recognition and measurement principles
laid down in the applicable Indian Accounting Standards, and other accounting principles
generally accepted in India, of consolidated net loss and other comprehensive income and
other financial information of the Group for the year ended 31 March 2020.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the



Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the Statement regarding annual financial results being drawn up on a going concern basis for considering its understanding of status of approval process by consortium of lenders as at the date of approval of financial statements. As stated in the said note, in view of the reduced operations caused due to strained financial conditions, the Company has incurred continuous losses which had substantially eroded the Company's networth and current liabilities as at the year-end exceeded by Rs.189,437.84 Lakhs. These circumstances have affected the Company's ability to meet its obligations to repay its loans, other financial and non-financial liabilities including statutory liabilities. The Company's management is currently in discussion with the lenders with a resolution plan and are hopeful of a positive outcome of consideration and approval of resolution plan. These events and conditions indicate material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as going concern is solely dependent on the acceptance of debt restructuring proposal, which is not wholly within the control of the Company.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter

We draw attention to the following notes to the Statement:

- a. Note 4 regarding non-receipt of confirmation of balances from lenders and accounting of interest and penal interest on the overdue borrowings. Adjustments, if any, in respect of interest, penal interest and other charges will be dealt with by the Company upon final outcome of resolution plan.
- b. Note 5 regarding International Arbitration awards passed against the Company for USD 15,275,688, GBP 6,90,630 and EURO 4,55,000 [aggregating to Rs.15,641.51 Lakhs (31.03.2019: Rs.14188.03 Lakhs), approximately] and Rs.221.39 Lakhs; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- c. Note 6 regarding accounting of Income towards reimbursement claims for additional fixed cost, input escalation/de-escalation and freight subsidy 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.



5. Management's Responsibilities for the Consolidated Financial Results

These consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

7. Other Matters

- a. The consolidated Financial Results include the audited Financial Results of subsidiaries, whose Financial Statements reflect Group's share of total assets of Rs.1828.83 lakhs as at March 31,2020, Group's share of total revenue of Rs.0.52 Lakhs and Rs.1.19 Lakhs and Group's share of total net profit /(loss) after tax of Rs. 0.14 Lakhs and Rs(.0.34) Lakhs for the quarter ended March 31, 2020 and year ended March 31, 2020, respectively as considered in the consolidated Financial Results, which have been audited by other independent auditors. The independent auditor's reports on financial statements of the subsidiary has been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above. Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
- b. The Financial Results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the financial year ended 31 March 2020 and the published unaudited year to date figures up to 31 December 2019, which were subject to limited review by us.

Hyderabad, August 14, 2020



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

D. Bapu Raghendra
D.Bapu Raghendra
Partner

Membership No: 213274

UDIN:20213274AAAACP3818