Registered Office :
Nagarjuna Hills,
Hyderabad - 500 082. INDIA
Phones : 23357200, 23357204
23357589, 23356859
Grams : "NAAGFERTS"
Fax : (91-40)23354788

NAGARJUNA
GROUP
Nagarjuna Fertilizers
and Chemicals Limited

November 12, 2019

To
The Manager,
Corporate Filing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001
Maharashtra, India
Scrip Code: **539917**

To
The Manager,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051 Maharashtra, India
Symbol: **NAGARFERT**

Dear Madam / Sir,

Sub: Outcome of Board Meeting

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

The Board of Directors of the Company at its meeting held today i.e., November 12, 2019, in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approved the Unaudited Financial Results of the Company for the quarter ended September 30, 2019.

The copy of said Unaudited Results together with copy of the Limited Review Report submitted by the Statutory Auditors is enclosed.

We request you to kindly take the same on records.

Thanking you,

Yours Truly,
For Nagarjuna Fertilizers and Chemicals Limited

M Vijaya Bhasker
Manager – Secretarial

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

Standalone Unaudited Financial Results for the Quarter and Half year Ended Sep 30, 2019

Rs. in Lakhs

Sl No	PARTICULARS	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-09-2019 (Unaudited)	30-06-2019 (Unaudited)	30-09-2018 (Unaudited)	30-09-2019 (Unaudited)	30-09-2018 (Unaudited)	31-03-2019 (Audited)
I	Revenue from Operations	48,208.50	34,712.67	38,424.12	82,921.17	1,28,470.92	1,94,034.76
II	Other Income	793.68	601.17	458.76	1,394.85	716.50	2,646.88
III	Total income (I+II)	49,002.18	35,313.84	38,882.88	84,316.02	1,29,187.42	1,96,681.64
IV	Expenses						
	a) Cost of materials consumed	19,084.82	17,244.34	4,418.35	36,329.16	45,691.24	70,942.12
	b) Purchase of Stock-in-Trade	323.22	350.46	10,483.42	673.68	19,443.56	25,855.60
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	5,123.32	(4,171.57)	13,996.35	951.75	1,780.98	3,548.50
	d) Power and Fuel	17,703.10	17,250.98	5,569.18	34,954.08	35,009.73	59,994.56
	e) Employee Benefits Expense	2,686.76	3,032.39	3,836.22	5,719.15	7,960.58	15,744.92
	f) Finance cost	7,975.94	7,621.57	8,287.12	15,597.51	16,101.58	30,799.47
	g) Depreciation and Amortization Expense	2,067.62	2,048.53	2,234.76	4,116.15	4,450.33	8,883.02
	h) Excise Duty						
	i) Other Expenses	4,756.77	3,959.90	8,795.39	8,716.67	17,763.20	31,716.79
	Total expenses	59,721.55	47,336.60	57,620.79	1,07,058.15	1,48,201.20	2,47,484.98
V	Profit / (Loss) before exceptional items and tax (III-IV)	(10,719.37)	(12,022.76)	(18,737.91)	(22,742.13)	(19,013.78)	(50,803.34)
VI	Exceptional Items						1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(10,719.37)	(12,022.76)	(18,737.91)	(22,742.13)	(19,013.78)	(52,689.29)
VIII	Tax Expense:						
	(a) Current Tax						
	(b) Adjustments relating to earlier years				-		-
	(c) Deferred Tax	(762.74)	(705.37)	(1,497.24)	(1,468.11)	(1,669.30)	(3,616.44)
		(762.74)	(705.37)	(1,497.24)	(1,468.11)	(1,669.30)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(9,956.63)	(11,317.39)	(17,240.67)	(21,274.02)	(17,344.48)	(49,072.85)
X	Profit / (Loss) from discontinued operations				-		-
XI	Tax expense of discontinued operations				-		-

Sl No	PARTICULARS	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)				-		-
XIII	Profit / (Loss) for the period (IX+XII)	(9,956.63)	(11,317.39)	(17,240.67)	(21,274.02)	(17,344.48)	(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				-		12.91
	(ii) Income tax relating to these items				-		(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
	Attributable to:						
	- Shareholders of the Parent Company						
	- Non Controlling interest						
XV	Total Comprehensive Income (XIII+XIV)	(9,956.63)	(11,317.39)	(17,240.67)	(21,274.02)	(17,344.48)	(49,064.41)
	Attributable to:						
	- Shareholders of the Parent Company						
	- Non Controlling interest						
XVI	Paid-up Equity Share Capital (Face Value of ` 1/- per share)	5980.65	5980.65	5980.65	5,980.65	5,980.65	5,980.65
XVII	Earning Per Share (of ` 1/- each) (not annualised) (for continuing operations)						
	- Basic and Diluted	(1.66)	(1.89)	(2.88)	(3.56)	(2.90)	(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	(1.66)	(1.89)	(2.88)	(3.56)	(2.90)	(8.21)

Notes:

1) The above results were reviewed and approved by the Audit Committee and aprroved by the Board Directors at their respective meetings held on 12th November, 2019.

2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter / halfyear ended September 30, 2019.

3) The Corresponding consolidated results for the quarter and period ended 30th September 2018 and Cash Flow statement for the period ended 30th September 2018 is approved by the Board of Directors and are not subjected to limited Review.

4) 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.

5) Due to inadequate working capital and financial stress, Company had approached lenders for Resolution plan which amongst other terms include infusion of equity. In the meantime, the lenders have permitted 'Holding on Operations' (HOO) from December 2018 till July, 2019 which has facilitated operating one Urea Plant from December 2018. The Company had requested for extension of HOO till October 31, 2019 and further till January 31, 2020, and lenders approval is awaited. The Company is in discussions with lenders and investors for early completion of Resolution plan which will facilitate restart of second plant. The Management is hopeful of positive outcome of Resolution process and accordingly the results have been drawn up on a going concern basis.

6) 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 6 (ii) above. Further, since the matter being sub-judice, the said claims have been treated as contingent liability.

7) 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 based on prescribed norms, provisional pricing and Management estimates. Adjustments, if any, required will be considered on notification of final prices.

8) The consolidated results include results of subsidiary, that is Jaiprakash Engineering and Steel Company Ltd and excludes associates Nagarjuna Agricultural & 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.

9) 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 Company is of the view that all the leases are having a residual period of 12 months or less on the date of application of the said standard and hence no adjustments are required to be made in the accounts.

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

HYDERABAD
November 12, 2019

K. RAHUL RAJU
MANAGING DIRECTOR

M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
PHONES : 23311245, 23393900
FAX : 040-23399248

5-D, FIFTH FLOOR, "KAUTILYA",
6-3-652, SOMAJIGUDA,
HYDERABAD-500 082. INDIA.
e-mail : mbr_co@mbrc.co.in

Independent Auditor's Report on Review of the Interim Standalone Ind AS Financial results
To the Board of Directors
Nagarjuna Fertilizers and Chemicals Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Ind AS Financial Results of **Nagarjuna Fertilizers and Chemicals Limited**("the company") for the Quarter ended 30thSeptember,2019 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/ 80 /2019 dated July19, 2019 ('the Circular).

   This statement is the responsibility of the Company's management, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India and has been approved by its Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review 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 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.

   Attention is drawn to Note 3 of the Statement which states that the Standalone Statement of Cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

3. Emphasis of Matter

   We draw attention to the following notes to the Statement

   a) Note 4 of the Statement regarding inadequate working capital and financial stress, and the consideration by lenders of a Long Term Resolution Plan. The Company during the quarter ended September 30, 2019, has incurred losses and, was unable to discharge its obligations for repayment of Loans and other financial liabilities including statutory liabilities due to continued losses.

      The ability of the Company to continue as going concern is solely dependent on the approval of resolution plan.

      The financial results of the Company for the quarter have been prepared by the management on a going concern basis in view of the reasons mentioned in the said note notwithstanding the continued losses and inability to discharge financial liabilities.

b) Note 5 of the Statement regarding Arbitration awards passed against the Company for USD 15,275,688 and GBP 690,630, EUR 455,000 and INR 221.39 Lakhs and interest thereon as applicable in relation to contracts; the impact of which has not been recognised in the Financial Results, for reasons stated in the said note;

c) Note 6 of the Statement 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.

Our conclusion is not modified in respect of the 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 of unaudited financial results prepared in accordance with applicable Indian Accounting Standards and other recognized accounting principles and policies, 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

D. Bapu Raghavendra
Partner
Membership No: 213274
UDIN:19213274AAAAFF9494

Place: Hyderabad
Date: 12th November, 2019

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

Consolidated Unaudited Financial Results for the Quarter and Half Year Ended Sep 30, 2019

Rs. in Lakhs

Sl No	PARTICULARS	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-09-2019 (Unaudited)	30-06-2019 (Unaudited)	30-09-2018 (Unaudited)	30-09-2019 (Unaudited)	30-09-2018 (Unaudited)	31-03-2019 (Audited)
I	Revenue from Operations	48208.50	34712.67	38424.12	82921.17	128470.92	194034.76
II	Other Income	793.91	601.38	459.03	1395.29	716.97	2647.79
III	Total income (I+II)	49002.41	35314.05	38883.15	84316.46	129187.89	196682.55
IV	Expenses						
	a) Cost of materials consumed	19084.82	17,244.34	4418.35	36329.16	45691.24	70942.12
	b) Purchase of Stock-in-Trade	323.22	350.46	10483.42	673.68	19443.56	25855.60
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	5123.32	(4,171.57)	13996.35	951.75	1780.98	3548.50
	d) Power and Fuel	17703.10	17,250.98	5569.18	34954.08	35009.73	59994.56
	e) Employee Benefits Expense	2686.76	3,032.39	3836.22	5719.15	7960.58	15744.92
	f) Finance cost	7975.94	7,621.57	8287.12	15597.51	16101.58	30799.48
	g) Depreciation and Amortization Expense	2067.62	2,048.53	2234.76	4116.15	4450.33	8883.02
	h) Excise Duty		-				
	i) Other Expenses	4757.50	3,959.94	8795.46	8717.44	17763.30	31718.39
	Total expenses	59722.28	47,336.64	57620.86	107058.92	148201.31	247486.59
V	Profit / (Loss) before exceptional items and tax (III-IV)	(10,719.87)	(12,022.59)	(18,737.71)	(22,742.46)	(19,013.41)	(50,804.04)
VI	Exceptional Items		-		-		1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(10,719.87)	(12,022.59)	(18,737.71)	(22,742.46)	(19,013.41)	(52,689.99)
VIII	Tax Expense:						
	(a) Current Tax						
	(b) Adjustments relating to earlier years				-		-
	(c) Deferred Tax	(762.74)	(705.37)	(1,497.24)	(1,468.11)	(1,669.30)	(3,616.44)
		(762.74)	(705.37)	(1,497.24)	(1,468.11)	(1,669.30)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(9,957.13)	(11,317.22)	(17,240.47)	(21,274.35)	(17,344.11)	(49,073.55)
X	Profit / (Loss) from discontinued operations						
XI	Tax expense of discontinued operations						

Sl No	PARTICULARS	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-09-2019 (Unaudited)	30-06-2019 (Unaudited)	30-09-2018 (Unaudited)	30-09-2019 (Unaudited)	30-09-2018 (Unaudited)	31-03-2019 (Audited)
XII	Profit / (Loss) from discontinued operations after tax (X-XI)						
XIII	Profit / (Loss) for the period (IX+XII)	(9,957.13)	(11,317.22)	(17,240.47)	(21,274.35)	(17,344.11)	(49,073.55)
	Attributable to:						
	- Shareholders of the Parent Company						0.00
	- 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
	(ii) Income tax relating to these items						(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
	Attributable to:						
	- Shareholders of the Parent Company						
	- Non Controlling interest						
XV	Total Comprehensive Income (XIII+XIV)	(9,957.13)	(11,317.22)	(17,240.47)	(21,274.35)	(17,344.11)	(49,065.11)
	Attributable to:						
	- Shareholders of the Parent Company						
	- Non Controlling interest						
XVI	Paid-up Equity Share Capital (Face Value of ` 1/- per share)	5980.65	5980.65	5980.65	5,980.65	5,980.65	5,980.65
XVII	Earning Per Share (of ` 1/- each) (not annualised) (for continuing operations)						
	- Basic and Diluted	(1.66)	(1.89)	(2.88)	(3.56)	(2.90)	(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	(1.66)	(1.89)	(2.88)	(3.56)	(2.90)	(8.21)

Notes:

1) The above results were reviewed and approved by the Audit Committee and aprroved by the Board Directors at their respective meetings held on 12th November, 2019.

2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter / halfyear ended September 30, 2019.

3) The Corresponding Cash Flow statement for the period ended 30th September 2018 is approved by the Board of Directors and are not subjected to limited Review.

4) 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.

5) Due to inadequate working capital and financial stress, Company had approached lenders for Resolution plan which amongst other terms include infusion of equity. In the meantime, the lenders have permitted 'Holding on Operations' (HOO) from December 2018 till July, 2019 which has facilitated operating one Urea Plant from December 2018. The Company had requested for extension of HOO till October 31, 2019 and further till January 31, 2020, and lenders approval is awaited. The Company is in discussions with lenders and investors for early completion of Resolution plan which will facilitate restart of second plant. The Management is hopeful of positive outcome of Resolution process and accordingly the results have been drawn up on a going concern basis.

6) 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 6 (ii) above. Further, since the matter being sub-judice, the said claims have been treated as contingent liability.

7) 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 based on prescribed norms, provisional pricing and Management estimates. Adjustments, if any, required will be considered on notification of final prices.

8) 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 Company is of the view that all the leases are having a residual period of 12 months or less on the date of application of the said standard and hence no adjustments are required to be made in the accounts.

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

HYDERABAD
November 12, 2019

K. RAHUL RAJU
MANAGING DIRECTOR

M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
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FAX : 040-23399248

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6-3-652, SOMAJIGUDA,
HYDERABAD-500 082. INDIA.
e-mail : mbr_co@mbrc.co.in

Independent Auditor's Report on Review of Interim Consolidated Ind AS Financial Results
To the Board of Directors
Nagarjuna Fertilizers and Chemicals Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Ind AS Financial Results of **Nagarjuna Fertilizers and Chemicals Limited** ("the Company") and its subsidiary, for the Quarter ended 30thSeptember, 2019("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/ 80 /2019 dated July 19, 2019 ('the Circular). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30.09.2018, as reported in these financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to our review. Attention is drawn to Consolidated Cash Flow Statement for the half year ended 30th September, 2019.

   This statement which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India and has been approved by its Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review 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 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.

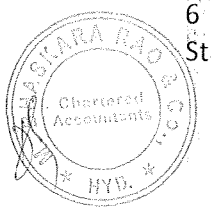
   We also performed procedures in accordance with the circulars issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

   Attention is drawn to Note 3 of the Statement which states that the Standalone Statement of Cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

3. The Statement includes the results of the following entities:

   a) Nagarjuna Fertilizers and Chemicals Limited-Holding Company
   b) Jaiprakash Engineering and Steel Company Limited -Subsidiary

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid



down in the aforesaid Indian Accounting Standard 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

We draw attention to the following notes to the Statement

a) Note 4 of the Statement regarding inadequate working capital and financial stress, and the consideration by lenders of a Long Term Resolution Plan. The Company during the quarter ended September 30, 2019, has incurred losses and, was unable to discharge its obligations for repayment of Loans and other financial liabilities including statutory liabilities due to continued losses.

   The ability of the Company to continue as going concern is solely dependent on the approval of resolution plan.

   The financial results of the Company for the quarter have been prepared by the management on a going concern basis in view of the reasons mentioned in the said note notwithstanding the continued losses and inability to discharge financial liabilities.

b) Note 5 of the Statement regarding Arbitration awards passed against the Company for USD 15,275,688 and GBP 690,630, EUR 455,000 and INR 221.39 Lakhs and interest thereon as applicable in relation to contracts; the impact of which has not been recognised in the Financial Results, for reasons stated in the said note;

c) Note 6 of the Statement 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.

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

6. We did not review, the interim financial results of the Subsidiary of the Company, included in this Statement whose results reflect the Company's share of net loss of Rs. 0.33 lakhs for the quarter ended 30th September 2019.The interim financial results of the Subsidiary have been reviewed by the other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of the joint venture, is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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

M. BHASKARA RAO & CO. Chartered Accountants HYD.

D. Bapu Raghavendra
Partner
Membership No: 213274
UDIN: 19213274AAAAAF5764

Place: Hyderabad
Date: 12th November 2019