

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

Standalone Unaudited Financial Results for the Quarter /Nine Months Ended Dec 31, 2019

Rs. in Lakhs

SI No	PARTICULARS	Standalone					
		Quarter ended		Nine months ended		Year ended	
		31-12-2019 (Unaudited)	30-09-2019 (Unaudited)	31-12-2018 (Unaudited)	31-12-2019 (Unaudited)	31-12-2018 (Unaudited)	31-03-2019 (Audited)
I	Revenue from Operations	45,002.49	48,208.50	14,539.87	1,27,923.66	1,43,010.79	1,94,034.76
II	Other Income	705.43	793.68	210.55	2,100.28	927.05	2,646.88
III	Total income (I+II)	45,707.92	49,002.18	14,750.42	1,30,023.94	1,43,937.84	1,96,681.64
IV	Expenses						
	a) Cost of materials consumed	20,369.17	19,084.82	5,278.59	56,698.33	50,969.83	70,942.12
	b) Purchase of Stock-in-Trade	213.79	323.22	5,376.25	887.47	24,819.81	25,855.60
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	-181.44	5,123.32	-2,435.99	770.31	-655.01	3,548.50
	d) Power and Fuel	17,138.07	17,703.10	6,947.60	52,092.15	41,957.33	59,994.56
	e) Employee Benefits Expense	2,602.55	2,686.76	3,828.59	8,321.70	11,789.17	15,744.92
	f) Finance cost	8,832.49	7,975.94	7,293.26	24,430.00	23,394.84	30,799.47
	g) Depreciation and Amortization Expense	2,063.01	2,067.62	2,244.65	6,179.16	6,694.98	8,883.02
	h) Excise Duty						
	i) Other Expenses	6,628.11	4,756.77	4,939.82	15,344.78	22,703.02	31,716.79
	Total expenses	57,665.75	59,721.55	33,472.77	1,64,723.90	1,81,673.97	2,47,484.98
V	Profit / (Loss) before exceptional items and tax (III-IV)	(11,957.83)	(10,719.37)	(18,722.35)	(34,699.96)	(37,736.13)	(50,803.34)
VI	Exceptional Items						1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(11,957.83)	(10,719.37)	(18,722.35)	(34,699.96)	(37,736.13)	(52,689.29)
VIII	Tax Expense:						
	(a) Current Tax						
	(b) Adjustments relating to earlier years				-		-
	(c) Deferred Tax	-758.95	(762.74)	(809.43)	(2,227.06)	(2,478.73)	(3,616.44)
		(758.95)	(762.74)	(809.43)	(2,227.06)	(2,478.73)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(11,198.88)	(9,956.63)	(17,912.92)	(32,472.90)	(35,257.40)	(49,072.85)
X	Profit / (Loss) from discontinued operations				-		-
XI	Tax expense of discontinued operations				-		-

SI No	PARTICULARS	Standalone					
		Quarter ended			Nine months ended		Year ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	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) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	(11,198.88)	(9,956.63)	(17,912.92)	(32,472.90)	(35,257.40)	(49,072.85)
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 (ii) Income tax relating to these items 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 Attributable to: - Shareholders of the Parent Company - Non Controlling interest				-		12.91 (4.47) - - 8.44
XV	Total Comprehensive Income (XIII+XIV) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	(11,198.88)	(9,956.63)	(17,912.92)	(32,472.90)	(35,257.40)	(49,064.41)
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	5,980.65
XVII	Earning Per Share (of Rs. 1/- each) (not annualised) (for continuing operations) - Basic and Diluted	(1.87)	(1.66)	(3.00)	(5.43)	(5.90)	(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	(1.87)	(1.66)	(3.00)	(5.43)	(5.90)	(8.21)

Notes:

- 1) The above results were reviewed and approved by the Board of Directors at their meeting held on 12th February, 2020.
- 2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter /Nine Months ended December 31, 2019.
- 3) The financial results comprise the combined operations of the Company relating to Fertilizer, Micro Irrigation and Agri Services businesses. The financial results of Micro Irrigation and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, are neither disclosed as separate segments nor are combined as "all other segments" for the purposes of disclosures under Ind AS 108 - Operating Segments.
- 4) Due to inadequate working capital, financial stress and continued losses on account of stoppage of production activities at plant during 2018, Company had approached lenders for Resolution plan which amongst other terms include infusion of equity. The lenders initially have permitted 'Holding on Operations' (HOO) from December 2018 which has facilitated operations of one Urea Plant from December 2018 till the current quarter. In the Joint Lenders Meeting (JLM) held on January 18, 2020 the lenders have approved continuing the HOO till March 31, 2020 and meeting interalia included certain actionable points to be completed by the Company. The Company is in the process of submitting the information as required per the JLM. The Company is continuing the discussions with the lenders and the investors for early completion of Resolution plan which will facilitate normalising operations including restart of second urea plant. The Management is hopeful of a positive outcome from Resolution process and accordingly the financial results for the quarter /Nine Months ended December 31, 2019 have been drawn up on a going concern basis.
- 5) In relation to some of the contracts, international Arbitration Awards have been passed against the Company
  - (i) in September 2016 for USD 14,398,188 and GBP 690,630 and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.
  - (ii) in October 2017, for USD 877,500, EUR 455,000 and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, the Company could not proceed further and hence the said award is not maintainable.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 based on prescribed norms, provisional pricing and Management estimates. 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 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.
- 8) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

HYDERABAD  
February 12, 2020

  
K. RAHUL RAJU  
MANAGING DIRECTOR

**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 /Nine Months ended 31<sup>st</sup> December, 2019 ("the Statement"). This statement is the responsibility of the Company's management and has been approved by its Board of Directors. Our responsibility is to issue a report on the said 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.

3. Material Uncertainty Relating to Going Concern

We draw attention to Note 4 of the Statement regarding inadequate working capital and financial stress, and the discussions by the Company with Lenders and investors for a Long Term Resolution Plan. The Company during the quarter ended December 31, 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.

4. Emphasis of Matter

We draw attention to the following notes to the Statement

- a) 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;
- b) 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.



5. 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



*Anilkumar Mehta*  
Anilkumar Mehta

Partner

Membership No: 014284

UDIN: 20014284 AAAAK 4050

Place: Hyderabad

Date: 12<sup>th</sup> February, 2020

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

Consolidated Unaudited Financial Results for the Quarter / Nine Months Ended Dec 31, 2019

Rs. in Lakhs

SI No	PARTICULARS	Consolidated					
		Quarter ended			Nine months ended		Year ended
		31-12-2019 (Unaudited)	30-09-2019 (Unaudited)	31-12-2018 (Unaudited)	31-12-2019 (Unaudited)	31-12-2018 (Unaudited)	31-03-2019 (Audited)
I	Revenue from Operations	45,002.49	48,208.50	14,539.87	1,27,923.66	1,43,010.79	1,94,034.76
II	Other Income	705.67	793.91	210.59	2,100.96	927.57	2,647.79
III	Total income (I+II)	45,708.16	49,002.41	14,750.46	1,30,024.62	1,43,938.36	1,96,682.55
IV	Expenses						
	a) Cost of materials consumed	20,369.17	19,084.82	5,278.59	56,698.33	50,969.83	70,942.12
	b) Purchase of Stock-in-Trade	213.79	323.22	5,376.25	887.47	24,819.81	25,855.60
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	-181.44	5,123.32	-2,435.99	770.31	-655.01	3,548.50
	d) Power and Fuel	17,138.07	17,703.10	6,947.60	52,092.15	41,957.33	59,994.56
	e) Employee Benefits Expense	2,602.55	2,686.76	3,828.59	8,321.70	11,789.17	15,744.92
	f) Finance cost	8,832.49	7,975.94	7,293.26	24,430.00	23,394.85	30,799.48
	g) Depreciation and Amortization Expense	2,063.01	2,067.62	2,244.65	6,179.16	6,694.98	8,883.02
	h) Excise Duty						
	i) Other Expenses	6,628.49	4,757.50	4,940.89	15,345.93	22,704.20	31,718.39
	Total expenses	57,666.13	59,722.28	33,473.85	1,64,725.05	1,81,675.15	2,47,486.59
V	Profit / (Loss) before exceptional items and tax (III-IV)	(11,957.97)	(10,719.87)	(18,723.39)	(34,700.43)	(37,736.80)	(50,804.04)
VI	Exceptional Items						1,885.95
VII	Profit / (Loss) before Tax (V-VI)	(11,957.97)	(10,719.87)	(18,723.39)	(34,700.43)	(37,736.80)	(52,689.99)
VIII	Tax Expense:						
	(a) Current Tax		-0.05				-
	(b) Adjustments relating to earlier years						-
	(c) Deferred Tax	-758.95	-762.74	-809.43	-2,227.06	-2,478.73	-3,616.44
		(758.95)	(762.79)	(809.43)	(2,227.06)	(2,478.73)	(3,616.44)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(11,199.02)	(9,957.08)	(17,913.96)	(32,473.37)	(35,258.07)	(49,073.55)
X	Profit / (Loss) from discontinued operations						-
XI	Tax expense of discontinued operations						-

SI No	PARTICULARS	Consolidated					
		Quarter ended			Nine months ended		Year ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	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) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	(11,199.02)	(9,957.08)	(17,913.96)	(32,473.37)	(35,258.07)	(49,073.55)
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 (ii) Income tax relating to these items 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 Attributable to: - Shareholders of the Parent Company - Non Controlling interest				-		12.91
					-		-4.47
					-		-
					-		-
		-	-	-	-	-	8.44
XV	Total Comprehensive Income (XIII+XIV) Attributable to: - Shareholders of the Parent Company - Non Controlling interest	(11,199.02)	(9,957.08)	(17,913.96)	(32,473.37)	(35,258.07)	(49,065.11)
XVI	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5980.65	5980.65	5980.65	5,980.65	5980.65	5,980.65
XVII	Earning Per Share (of Rs. 1/- each) (not annualised) (for continuing operations) - Basic and Diluted	(1.87)	(1.66)	(3.00)	(5.43)	(5.90)	(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	(1.87)	(1.66)	(3.00)	(5.43)	(5.90)	(8.21)

Notes:

- 1) The above results were reviewed and approved by the Board of Directors at their meeting held on 12th February, 2020.
- 2) The Statutory Auditors have carried out Limited Review of above financial results for the quarter /Nine Months ended December 31, 2019
- 3) The financial results comprise the combined operations of the Company relating to Fertilizer, Micro Irrigation and Agri Services businesses. The financial results of Micro Irrigation and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, are neither disclosed as separate segments nor are combined as "all other segments" for the purposes of disclosures under Ind AS 108 - Operating Segments.
- 4) Due to inadequate working capital, financial stress and continued losses on account of stoppage of production activities at plant during 2018, Company had approached lenders for Resolution plan which amongst other terms include infusion of equity. The lenders initially have permitted 'Holding on Operations' (HOO) from December 2018 which has facilitated operations of one Urea Plant from December 2018 till the current quarter. In the Joint Lenders Meeting (JLM) held on January 18, 2020 the lenders have approved continuing the HOO till March 31, 2020 and meeting interalia included certain actionable points to be completed by the Company. The Company is in the process of submitting the information as required per the JLM. The Company is continuing the discussions with the lenders and the investors for early completion of Resolution plan which will facilitate normalising operations including restart of second urea plant. The Management is hopeful of a positive outcome from Resolution process and accordingly the financial results for the quarter /Nine Months ended December 31, 2019 have been drawn up on a going concern basis.
- 5) In relation to some of the contracts, international Arbitration Awards have been passed against the Company
  - (i) in September 2016 for USD 14,398,188 and GBP 690,630 and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.
  - (ii) in October 2017, for USD 877,500, EUR 455,000 and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, the Company could not proceed further and hence the said award is not maintainable.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 based on prescribed norms, provisional pricing and Management estimates. Adjustments, if any, required will be considered on notification of final prices.
- 7) The consolidated results include results of subsidiary, that is Jaiprakash Engineering and Steel Company Limited and excludes associates Nagarjuna Agricultural & Research Development Institute Pvt Limited and KVK Raju International Leadership Limited. The said associates are excluded as there are no operations in the said Companies.
- 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  
February 12, 2020

  
K. RAHUL RAJU  
MANAGING DIRECTOR

**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 /Nine Months ended 31<sup>st</sup> December, 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. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31.12.2018, 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.
2. This statement is the responsibility of the Holding Company's Management and 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 the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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.

4. 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
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 8 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.
6. **Material Uncertainty Relating to Going Concern**

We draw attention to Note 4 of the Statement regarding inadequate working capital and financial stress, and the discussions by the Company with Lenders and investors for a Long Term Resolution Plan. The Company during the quarter ended December 31, 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.

7. Emphasis of Matter

We draw attention to the following notes to the Statement

- a) 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;
- b) 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.

8. 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. 0.15 Lakhs and Rs. 0.48 lakhs for the quarter /nine months ended 31<sup>st</sup> December 2019 respectively. The interim financial results of the Subsidiary have been reviewed by the other auditor whose report 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 auditor and the procedures performed by us as stated in paragraph 3 above.

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



  
Anilkumar Mehta

Partner

Membership No: 014284

UDIN: 20014284AAAAAL4564

Place: Hyderabad

Date: 12<sup>th</sup> February, 2020