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CIN - L24129AP2006PLC076238



Tuesday, June 18, 2019

To
Mr. Harshad Naik,
Listing Compliance
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001
Maharashtra, India
Scrip Code: **539917**

Dear Mr. Harshad Naik

Sub: Submission of Independent Auditors Report on Consolidated Financial Results, 2019

Ref: (a) Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(b) Your office email dated June 17, 2019 at 5:45 P.M.

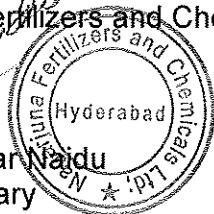
With reference to above we would like to bring to your kind notice that the company has submitted its Audited Financial Results (both standalone and consolidated) for the quarter/year ended March 31, 2019, together with Unqualified Report of the Auditors on Standalone Financial Results and other annexure(s), on May 24, 2019, being the date of Board Meeting, in compliance with applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As advised vide your email specified above, we are submitting herewith the Independent Auditor's Report on Consolidated Financial Results, which was inadvertently got missed in scanned document. We request you kindly take the above information on record. In case you need any further clarification or information, we can be reached at 9100922764 or chandrasekhar@nagarjunagroup.com and we will be glad to provide the same.

Thanking you,

Yours Truly,
For Nagarjuna Fertilizers and Chemicals Limited

K Chandra Sekhar Naidu
K Chandra Sekhar Naidu
Company Secretary



Encl: As above

**Independent Auditors' Report
To The Board of Directors
NAGARJUNA FERTILIZERS and CHEMICALS LIMITED**

1. We have audited the accompanying Statement of Consolidated financial results of NAGARJUNA FERTILIZERS and CHEMICALS LIMITED ("the Company") for the quarter ended March 31, 2019 and its subsidiaries (together referred to as "the Group") for the year ended March 31, 2019 ("the statement"), attached hereto being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement and the Consolidated Annual Financial Statements which form the basis for this Statement are the responsibility of the Company's management and have been approved by its Board of Directors, have been prepared in accordance with the Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules there under, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated Financial Statements, based on our audit thereof.
2. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the evidence obtained in the course of our audit provides a reasonable basis for our opinion.
3. Emphasis of Matter

We draw attention to the following;

- a. Note.3 regarding Company's proposal to the lenders regarding the long term resolution plan to address inadequate working capital and efforts to start the Urea Plant 2. The financial statements are continued to be prepared on a going concern basis, pending approval of resolution plan by the lenders.
- b. Note 4 of the Statement regarding International Arbitration awards passed against the Company for USD 15,275,688, GBP 690630 EURO 4,55,000; the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;
- c. Note 5 of the Statement regarding accounting of Income towards reimbursement claims for additional fixed cost, input escalation/de-escalation, freight subsidy and for production beyond reassessed capacity being accounted as per New Urea Policy 2015 and management estimates, pending notification of final prices and consequential adjustments, if any that may arise.



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

4. Other Matter

This Statement includes the Group's share of loss of Rs. 0.70 Lakhs-for the year ended March 31, 2019, as considered in the Consolidated Annual Financial Statements, in respect of its Subsidiary, whose financial statements have not been audited by us. The financial statements of the Subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the said Subsidiary is based solely on the report of the other auditor. Our opinion is not modified in respect of this matter.

5. In our opinion and to the best of our information and according to the explanations given to us, the said Statement:

(iii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(iv) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Group for the year ended March 31, 2019.

for M. Bhaskara Rao & Co
Chartered Accountants

Firm Registration No.000459S



Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, May 24, 2019