

**Independent Auditor's Report
To The Board of Directors
NAGARJUNA OIL REFINERY LIMITED**

1. We have reviewed the accompanying Statement of standalone unaudited financial results of NAGARJUNA OIL REFINERY LIMITED ("the Company") for the Quarter ended June 30, 2018 ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified from time to time. This statement which is the responsibility of the Company's management and has been approved by its Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standard 34 "Interim Financial Reporting" (IND AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement, based on our review.
2. We conducted our review of the said Statement 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's 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. Basis for Qualified Conclusion

The accounts have been drawn up on going concern basis, notwithstanding the 100% provision in respect of investment in associate Company Nagarjuna Oil Corporation Limited, indicating the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern, pending finalisation of future business plans by the Company.

4. Qualified Conclusion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Paragraph 3 above (Basis for Qualified Conclusion), the said Statement:

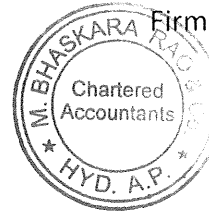
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;
and



- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Company for the quarter ended June 30, 2018.

for M. Bhaskara Rao & Co
Chartered Accountants

Firm Registration No.000459S



Anilkumar Mehta
Anilkumar Mehta

Partner

Membership No: 14284

Hyderabad, July 26, 2018

Statement of Standalone Unaudited Financial Results for the Quarter Ended June 30, 2018

₹ in Lakhs

SI No	PARTICULARS	Quarter ended			Year ended
		30-06-2018 (Unaudited)	31-03-2018 (Audited)	30-06-2017 (Unaudited)	31-03-2018 (Audited)
I	Revenue from operations	-	-	-	-
II	Other Income	0.01	0.03	0.01	0.05
III	Total income (I+II)	0.01	0.03	0.01	0.05
IV	Expenses				
	a) Cost of materials consumed	-	-	-	-
	b) Purchase of Stock-in-Trade	-	-	-	-
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	-	-	-	-
	d) Employee Benefits Expense	46.75	43.57	40.97	173.70
	e) Finance costs	3.35	2.96	2.99	12.02
	f) Depreciation and amortization expense	0.51	0.51	0.51	2.06
	g) Other expenses	18.55	13.26	17.01	110.33
	Total expenses (IV)	69.16	60.30	61.48	298.11
V	Profit / (Loss) before exceptional items and tax (III-IV)	(69.15)	(60.27)	(61.47)	(298.06)
VI	Exceptional items	-	14,000.00	-	14,000.00
VII	Profit / (Loss) before Tax (V-VI)	(69.15)	(14,060.27)	(61.47)	(14,298.06)
VIII	Tax Expense:				
	(1) Current Tax	-	-	-	-
	(2) Deferred Tax	-	-	-	-
IX	Profit / (Loss) from continuing operations (VII-VIII)	(69.15)	(14,060.27)	(61.47)	(14,298.06)
X	Profit / (Loss) from discontinued operations	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-
XII	Profit / (Loss) from discontinued operations after tax (X-XI)	-	-	-	-
XIII	Profit / (Loss) for the period (IX+XII)	(69.15)	(14,060.27)	(61.47)	(14,298.06)
XIV	Other Comprehensive Income (net of tax)				
	A (i) Items that will not be reclassified to profit or loss				
	(i) Re-measurement gains / (losses) on defined benefit plans	-	0.86	-	0.86
	(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	-	0.86	-	0.86
XV	Total Comprehensive Income (XIII+XIV)	(69.15)	(14,059.41)	(61.47)	(14,297.20)
XVI	Paid-up Equity Share Capital (Face Value of ₹ 1/- per share)	4,281.82	4,281.82	4,281.82	4,281.82
XVII	Earning Per Share (of ₹ 1/- each) (not annualised) (for continuing operations)				
	- Basic and Diluted	(0.02)	(3.28)	(0.01)	(3.34)
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	(0.02)	(3.28)	(0.01)	(3.34)

Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 26, 2018. The Standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified from time to time.
- 2) There are no reportable segments as per Ind AS 108 - Operating Segments.
- 3) Nagarjuna Oil Corporation Limited (NOCL), in whose equity the Company has investments, is implementing a 6 MMTPA Petroleum Oil Refinery Project at Cuddalore. The Project undertaken by NOCL is in Construction Stage. Project construction substantially slowed down from the year 2012-13 due to delay in tying up of equity for a re-assessed cost and effect of 'Thane Cyclone'.

National Company Law Tribunal (NCLT), Chennai Bench had admitted the applications of the corporate creditors of NOCL and initiated the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC, 2016). NCLT had appointed an Insolvency Resolution Professional (RP) for NOCL on July 26, 2017. Resolution Plans from two applicants have been reviewed by Committee of Creditors (CoC) and, a final decision from NCLT is awaited.

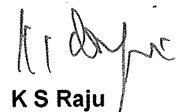
Management as a prudent measure has fully provided for the value of the investment in the books of account as on March 31, 2018.

- 4) **Matter of qualification in the audit report:**
The accounts have been drawn up on going concern basis, notwithstanding the 100% provision in respect of investment in associate Company Nagarjuna Oil Corporation Limited as at March 31, 2018, indicating the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern, pending finalisation of future business plans by the Company.

Management Response:

The proceedings at NCLT are in progress. The going concern aspect will be appropriately dealt with by the Company based on the final decision by NCLT.

- 5) The figures for the corresponding previous periods have been restated / regrouped, wherever necessary, to make them comparable.


K S Raju
Chairman

Hyderabad
July 26, 2018