

NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Transcript of the 15th Annual General Meeting (15th AGM) held on Monday, September 27, 2021, at 10.00 A.M. (IST), through Video Conferencing at the registered office of the Company situated at D. No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082, Telangana, to transact the business set out in the notice of the 15TH AGM.

Mr. Vijaya Bhasker M (Company Secretary): Good morning to all the shareholders of the company. It is indeed a great pleasure to have you all to participate in the 15th Annual General Meeting of your company.

I welcome Mr. Uday Shankar Jha, chairman of the board and the directors of the company to the 15th Annual General Meeting of the Company.

The chairman of the board shall chair the meeting.

Before the meeting is open for transacting the business set out in the notice of the 15th AGM, I would like to highlight certain important points with regard to this AGM.

In view of the continuous impact of covid-19 pandemic, the Ministry of Corporate Affairs and the Securities and Exchange Board of India has permitted the companies to hold their Annual General Meeting through video conferencing or other audio visual means and also allowed Companies to send Annual Reports and the notice convening the Annual General Meeting electronically. Consequently, the 15th Annual General Meeting of the company is being conducted through video conferencing / Other Audio Visual Means without the presence of members at a common venue.

The soft copy of the Annual Report has been sent to all the members whose email addresses are registered with the company or In-house transfer agent or the Depository participant.

The joining to this meeting is open 15 minutes before the scheduled time of the commencement of the meeting, which is 10.00 A.M. and it will remain open for another 15 minutes after the end of the meeting.

Members are encouraged to join the meeting through their laptops and headphones for a better experience and use Internet with a good speed to avoid any disturbance during the meeting. Participants connecting via mobile hotspot may experience Audio/visual loss due to fluctuations in their respective network, it is therefore recommended to use the stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio visual means has been made available for members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and stakeholders relationship committee as well as the auditors who are allowed to attend the meeting without any restrictions on account of first come first serve basis.

Consequent to the circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through Video Conferencing or audio/video means and participate and cast their votes through e-voting. The registered office of the company situated at Door No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082 shall be deemed as the venue for this meeting and proceedings of the AGM shall be deemed to be made here at.

To transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the company at its email ID investors@nagarjunagroup.com till the date of AGM and we have received requests from eight members for registration as speaker shareholders for the AGM. All those shareholders have been provided specific links to log in to the meeting and to speak once the Chairman directs the same. We request the speakers to limit their speeches for the benefit of other shareholders. The Chairman would respond or clarify queries at the end of the meeting.

With this, I now hand over the proceedings to the Chairman.

I now request Mr. Uday Shankar Jha, Chairman of the Board of Directors to preside over the meeting and start the proceedings of the Meeting.

Thank you.

Mr. Uday Shankar Jha, Chairman: Thank you. Good Morning all.

Dear Shareholders, I on behalf of the Board of Directors of NFCL please to welcome you all to the 15th Annual General Meeting of the company.

I welcome Mr. K Rahul Raju, Managing Director and Mr. Rajendra Mohan Gonela, Independent Director to the 15th Annual General Meeting of the Company. I also welcome the other panelists Mr. R M Deshpande and the Company Secretary and others on the panel to this AGM.

In terms of the Companies Act, 2013, thirty members personally present will form the quorum

As the requisite quorum is present the Meeting may now commence.

With your consent, I will take the notice convening the 15th Annual General Meeting, the Board's Report along with annexures thereto and the Annual Accounts for the financial year ended March 31, 2021 as read.

As required under Section 171 of the Companies Act, 2013, the Register of Directors' Key Managerial Personnel's and their shareholding are open for inspection electronically,

Thereupon, Mr. Uday Shankar Jha, Chairman, addressed the members of the Company.

Dear Shareholders, I welcome you all to the 15th Annual General Meeting of your Company. We have been under the prolonged rage of COVID -19 pandemic. Particularly second wave has been brutal. I hope that you and your family are safe and healthy.

Apart from having ravaging impact on human lives, the Pandemic has calamitous effect on the Economy. India's Economy in terms of GDP shrank 7.3% during 2020-21 the worst performance since Independence. However, due to gradual and phased unlocking of business activities, recovery has started since the last Quarter of the Year. Currently it is progressively showing encouraging signs of recovery and Indian Economy is expected to grow 10% during the current year that is 2021-22.

The silver lining in the dark cloud has been that India's Agriculture has shown resilience amid the adversities of the Pandemic by registering growth of 3.4% during the Pandemic year 2020-21. The impact of the global corona virus pandemic on the Indian fertilizer market was also not significant in as much as the Central Government exempted this sector from lockdown restrictions. The Government of India and the Industry took measures to ensure fertilizers are available to the farmers in spite of challenges of shortage of labour and raw materials during lockdown.

As you are aware, your company went into financial stress on account of the Gail Pipeline Accident in 2014. The Financial distress got compounded by Non Implementation of Corrective Action Plan (Rectification of Accounts with Funding).

The company has been raising issues/disputing the non implementation of the Corrective Action Plan in various forums with the lenders since 2015-16.

The company submitted various debt restructuring and resolution plans under the extant guidelines of RBI as sought by lenders since 2017 (providing significant recoveries) but not concluded due to arbitrary changes in lenders stances, resulting in significant progressive losses.

The company while pursuing legal recourse for the debt resolution approved by lenders (in the March 2020 Joint Lenders Meeting), it is also simultaneously working on alternative options to amicably and quickly settle the disputes with lenders in order to start work on reviving the company.

The company would need to raise and invest significant amounts in capex to meet energy norms and for working capital to revive the company which would be taken up post the resolution of debt.

As stated, the factors impacting the business operations of your Company are beyond our control. In spite of the best efforts by the entire committed work force, your company remained in single plant operation during the year 2020-21, keeping one plant asset idle. Idling of Plant Asset has debilitating effect on the finances. The Company recorded a Loss after tax at Rs.615.33 crores during 2020-21 against Rs. 472.35 crores in the previous Year. Apart from the factors of low capacity utilization of the Plant and non availability of working capital for operations, there was an Exceptional item during the Year. This was the Impairment of land value to the extent of Rs 141 Cr for holding agricultural land in excess of

limits specified in Andhra Pradesh Land Reforms (ceiling on Agricultural Holdings) Act, 1973.

Short term issues to restart second Unit were settled with the Banks, the Government and GAIL in March 2021 this year, but production could not be stabilized due to technical problems. However, all arrangements for the Plant Repairs have been made and the production from this plant will start from end of coming October, 2021.

On a positive sign, despite all the challenges and hardships, your company has managed to keep plants in good operating condition. The company has taken various initiatives to substantially reduce overheads and other Costs. We hope that the day we get breakthrough with our lenders, we can start our two units' operations to full capacity. We feel proud to say that your company is the lowest in terms of Fixed Cost amongst the Urea manufacturers in the Country and is able to compete successfully with the imported Urea.

Finally, I would like to state that your company has demonstrated time and again its ability to face challenges and overcome adversities.

The fundamentals of your Company remain strong and we will continue to work for sustainable development & growth of the Company.

I convey my deep appreciation and sincere thanks to our fellow Board members for leading the Company through the challenging year. I also convey my sincere appreciation to our management and staff for the hard work they have put in and commitment they have shown during the challenging time.

I thankfully acknowledge the strong support received from the shareholders, employees, channel partners, Governments and Banks during these challenging times and look forward to engaging with them more intensely.

In anticipation of a bright future, I convey our sincere thanks to our shareholders for their continued trust in the Company and its Management.

Thank you all Thank you.

Turning to the formal business, Mr. Uday Shankar Jha, Chairman, called on the Company Secretary to read the auditor's report.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir.

In terms of section, 145 of the company Act, 2013 and the Secretarial standards on General Meeting issued by the Institute of company securities of India, the auditor's report is required to be read at the Annual General Meeting.

Further the qualification, observations or comments or other remarks, If any, mentioned in the auditor's report on the financial transactions and Secretarial Audit Report, which have any adverse effect on the functioning of the company shall be read at the Annual General Meeting.

With the request of the members present, I would read the 1st and last paragraphs of the Auditor's report.

Independent auditors Report

To

The members of

Nagarjuna Fertilizers and Chemicals Limited

Report on the Audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of the Nagarjuna Fertilizers and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

The last lines of the audit report

For M BHASKARA RAO & Co

Chartered Accountants

(Firm's Registration No. 000459S)

D. Bapu Raghavendra

Partner

Membership No.213274

UDIN:21213274AAAAND4612

Hyderabad

June 29, 2021

The Statutory Auditors' of the Company have emphasized the following matters in their Audit Report:

a) Accounting of interest and penal interest on the overdue borrowings, pending confirmation and acceptance by the lenders;

Management Explanation to emphasis on the matter

a) Emphasis of Matter given in Note (a) of the Auditor's Report on standalone financial statements read with Note 15.5 of Notes forming part of the standalone financial statements for the year ended March 31, 2021, are self-explanatory and do not call for any further comments

The Emphasis of matter

b) Recognizing Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, and for production beyond reassessed capacity based on prices and provisions applicable under NPS III, Modified NPS III, pending notification of final prices under New Urea Policy 2015 and consequential adjustments, if any that may arise

Management Explanation to emphasis on the matter

b) Emphasis of Matter given in Note (b) of the Auditor's Report on standalone financial statements read with Note 24.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2021, are self-explanatory and do not call for any further comments.

Emphasis of matter

c) Provision of Rs. 14,082 Lakhs towards impairment of land mentioned therein and the reasons therefore and to the Company's assertions as to its continued possession of the said lands and its intent to pursue mutation of title in the said lands to its name.

Management Explanation to emphasis on the matter

c) Emphasis of Matter given in Note (c) of the Auditor's Report on standalone financial statements read with Note 33 of Notes forming part of the standalone financial statements for the year ended March 31, 2021, are self-explanatory and do not call for any further comments.

Emphasis of matter

d) International Arbitration awards passed against the Company for USD 15,275,688, GBP 742,944 EURO 4,55,000 [aggregating to Rs.12307.95 lakhs (31.03.2020: Rs.12585.09Lakhs), approximately] and Rs.221.39 lakhs; the impact of which has not been recognized in the Financial Statements, for reasons stated in the said note.

Management Explanation to emphasis on the matter

d) Emphasis of Matter given in Note (d) of the Auditor's Report on standalone financial statements read with Note 36.1.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2021 are self-explanatory and do not call for any further comments

Thank you sir

Mr. Uday Shankar Jha, Chairman: Dear members now I open the meeting for discussion and requested to enable the audio of the shareholders.

Mr. Vijaya Bhasker M, Company Secretary: Yes Sir, I request the moderator to enable the audio for of Mr. Ramesh Manguluri, Shareholder, who has registered as speaker shareholder for the meeting.

Mr. Ramesh Manguluri: Hello am I audible, sir?

Mr. Uday Shankar Jha, Chairman: Yes

Mr. Ramesh Manguluri: Sir Good morning to Chairman and all the Board Members. Sir I am Ramesh Manguluri, a shareholder of the company speaking from my residence Hyderabad.

Sir, after going through Annual Report, I found some positive things. Sir, No.1. Reduction in trade receivables. Trade receivables at the end of 2019-20 were Rs. 1,246 crores. These were reduced to Rs. 198.84 crores in the current financial year 2020-21, reducing by Rs.1047 crores. No.2. sir - Reduction in other expenses. Other Expenses has declined by Rs.9 crores over previous year despite increase in production and sales Volume. No.3. sir - Reduced employee's benefit costs despite increasing salaries to the employees, employee benefit expenses were reduced from Rs. 105 crores to 96.80 crores without affecting the operational efficiency. Now, coming to questions, sir, I have four questions.

Number 1 - The company has been in the Micro Irrigation business for over one and a half decade and was recording good turnover but during the year sale was only Rs.15.4 crores. What is the reason?

Number 2 - sir, Under the note number 34 that company is having the approval of the Banks for running under the HOO environment up to 31st, July 2021. What is the present status of operations of the company?

Number 3 - Sir, as per the annual report advances made to NORL are shown zero this year. Please explain the reason for the same.

Number 4 - Sir, recently, our company got admitted to NCLT What is the status as on today? How many lenders filed the complaint against our company?

So, lastly, sir, I request the management to take care of the employees working very hard for the Company. Thank you very much.

Mr, Uday Shankar Jha, Chairman: Okay, shall we take all the questions first and then go for answer.

Mr. Vijaya Bhasker M, Company Secretary: Yes Sir, I request the moderator, to enable the audio of Mr. Kamal Kishore Jhawar, who has registered as a speaker shareholder for the meeting.

Mr. Kamal Kishore Jhawar: Sir am I audible.

Mr. Uday Shankar Jha, Chairman: Yes

Mr. Kamal Kishore Jhawar: Hello Chairman Sir, all Directors today is our second meeting through Video Conference. Meetings through VC provides us with many benefits like the flexibility of attending whether you are in Andhra, Karnataka, Madras, Delhi, or any another state and get the opportunity to see others, take their questions also.

Sir, our company is one of the oldest companies of Andhra and Telangana and it's hard to believe that a case has been admitted in NCLT, Hyderabad, under the IBC code. As per my knowledge, last year Government released the benefit of subsidy of around Rs 65,000 crores. I wanted to understand how much subsidy we have received and would be receiving?

The Companies in the fertilizer sector had grown immensely over the period when compared to our Company. I am curious to understand when will the problems of this company will be over, when the shareholders will get some benefit in terms of dividends?

After the corporate action of reduction of share capital this marks the 15th AGM of the Company and we are still not seeing bright future of this Company. I request you to throw some highlight on the future of this Company.

I want to thank the Secretarial Department for their hard work and all the support.

At last, good wishes for Dusshera and Deewali. Thank you sir.

Mr. Uday Shankar Jha, Chairman: Thank you Mr. Jhawar.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir. I request the moderator to enable the audio of Mr. Suresh Chand Jain, who has registered as speaker shareholder for the meeting.

Mr. Suresh Chand Jain: Hello am I audible sir?

Mr. Uday Shankar Jha, Chairman: Yes

Mr. Suresh Chand Jain: Respected Chairman Sir, all the present Directors and friends shareholders. Sir, I am a shareholder of this Company for the last 15-20 years. I know that you are working hard and desperate to revive the Company. I would like to present my suggestion that in order to overcome the present issue, I would recommend the management to appoint a suitable candidate at the Board level or appoint a consultant who would guide you appropriately to come out of this situation.

I pray to god that Nagarjuna Fertilizers and Chemicals Limited will flourish one day and reach great heights. With this I would like to end my speech. Thank you sir.

Mr. Uday Shankar Jha, Chairman: Thank you Jain Sir. Thank you.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir. I request the moderator to enable the audio of Mr. Santosh Kumar Saraf, who has registered as speaker shareholder for the meeting.

Mr. Santosh Kumar Saraf: Greetings sir. Allow me to on my video sir.

Mr. Vijaya Bhasker M, Company Secretary: Moderator enable video please.

Moderator: Ok. Just a minute sir.

Respected Chairman sir, all the present Directors and my shareholder friends. My name is Santosh Kumar Saraf and I am attending from Kolkata. Greetings to everyone.

First of all, I would like to convey my sincere regards to all the directors and shareholders and to their family members during this covid-19 pandemic. I trust all are safe.

Sir, I am a shareholder of the Company since long period. Please help me understand the CAPEX plan of the Company in terms of Companies growth and also what steps Company is planning to benefit shareholders in terms of dividend. As the fertilizer and chemical sectors has seen good growth during the last year, what are the reasons that our company is not able to take advantage of such situation?

Also, please explain me what are the plans of the Company to reduce its debt burden to overcome this difficult situation?

From the environment conservation point of view, please tell me what steps the Company is taking with regard to rain water harvesting, solar panels empanelment as an alternate source of energy and the Companies view on use of single use plastic?

As the impact of covid-19 pandemic is not yet over, I hope all the employees and their family members have taken their vaccine doses, if not, what steps Company is taking to get them vaccinated?

At last, I would recommend the Company to encourage women employment in the Company and what steps Company is taking to encourage the same? I can draw the example from the recent Olympics where Indian women did wonderful job and got medals for India. As an Indian society, we believe women equivalent to lord Lakshmi (Goddess of Money and power)

Finally, I wish for long life of all the Directors, representative and shareholders of the Company.

Jai Hind, Jai Bharat. Namaste!

Mr. Uday Shankar Jha, Chairman: Thank you very much Mr. Saraf ji for the wonder words.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir. I request the moderator to enable the audio of Mr. Praful Chavda, who has registered as speaker shareholder for the meeting.

Mr. Praful Chavda: Hello sir.

Mr. Uday Shankar Jha, Chairman: His voice is low. Please come closure to the mice.

Mr. Praful Chavda: Sir, I am closer to mice. Video is not enabled for me. No problem.

Dear Board of Directors, the Chairman sir and my fellow shareholders. I have a concern as what will be the future of NFCL and its employees. The position of the Company is so bad that a case has been admitted in NCLT, Hyderabad.

I wanted to know the proposed plan of the Company to come out of NCLT?

We the shareholders are hoping the share prices to go higher to get good return of our long investment money as compared to Rs, 11 -12 per shares.

I wanted to know the Company's view on getting the new investor to overcome this difficult times and what the Company is planning for their employees who are loyal and committed to their responsibilities specially the Secretarial Department?

Thank your sir.

Mr. Uday Shankar Jha, Chairman: Thank your Chavda ji.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir. I request the moderator to enable the audio of Mr. Abhishek.

Mr. Uday Shankar Jha, Chairman: He is not audible.

Moderator: There seems some issue with his audio sir.

Mr. Uday Shankar Jha, Chairman: Yeah. Mr. Shiv Prasad.

Mr. Shiv Prasad, CDSL: Sir, we will take up after the next speaker sir.

Mr. Uday Shankar Jha, Chairman: Ok

Mr. Vijaya Bhasker M, Company Secretary: I request the moderator to enable the audio of Ms. Bharati Saraf.

Moderator: She is not available sir.

Mr. Uday Shankar Jha, Chairman: Mr. Santosh Kumar Saraf, the speaker shareholders might have also spoken on behalf of his wife, Ms. Bharati Saraf, also during his speech.

Mr. Vijaya Bhasker M, Company Secretary: I request the moderator to enable the audio of Mr. K Bharat Raj, shareholder who has registered to speak at the meeting.

Mr. Bharat Raj: Yeah, very good morning Mr. Chairman, entire Board of Directors and Mr. K Rahul Raju, our Company Managing Director.

First of all, I am happy to see you all healthy, safe and fine during this pandemic sir.

Sir, first of all, my Company is not a new company, it is a very old company. It has a long legacy for our Ex-Chairman.

Sir, this is the 1st company where we build it in Andhra Pradesh, and we'll be very proud to be an esteemed shareholders of Nagarjuna Fertilizers.

Sir, when I observe the balance sheet, and when it comes out, the details are very sorry for to say sir, if you compare with the last year, the losses has been more. Sir, if the company's doing losses that how can we handle the company Sir?

Sir, the 2nd one is why you want to change the auditor sir? Statutory auditors M/s. J V S L & Associates for five years.

What are the credentials of the proposed CA.

Sir, have you taken care of the vaccination of the employees? Any death calamity, any salary cut for the employees, sir.

Sir, recently regarding this NCLT case for Rs.20 crores where one of client filed a case. Sir for Rs.20 crores we are struggling to survive. What about the future if someone will claim for Rs.500 crores. Sir, if my Company goes to NCLT, the most loser is the promoter and the shareholders.

My request is to come out with the strategy so that we can serve our company sir.

That is my say, if my company is gone to NCLT nobody will help us. At the end of the day, my employees will be sufferer and we are the sufferer sir.

We are the minority shareholders and trusted this Company from the long time. We want the leadership of our company with a strategy / roadmap and how you want to come out this.

Sir once again Mr. Chairman I thank you very much for giving this opportunity.

Mr. Chairman once again be safe, healthy and fine, Mr. Rahul we believe in your leadership. I hope you are working hard for our company. Come with the new strategies. We are always supporting the resolutions and we always support you take care, be happy all the best.

Mr. Uday Shankar Jha, Chairman: Thank you Mr. Bharath Raj. Thank you for your words.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir. I request the moderator to enable the audio of Mr. Abhishek J. We tried doing that earlier.

Mr. Abhishek J: Can you hear me hello? Moderator kindly allows the camera as well.

My name is Abhishek, speaker shareholder of the Company. My DP ID is IN301637 and client ID is 41359155. I congratulate the management on the eve of Annual General Body meeting of the Company. I trust all are safe and healthy in this challenging situation.

As a shareholder, we deserve much more than the current market cap after completing more than decade of successful operation, profitability and becoming one of the strongest brand in the respective segment.

I would like to know how our operations have been impacted during this time of COVID-19 pandemic due to subsequent lockdowns. Any employees have been sacked?

I request the management to kindly take part via conference call to give presentation with global investors because from the past so many years we have been receiving hope from the management that the Company will revive but, we do not see any much revive in the Company. We are the well wisher of the Company and we want the Company to grow and we want the shareholders to also grow.

I wanted to know what are the steps company is taking to increase EBITA, Interest coverage ratio?

In the long run how will the Company be performing and how will you pay back minority shareholders?

What are the steps taken by the management to reduce the other expenses like legal professional charges and the audit fees?

Subsequently, in the CDSL platform, we get to exercise our e-voting and we get access to documents, like register of Directors and KMPs, Contracts in which Directors are interested, but unfortunately, it is not uploaded. So I request you to upload the same.

Finally, I wish the Company its Board of Directors and Management a great success in years to come. I also extend my thanks to Company Secretary and its team for sending the link of this meeting and making this meeting a success.

Thank you so much for giving me this opportunity.

Mr. Uday Shankar Jha, Chairman: Thank you so much. The delivery is so fast that we had difficulty in catching the words. Thank you very much good words Mr. Abhishek.

Yeah, Mr. Vijay

Mr. Vijaya Bhasker M, Company Secretary: All the speaker shareholders have spoken at the meeting sir.

Mr. Uday Shankar Jha, Chairman: So, I request Managing Director Mr. Rahul Raju if you could answer these questions.

Mr. K Rahul Raju, MD: Mr. R M Deshpande will answer the question and if there is anything I will add.

Mr. Uday Shankar Jha, Chairman: Ok

Mr. R M Deshpande: Shall I?

Mr. Uday Shankar Jha, Chairman: Yeah.

Mr. R M Deshpande: Yeah. Chairman, at this stage I address all the questions of the shareholders and the concerns raised by Mr. Ramesh Mangaluru, Mr. Kamal Kishore, Mr. Suresh Chand Jain, Mr. Santosh ji Kumar Saraf, Mr. Bharath Raj, and Mr. Abhishek Jain.

I will try to answer so that I covered the most of the point and avoid repetition.

Mr. K Rahul Raju, MD: Mr. Deshpande, you can close your video and you know, just have the audio on so that they will be no struggling of the video here.

Mr. Uday Shankar Jha, Chairman: Can you hear us?

Mr. K Rahul Raju, MD: Vijay, can you call Mr. Deshpande!

Mr. Shiv Prasad, CDSL: Sir, Deshpande sir's network is poor.

Mr. K Rahul Raju, MD: Vijay, are you calling Mr. Deshpande!

Mr. Vijaya Bhasker M, Company Secretary: We're calling.

Mr. K Rahul Raju, MD: Mr Deshpande?

Mr. R M Deshpande: Yes Sir! You can hear me sir?

Mr. K Rahul Raju, MD: Yes. You can close you video Mr. Deshpande and then talk.

Mr. R M Deshpande: Yeah. I closed my video. Its okay now?

Mr. K Rahul Raju, MD: Please go ahead.

Mr. R M Deshpande: As for the query on turnover, the turnover has reduction because there was reduction in the energy rate of a gas, both raw material and power and fuel prices, so the subsidy income was less and that was, that is why the turnover was less.

I think on Micro irrigation there was a query. It is yes that we had it is a good business and, uh, we were doing good, but currently, because of the working capital issue and because this business requires intensive working capital. So immediately after our resolution on the debt with the banks, we will have access to the working capital and shall continue the operation of MI business at full scale.

As on the query on the Holding on Operations is only up to July, 2021. This regard I want to inform that the Bank have already extended the permission for Holding of Operations up to 31st December 2021.

As you can see on advances to NORL, I would like to explain the shareholder that NORL went into liquidation during 2019-20 and all the advances have been fully provided in the earlier years, and therefore there is no requirement of any other advances and have not shown the advances that are shown as a zero.

On the query of the government has given Rs.65,000 crore subsidiary, it was very timely help from the government, the company also stood benefited to this additional subsidy budget Rs. 65,000 crore out of that we have received much subsidy. Our subsidiary receipts were higher by Rs.1,000 crore and I'm very glad to inform that, subsidy receivables were only Rs.120 crore as against Rs.1,121 crore as on March 31, 2021. So almost Rs.1000 core receivables, this was also one of the queries from the shareholder why the receivables have come down.

About the present operation, the Company is taking various steps for the reduction in the Salary wages and overheads without affecting any of the operating parameters, and this is why there was reduction in the overheads and salaries during the year under the review.

As a query about this any employee sack, I reiterate that no employee was sacked due to lockdown or COVID-19 situation and the company is performing well in taking care of its employees. During the year, even some salary enhancement were given despite of the company was on a single plant operation, company is taking care of his employees.

So, I hope I have covered most of the points Chairman Sir. You'd like to add any other point?

Mr. Uday Shankar Jha, Chairman: The point is about this, NCLT. There were 2 - 3 questions on this NCLT and when we are going getting out of it. So, would you like to.

Mr. K Rahul Raju, MD: Could I answer Mr. Jha!

Mr. Uday Shankar Jha, Chairman: Yeah. Yeah. Please.

Mr. K Rahul Raju, MD: So, the company was admitted to NCLT late August as we have informed the stock exchanges relating to the liability of Rs. 20 crore. The company had already attached Rs. 20 crore in the account as per the high court order and so the company appealed on the issue in NCLAT immediately after the admission. The NCLAT had given a stay relating to the admission of the NCLT and the next date is posted on the 6th of the coming month and we are confident that we'll be able to resolve the matter amicably without the company proceeding in the NCLT. That is relating to NCLT.

Relating to the issue of investment growth, you know and dividends as somebody had sought clarification. As mentioned, the company has to invest in the energy CAPEX and reliability CAPEX and we have already planned the exact investment required. We have spoken to the, you know, technical consultant and the potential suppliers of the equipment and we would be taking this up as soon as the company is able to get out of the current problem through debt resolution and we're confident that before the end of the year that and we are putting in all effort that we exit the debt stress that the company is currently in and we proactively take up the investment for the CAPEX so that the company's operations can come back to normalcy and the company is put back on the growth path so that we can clear visibility to our shareholders and other stakeholders about the growth aspects and once the company stabilized in a year or so then depending on the cash flow, we can definitely review Dividends but at this stage our focus is debt resolution.

Mr. Uday Shankar Jha, Chairman: Thank you very much Mr. Deshpande and Mr. Rahul Raju.

Mr. K Rahul Raju, MD: Sir one more question is there sir related to auditors. I suggest Mr. Vijay to answer that query.

Mr. Vijaya Bhasker M, Company Secretary: Yes Sir. In terms of the companies, 2013, the Statutory Auditors firm can be appointed only for a period of 10 years. The present Statutory Auditors that is M/s. M Bhasker Rao & Co, Chartered Accountants, Hyderabad, had

completed tenure of 10 years and in terms of the Company Act, the present Statutory Auditors are not eligible for re-appointment.

So, in that scenario, the Board of Directors has recommended to appoint M/s. J V S L and Associate, Chartered Accountants, as Statutory Auditors of the company for the next 5 years starting from this AGM.

The brief profile of the Statutory Auditors has already been uploaded on the CDSL portal, which forms part as the inspection documents. So shareholders can always go there and see the profile of the new Statutory Auditors in case of further information.

Thank you, sir.

Mr. K Rahul Raju, MD: Sir, one last query I'd like to answer relating to this issue of environmental sustainability.

Mr. Uday Shankar Jha, Chairman: Yeah Yeah

Mr. K Rahul Raju, MD: As a Company we have, from naphtha and fuel oil about a decade back, we have shifted to natural gas so significantly reducing our emissions far below the earlier emissions and a fraction of the PCB norms and so that's something that we have done you know in a very structured manner to ensure that the environmental load is substantially reduced.

Second part is that our water usage also, we have been over the past 2 decades, consistently reduced water consumption per kg of urea produced in the company. That is something that we have been doing and

Third thing is that, water that is let out we've been using that water you know, for, towards, growing plants and that's something that, rather enhances the CO2 fixation and we have as a company, not been encouraging single use plastics for the water bottles and we are encouraging people to get their own water bottles and we supply water through water filtration units within our facility that is something that we've been actively doing to ensure that our single use plastic is reduced and to the extent of the female employees, you know, we have been actively working to look at recruitment of female employees as and when there's an opportunity in terms of job opening that comes up and we will definitely, you know, continue our efforts, in this direction.

Mr. Uday Shankar Jha, Chairman: Thank you very much.

I think all questions have been very nicely covered. Since some speakers have spoken in Hindi with a lot of feelings so, I would like to just sum up in Hindi.

Mein aap ko yeah batana chata hu ki aap ki company jaisa mere abhivhavan ne bola ki company technically kafi mazboot hai aur jo bhi samasyah hui hai yeh samasya company ke chalte nahe hui hai. Company ki workforce kafi committed hoke sabhi samasya ke samadhan mein lagi hui hai. Yeah jo arthik samasya hui hai woh bahari karano ke chalte hui hai. Toh isiliyeh jaise hi yeh debt resolution hota hai company pragati pad par chalegi, aap sabko dividend milega aur company ka bhavishya acha hoga, employees ka bhavishya acha hoga, adhik se adhik mahilayeh ko bhi employment milega aur progress hoga yeh mein ap sab ko ashvasan dena chata hu.

Dhanyawad ap sab ka.

Uday Shankar Jha, Chairman: Now, I request Company Secretary to inform the Voting process. Thank you.

Vijaya Bhasker M, Company Secretary: Thank you sir.

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company has provided the facility of remote e-voting and e-voting during the ANNUAL GENERAL MEETING to the shareholders to enable them to cast their vote electronically, on all the resolutions set forth in the notice to the 15th Annual General Meeting.

The company had engaged the services of Central Depository Services (India) Limited to provide e-voting platform to the shareholders.

The detailed instructions on e-voting process were communicated to the shareholders through the Annual Report and through emails to shareholders, as registered with the company / Depository Participant.

The company provided remote e-voting facility to all the persons who were members on September 20, 2021, being the cutoff date for vote on all the resolutions set out in the notice of 15th Annual General Meeting.

The Remote e-voting period commenced from September 24, 2021 at 09.00 A.M. and concluded on September 26, 2020 at 5.00 P.M. Members attending the Annual General Meeting today who have not casted their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

As the meeting is convened through VC the requirement to propose and second the resolutions is not applicable.

Members who have cast their vote through remote E-voting can participate in the meeting but would not be eligible to vote again at the meeting. Voting, if exercised, will be invalid and the vote cast through remote e-voting will be considered. Voting once exercised will be final and cannot be changed subsequently.

Mr. C S S Krishna, Partner, KBG Associates, has been appointed by the Board of Directors of the company as Scrutinizer for the entire voting process.

The results shall be declared within two working days from the date of the Meeting i.e., on or before September 29, 2021. The results along with scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the website of the company.

Thank you, sir.

Uday Shankar Jha, Chairman: Okay. Thank you.

Now I request the Company Secretary to read out the proposed resolutions for the approval of the shareholders.

Vijaya Bhasker M, Company Secretary: Thank you, sir

Resolution number 1:

The 1st item of the ordinary business is to receive consider, and adopt the 15th Annual Report of the company, the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021 and the report of the Directors and Auditors thereon.

RESOLVED THAT the 15th Annual Report of the Company, the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021 and the Reports of the Directors and Auditors thereon, be and are hereby received, approved and adopted.

Uday Shankar Jha, Chairman: The results of this item will be announced within 2 working days.

Vijaya Bhasker M, Company Secretary:

Resolution number 2:

The next resolution relates to reappointment of Mr. Uday Shankar Jha, Director of the company who retires by rotation and being eligible offers himself to be reappointed as a director of the company.

RESOLVED THAT Mr. Uday Shankar Jha, be and is hereby re-appointed as Director of the Company..

Uday Shankar Jha, Chairman: The results of this item will be announced within 2 working days.

Vijaya Bhasker M, Company Secretary

Resolution number 3:

The next Resolution relates to reappointment of Mr. Chandrapal Singh Yadav, Director of the Company who retires by rotation and being eligible, offers himself to be reappointed as a Director of the Company.

RESOLVED THAT Mr. Chandrapal Singh Yadav, be and is hereby re-appointed as Director of the Company

Uday Shankar Jha, Chairman: The results of this item also said be announced within 2 working days.

Vijaya Bhasker M, Company Secretary

Resolution number 4:

The next resolution which is proposed as an Ordinary Resolution relates to appointment of M/s. J V S L & Associates as statutory auditor of the Company for a period of five years

RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other applicable provisions, if any, the consent of the members be and is hereby accorded to appoint M/s. J V S L & Associates (Firm Registration No 015002S), Chartered Accountants, Hyderabad, as the Statutory Auditor of the Company for a term of five consecutive years from the conclusion of fifteenth Annual General Meeting, till the conclusion of the twentieth Annual General Meeting, at such remuneration as may be mutually agreed by the Board of Directors of the Company and the Statutory Auditors

Uday Shankar Jha, Chairman: The results of this item shall be announced within 2 working days.

Vijaya Bhasker M, Company Secretary

Resolution Number 5:

The next resolution which is proposed as an Ordinary Resolution relates to approval of remuneration payable to Cost Auditor, Mr. Sagar & Associates, for the financial year 2021-2022.

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), remuneration of Rs. 4 lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses as approved by the Board of Directors to be paid to M/s. Sagar & Associates (Firm Registration No-000118), Cost Auditors, Hyderabad, to conduct the Cost

Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ended March 31, 2022, be and is hereby approved and ratified

Uday Shankar Jha, Chairman: The results of this item to be announced within 2 working days.

So, any other item on the agenda?

Vijaya Bhasker M, Company Secretary: No sir

Uday Shankar Jha, Chairman

Okay, so that there being no other item on the agenda.

The meeting concludes and meeting concludes with vote of thanks to all the shareholders.

Thank you all.

Thank you, Thank you. Thank you very much.