

NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Transcript of the 16th Annual General Meeting (16th AGM) held on Tuesday, November 29, 2022, at 10.20 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 16TH 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 16th Annual General Meeting of your company.

I welcome Mr. Uday Shankar Jha, chairman of the board and the directors of the company to the 16th 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 16th AGM, I would like to highlight certain important points with regard to this AGM.

The Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) 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 Meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 10.20 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@nfcl.in till the date of AGM and we have received requests from nine 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 pleased to welcome you all to the 16th Annual General Meeting of the company.

I welcome Mr. K Rahul Raju, Managing Director and Mr. Rajendra Mohan Gonela and Mrs. Lalitha Raghuram, Independent Directors to the 16th Annual General Meeting of the Company. I also welcome the other panelists Mr. R M Deshpande, Sr. Executive Director – Operations, Mr. R Raghavan, Sr. Vice President – Manufacturing, Mr. Sudhakara Rao, CFO 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 16th Annual General Meeting, the Board's Report along with annexures thereto and the Annual Accounts for the financial year ended March 31, 2022 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 16th Annual General Meeting of your Company. I hope that you and your family are safe and healthy.

India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching COVID-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity.

The agriculture sector has experienced buoyant growth in the past two years. The Government of India has initiated policy changes with One Nation One Fertilizers, by introducing Single Brand for fertilizers and Logo under fertilizer subsidy scheme namely “Pradhanmantri Bharatiya Uravarak Pariyogna”. The single brand name for urea, DAP, MOP and NPKs etc would be Bharat Urea, Bharat DAP, Bharat MOP and Bharat NPK respectively for all fertilizer companies and importers. New Brand name and logo to be used by all fertilizer companies from 30th November, 2022 for imported urea, Indigenous Urea and Imported PNK and from 31st December, 2022 for Indigenous NPK. The release of fertilizer subsidy to companies will be considered only for fertilizer dispatches in the new bags after the above-mentioned cut-off dates.

Further, under Pradhanmantri Kisan Samridhi Kendra (PMKSK) existing village, block/sub-district/taluk and district level fertilizer retail shops will be converted into Model Fertilizer Retail Shop or to establish new ones. Model fertilizer retail shop will act as One Stop Shop for all agriculture related inputs and services. The name of the Model Fertilizer Retail Shop would be Pradhanmantri Kisan Samridhi Kendra (PMKSK). As on date there are 3.3 Lakhs fertilizer retail shops at district, block/sub-district and village levels, all these shops will be converted into model retail shops. The timelines for conversion of these shops have also been prescribed.

India depends heavily on imports for meeting its fertiliser raw materials (natural gas, sulphur, and rock phosphate), intermediates (ammonia and sulphuric and phosphoric acids), and finished products (diammonium phosphate, potash, and complex fertilisers) requirements.

The country imports 1/3rd of urea consumption. Even for the balance 2/3rd produced domestically, India depends on import of natural gas (it comes as liquefied natural gas or LNG) to the extent of 2/3rd.

As you might be aware, Russia is the second-largest producer of ammonia, urea, potash and the fifth-largest producer of complex phosphates. The country accounts for 23 per cent of the global ammonia export market, 14 per cent of urea, 21 per cent of potash and 10 per cent of complex phosphates.

The ongoing Russia-Ukraine war has hit the supply of fertilisers in India and has pushed up prices for natural gas, a key ingredient for fertilizer manufacturing and consequential increase in the price of Urea.

As a result of ongoing Russia-Ukraine war, there has been shortage of availability of natural gas to India and the abnormal hike in its prices. Natural gas price has gone up as high as to \$45 MMBTU. As consequence, GAIL has stopped supply of Imported Gas (LNG) resulting in shutdown of one of the plants from October 01, 2022.

The company is working with the Government and gas suppliers to resume gas supplies at the earliest.

The operations of the company were impacted during FY 2014-15 on account of the stoppage of gas supply by GAIL due to blast in its pipeline impacting supply of gas. Financial distress got compounded by Non-Implementation of Corrective Action Plan (Rectification of Account with Funding) resulting in Rs 1000's of crores of loss to the company.

The rectification of account / CAP implementation and CAP debt in the books of the company is disputed. The Company is working with Banks for early debt settlement.

The company would need to raise significant amounts and invest 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 2021-22, with low load second plant operations due to Ammonia-II Synthesis Converter problem till 17th Aug 2021 and then onwards shutdown of second plant till end of financial year. The Company recorded a loss after tax for the year was Rs.669.91 crores against Rs. 615.33 crore for the previous year. The loss before exceptional items for the period increased by Rs 97.93 Crs mainly on account of Higher energy consumption and interest cost by Rs. 21.14Crs

On a positive sign, despite all the challenges and hardships, your company has managed to keep plants running. 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 this 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.

Thanking you all.

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, Cost Audit Report 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

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Nagarjuna Fertilizers and Chemicals Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2022, 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 then ended, and notes to the standalone financial statements, including a summary of the Significant Accounting Policies and other Explanatory Information ("the standalone financial statements").

The last paragraph of the Audit Report

For J V S L & ASSOCIATES

Chartered Accountants

(Firm's Registration No. 15002S)

J. VENKATESWARLU

Partner

ICAI Ms. No. 022481

UDIN: 22022481AKXZJY5518

Hyderabad

June 14, 2022

The Statutory Auditors of the Company have submitted the Statutory Auditors Report for the year ended March 31, 2022, and have invited attention as under:

Basis for Qualified Opinion:

- i. Note No: 31 in the standalone financial statements wherein the company explained the basis and reasons for not testing its Property, Plant and Equipment (PPE) for impairment as at the year end.

- ii. Notes No: 14 and 26 in the standalone financial statements wherein the company explained that the lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015 and though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date

Management Explanation to Auditors' Qualification

The Auditors' Qualifications in the Independent auditor's report and report of Internal Financial Controls (IFC) have been appropriately dealt with in Note No. 31 of financial Report is self-explanatory and do not call for any further comments.

Qualification on Note No. 14& 26 to the standalone audited financial statements discussed in detail on implementation of Corrective Action Plan is self-explanatory and do not call for any further comments.

Emphasis of Matters:

- a) Note 20 regarding 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

- a) Emphasis of Matter given in Note (i) of the Auditor's Report on standalone financial statements read with Note 20 of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.
- b) Note 32.1 on the International Arbitration awards passed against the Company in the previous years for USD 15,275,688, GBP 742,944, EURO 455,000 [aggregating to Rs.12704.88 lakhs, approximately] and Rs.3265.70 lakhs; the impact of which has not been recognized in the Financial Statements.

Management Explanation to emphasis on the matter

- b) Emphasis of Matter given in Note (ii) of the Auditor's Report on standalone financial statements read with Note 32.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.

- c) Note No:32.3 on the petition filed against the company under IBC by one of the operational creditors in the Hon'ble NCLT and its current status.

Management Explanation to emphasis on the matter

- c) Emphasis of Matter given in Note (iii) of the Auditor's Report on standalone financial statements read with Note 32.3 of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.
- d) Note No:28(i) on the expensing of unabsorbed IGST of Rs.3,617.24 lakhs on import of urea for the reasons stated in the note.

Management Explanation to emphasis on the matter

- d) Emphasis of Matter given in Note (iv) of the Auditor's Report on standalone financial statements read with Note 28. (i) of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.
- e) Note No:28(ii) on the providing of demand for electricity duty of Rs.5,426.41 lakhs for the reasons stated in the note.

Management Explanation to emphasis on the matter

- e) Emphasis of Matter given in Note (v) of the Auditor's Report on standalone financial statements read with Note 28. (ii) of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.
- f) Note No:32.2 on the claim for royalty, received from a related party for the period referred to therein, which is under review of the company.

Management Explanation to emphasis on the matter

- f) Emphasis of Matter given in Note (vi) of the Auditor's Report on standalone financial statements read with Note 32.2 of Notes forming part of the standalone financial statements for the year ended March 31, 2022, are self-explanatory and do not call for any further comments.

Thank you sir

Mr. Uday Shankar Jha, Chairman: Dear esteemed members now I open the meeting for discussion. We will take note of the questions and then at the end we will respond to them.

Mr. Vijaya Bhasker M, Company Secretary: Yes Sir, nine members have registered as speaker shareholders and requested the host to enable the audio of Mr. Ramesh Manguluri, Shareholder, who has registered as speaker shareholder for the meeting.

Mr. Ramesh Manguluri: First of all, I wish very good morning to chairman, Board members present in the meeting. I am Ramesh Manguluri speaking from Hyderabad.

Sir, I need some clarifications on what I observed. Chairman, sir, I have noticed that the trade payables have doubled in the current year at Rs 988 crores from Rs 436 crores, I would like to know the reason for such high receivables and

Number. 2 - I would like to know, considering the present business operations, capital, funding requirements, how the company is planning to normalize the operations and

Number.3 - What are the company's plans in the green ammonia that the government of India is encouraging? Do you have any plans to Produce green ammonia if so what would be the capacity and when can you expect the operations of the company, thank you so much.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir, thank you very much. I request the host to unmute. Mr. Bharat Raj Kankanala

Mr Bharat Raj Kankanala : First of all very good morning to young and dynamic leader Mr. K Rahul Raju, Managing Director. Sir, on review of the financial results of the company, it is observed that the Loss of the company is more compared to previous year inspite of increase in revenue. Can you please explain reasons why the losses are more.

Number 2 - we noticed that the net working capital is negative, and the gap is increasing year after year, will you please explain when we are going to recover from this situation.

Number 3 - Chairman Sir, there is increase in other expenses, please explain reason/ details for increase in debts of the company.

Mr Rahul, I'm very proud under your leadership, you make our company in the right track. Please give clarity how you are going to bring out this debt and bring the company into right track.

Sir, we are always with you, and supported organizations and also believe in your leadership, but there is no clarity in the vision in the senior management. We have a lot of senior management but there is no right directions, right track to my dynamic leader. Mr. Rahul Raju,

Sir why not to change the senior management and bring dynamic leaders so that they give the right direction to you to make my company in the right track.

Mr. Rahul, can you please arrange plant visit sir? Because we want to see because 20 years back our company has arranged.

Mr. Rahul, we are always with you with all the support team. You're a dynamic leader, please think and give me 5 years vision of our company.

I thank Mr. Vijaya Bhasker, Company Secretary, Mr. Sudhakara Rao, CFO and Investor Services Cell.

Mr. Vijaya Bhasker M, Company Secretary: Thank you sir, I request the host to unmute Mr. Surendra Kumar Mishra.

Mr. Surendra Kumar Mishra: Sir. My name Surendra Kumar Mishra, iam a shareholder since the last 20 years, It is a great pleasure that iam a shareholder of one of the biggest fertilizer company in South India, Nagarjuna Fertilizers and Chemical Limited. My question is Micro Irrigation business there is huge difference in production when compared to previous year. Please clarify as to the future business plans in relation to Micro Irrigation.

Number 2 – In the previous Annual Report you have say CA has been appointed for 5 years but you have changed the CA. What is the specific reason for change.

And also all the best for future next year, we hope our businesses grow and thanks to all the Board of Directors and staff and all the members. Thank you, sir.

Mr. Vijaya Bhasker M, Company Secretary: Thank you very much, sir.I request the host to unmute. Mr. Kamal Kishore Jhawar.

Mr. Kamal Kishore Jhawar: Thank you Sir.

Chairman, sir please explain why the company's Finance cost is more when compared to the previous year even no additional borrowings and what is the impact / effect of Russia and Ukraine war on the fertilizer industry and the company.

Mr. Vijaya Bhasker M, Company Secretary: Thank you very much, sir. I request the host to unmute. Mr. Suresh Chand Jain.

Mr. Suresh Chand Jain: Greetings to the Chairman, Board of Directors and all the Members of the Company. Iam an old shareholder of the Company since the time of Shri K V K Raju, the founder of the Company.

The Company has a good brand and area and we expect a bright future for the company and thanked all the Members and Board of Directors.

Thank you.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir. I request the host to unmute.
Mr. Praful Chavda.

Mr. Praful Chavda: Sir, Nagarjuna is a big brand in fertilizers but the company is not doing good due to various problems.

Sir, I suggest the company to offer One Time Settlement (OTS) to the bankers and reduce the debt and its interest. Further, since the last couple of years we are hearing that an investors is investing in the company. Could you please clarify.

Further, please let us know the brand value of the company. We have trust in the company and hope the company give dividends to the shareholders in the future. Thank you.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir. I request the host to unmute.
Mr. Santosh Kumar Saraf.

Mr. Santosh Kumar Saraf: Greetings to the Board of Directors, Members of the Company. I am an old shareholder of the Company, a resident of Kolkata attending the Meeting from Bangaluru.

The Company is into losses since the last few years hoping some good will happen but nothing has emerged as on date.

The cost of power and fuels has increased drastically and has doubled. Please let us know the reason for increase.

Please let us know when the company is getting in to profits, we the shareholders will benefit only when dividend is declared.

I request the Board of Directors, though it may hurt, that till the time the company is in to profits, I request the Management not to claim remuneration form the Company.

Further, please let us know the fire safety norms implemented in the Company.

I thank you all hoping a bright future for the Company.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir. I request the host to unmute.
Mr. Reddeppa Gundluru.

Mr. Reddeppa Gundluru: Greetings to the Board of Directors, Company Secretary, CFO, Auditors and all the Members of the Company. Good Morning sir, my name is Reddeppa Gundluru financial advisor.

First of all my tributes to our visionary founder chairman and 1st generation entrepreneur Shri K V K Raju.

Sir, you have given very good information about the company and also the annual report is very wonderful. Sir.

So, I would like to say that the company is ethical, accountable, transparent and integrity with good corporate governance in the Company.

The Company had a good revenue and we expect good results the next quarter.

Please let us know the future vision of the company. The Contingent Liabilities of the company has increased, what are the measures taken to reduce Contingent Liabilities.

Further, what is the impact of Ukraine and Russian War on the Company.

Finally, I feel that the Company will achieve and bounce back and overcome all the problems.

Thank you.

Mr. Vijaya Bhasker M, Company Secretary: Thank you, sir. I request the host to unmute.
Mr. Bharat Shah.

Host: Mr. Bharat Shah, has not joined the Meeting by this time.

As Mr. Bharat Shah, is not available to speak at the meeting, Mr. Uday Shankar Jha, Chairman, proceeded to answer the queries with clarifications.

Mr. Uday Shankar Jha, Chairman: As all the speaker shareholders have spoken at the Meeting, we go ahead to answer the questions.

Mr. Vijaya Bhasker M, Company Secretary: Yes sir.

Mr. Uday Shankar Jha, Chairman: So first of all, thank you very much to the shareholders who have participated in the question answer session, and we have taken a lot of questions.

The first thing that is emerging for which we are very thankful to you, which I also mentioned in my speech is the abiding trust that you have brought. You recognize that the company is sound and fundamentally strong and that trust, you are having, you are recognizing you have paid tribute to the founder of the company, the visionary leader the great Shri K V K Raju, we are thankful to you.

You have rightly, I mean, raised the question your concern, we can understand because it has been for years that we have not been able to come out of the crisis into which we went into for the reasons beyond our control as, you know. That all these heck's happened because of a gas pipeline accident and we didn't get the gas for 2 years, and then we didn't get the financial support that was required from the banks because of the changing environment, RBI stipulations, but we are trying to come out of the crisis the company has been there to try to do that.

The first thing that has come out common in all the questions is that why the company is going into losses? and why the debt is increasing? Why the Working Capital, is not available.

So, on the financial issues, I would like to be answered. Although all these details have been given in the Annual Report also. You have also put the question that why the loss of the company's more compared to previous year.

Though, as you know, the reimbursement norms for energy consumption have been downsized from October 2020 affecting the recovery of energy consumed in 2020-21 only for a half year. Whereas in the current year 2021-22 the effect of under recovery of energy is for the full year. Further one of the plant's operations have affected due to a major repair and to stop operations from August 2021 which is also caused the higher consumption of energy, coupled with increase in Gas prices have majorly affected the profitability of the Company despite higher production of 9.14 lakh MT compared to previous year 7.43 lakh MT.

In fact, I think this question was, put by one of the Shareholder that why the gas prices have gone up? What had been the effect of the Russia and Ukraine War.

As you know that this is a direct result of the Russia and Ukraine War, as has already been told in my speech that Russia is the main source for ammonia / gas etc and this has globally increased the price which we used to get at about \$ 10 - \$12 has gone up to even \$60 and everything and now it is \$ 45 per MMBTU. So, this all has affected the, the profitability of the company.

The question was that why the finance cost is more when, compared to the previous years. This is due to the reasons I have explained.

Finance cost includes banking charges / commission etc., which have gone up due to Holding on Operations. Hence Finance is higher than the previous year.

Then you have said that the trade payables have doubled. Due to losses and increase in gas prices the liabilities have been increased and to be noted is that the corresponding increase in the receivables in the current assets as well.

Let me tell you that in case of Urea the market realization is almost 10 -11% only, 89 – 90% is the subsidy part and because the subsidies have gone up there are delays in subsidy payments i.e., trade receivables have gone up. Infact the market realizations are better, the subsidy receivables have been affected due to adequate money not been made available by the government.

The other question was with net working capital is negative, and the gap is increasing year after year.

Now that this is due to continuous losses for the past few years, the networking capital became negative. One of the main reasons for the negative net working capital is interest accruals. The company is endeavoring towards settlement of loans from the banks amicably through debt resolution.

One of the member had suggested about One Time Settlement, so that is also I mean, one of the solution for which we are working.

Upon success of these endeavors the gap of negative net working capital may come down and the company is looking forward for that.

So, this was about the losses and then one question was on the micro irrigation.

The business operations of Micro Irrigation are also affected due to non-availability of working capital. MI business requires intensive working capital. On resolution of debt with banks we shall resume the MI business operations at full. We have made some effort this year, but the full-scale operation can come only after Debt Resolution takes place well.

On the Russia specific question, We have already have explained that the ongoing Russia-Ukraine war has hit the supply of fertilizers in India and has pushed up prices for natural gas, a key ingredient for fertilizer manufacturing and consequential increase in the price of Urea.

As a result of ongoing Russia-Ukraine war, there has been shortage of availability of natural gas to India and the abnormal hike in its prices. Natural gas price has gone up as high as to \$45 MMBTU. As consequence, GAIL has stopped supply of Imported Gas (LNG) resulting in shutdown of one of the plants from October 01, 2022

There is a question on the green ammonia, it's a very good thing and we, are looking at it very seriously, but unfortunately, we are not able to embark upon it, launch it because of our debt issues. So, we need to first resolve the current debt disputes and debt burden through an amicable resolution with banks. Our target is to complete this in the next 2/3 months. Post this the company needs to invest and revive operations first (which we plan to start immediately after the debt resolution). The company needs to return to investors and will surely make investments to adopt green technologies, increase capacity and diversify product portfolio (including green ammonia), if there is a business case.

I think I have, covered would you like to, supplement anything Mr. Rahul on the complete on the answers

Mr. K Rahul Raju, Managing Director: Yes sir, there have been a couple of questions relating to management.

So I just like to clarify that, the current management that we have, I think, is one of the best in the rather, maybe the best in the industry and the cost that we have in terms of management cost is a fraction of what the industry has and we are not overpaying anybody and so I would rather use this opportunity to thank the management across the company from the board to the front line staff open, supporting the company despite difficult times.

Coming to the issue of diversifying product portfolio as you have already mentioned that the first objective for us is to revive the operations, the company has discontinued distribution and industrial services business and right now, our primary focus is to revive the business and once we revive this business the other product portfolio, we can look at specifically with regards to green ammonia. as you have mentioned the company, will definitely, look at green ammonia, expand capacity, once the debt resolution is complete and the company has adequate capital if there's a business case to go forward.

I think we have covered apart from whatever you said

Mr. Uday Shankar Jha, Chairman: I think we have covered, all points. yes.

Mr. K Rahul Raju, Managing Director: As a closing thing I just want to say that the company is working, you know day and night, to continue operations, and to work on debt resolution despite CAP failure in 2015. While there are ongoing disputes, in courts relating to CAP related issues, but the company's goal is to amicably resolve the disputes and to revive the company.

And as you were mentioning, you know, there are several things at the bank are doing by itself as its own side and also the other company is working on both debt resolution and One Time Settlement, options.

So, we are confident that before the end of this financial year we should see some progress relating to the company's financial revival and operation revival will happen once the CAPEX is invested in maintenance and energy.

Mr. Uday Shankar Jha, Chairman: Yes, so I think that.

Mr. Ramesh Deshpande, Sr. Executive Director – Operations: There is a question on fire and safety.

I will only add that more than 57 lakh accident free Man Hours has been achieved by Nagarjuna Fertilizers and Chemicals Limited and we are very much concerned about fire and safety on plants and regular care is taken.

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

So, I think hopefully maybe by next AGM the major issues should be resolved. Thank you.

Mr. Vijay, shall we proceed on to the formal businesses.

Mr. Vijaya Bhasker M, Company Secretary: Yes sir.

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 November 22, 2022, being the cutoff date for vote on all the resolutions set out in the notice of 16th Annual General Meeting.

The Remote e-voting period commenced from November 26, 2022 at 09.00 A.M. and concluded on November 26, 2022, 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 December 01, 2022. 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 16th Annual Report of the company, the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2022, and the report of the Directors and Auditors thereon.

RESOLVED THAT the 16th Annual Report of the Company, the Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2022 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 To Approval for the Appointment of M/s. P Murali & Co., Chartered Accountants, as the Statutory Auditor's in Casual Vacancy.

“RESOLVED THAT pursuant to the provisions of Section 139(8), 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 of the Company be and is hereby accorded to the appointment of M/s. P Murali & Co., (Firm Registration No 007257S), Chartered Accountants, Hyderabad, as the Statutory Auditor of the Company in Casual Vacancy caused by the resignation of M/s. JVSL & Associates, (Firm Registration No, 015002S) Chartered Accountants, Hyderabad, to hold office till the conclusion of the 16th Annual General Meeting at such remuneration as may be agreed by 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 appointment of M/s. P Murali & Co., as the statutory auditor's 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. P Murali & Co., (Firm Registration No 007257S), Chartered Accountants, Hyderabad, as the Statutory Auditor of the Company for a term of five consecutive years from the conclusion of Sixteenth Annual General Meeting, till the conclusion of the Twenty First 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 to be announced within 2 working days.

Vijaya Bhasker M, Company Secretary

Resolution Number 6:

The next resolution which is proposed as an Ordinary Resolution relates to approval of remuneration payable to the Cost Auditors for the Financial Year 2022-23.

"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. D V & Associates (Firm Registration No-001929), 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, 2023, be and is hereby approved and ratified"

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

So, I think we come to the conclusion, as mentioned earlier I thank all the shareholders and again as mentioned earlier we really thank you for your abiding trust in the Company, Company Management, Company Board.

So, I on behalf of all of them, I thank you and wish you all the best for your health, professional and for your family.

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.