

Nagarjuna Fertilizers and Chemicals Limited

Nagarjuna Hills, Hyderabad - 500 082.

Website: www.nagarjunafertilizers.com

CIN: L24129TG2006PLC076238

Standalone Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

Rs. in Lakhs

SI No	PARTICULARS	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-09-2022 (Unaudited)	30-06-2022 (Unaudited)	30-09-2021 (Unaudited)	30-09-2022 (Unaudited)	30-09-2021 (Unaudited)	31-03-2022 (Audited)
I	Revenue from Operations	2,07,007.34	1,49,275.93	69,529.76	3,56,283.28	1,33,948.42	2,69,233.25
II	Other Income	562.94	1,215.03	161.23	1,777.97	305.92	3,031.91
III	Total income (I+II)	2,07,570.28	1,50,490.96	69,690.99	3,58,061.25	1,34,254.34	2,72,265.16
IV	Expenses						
	a) Cost of materials consumed	1,07,924.02	86,446.44	32,248.90	1,94,370.46	63,809.73	1,33,987.82
	b) Purchase of Stock-in-Trade	305.63	19.40	10.92	325.03	12.30	181.67
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	3,063.21	(12,636.92)	2,084.87	(9,573.71)	(923.73)	81.20
	d) Power and Fuel	87,810.16	70,592.00	30,533.51	1,58,402.16	62,712.28	1,22,685.76
	e) Employee Benefits Expense	2,591.00	2,210.46	2,519.67	4,801.46	4,796.69	9,440.26
	f) Finance cost	15,439.89	10,257.15	9,377.26	25,697.04	18,101.92	36,892.78
	g) Depreciation and Amortization Expense	2,056.74	2,039.94	2,071.30	4,096.68	4,123.98	8,208.51
	h) Other Expenses	7,299.52	6,447.96	5,663.84	13,747.48	11,085.02	21,807.31
	Total expenses	2,26,490.17	1,65,376.43	84,510.27	3,91,866.60	1,63,718.19	3,33,285.31
V	Profit / (Loss) before exceptional items and tax (III-IV)	(18,919.89)	(14,885.47)	(14,819.28)	(33,805.35)	(29,463.85)	(61,020.15)
VI	Exceptional Items	-	-	-	-	9,043.64	9,043.64
VII	Profit / (Loss) before Tax (V-VI)	(18,919.89)	(14,885.47)	(14,819.28)	(33,805.35)	(38,507.49)	(70,063.79)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	-	-
	(c) Deferred Tax	(651.08)	(653.81)	(582.74)	(1,304.89)	(1,116.86)	(3,073.17)
		(651.08)	(653.81)	(582.74)	(1,304.89)	(1,116.86)	(3,073.17)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(18,268.81)	(14,231.66)	(14,236.54)	(32,500.46)	(37,390.63)	(66,990.62)
X	Other Comprehensive Income (net of tax)						
	A Items that will not be reclassified to profit or loss						
	(i) Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	126.30
	(ii) Income tax relating to these items	-	-	-	-	-	(39.41)
	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	-	-	-	-	-	86.89

XI	Total Comprehensive Income (IX+X)	(18,268.81)	(14,231.66)	(14,236.54)	(32,500.46)	(37,390.63)	(66,903.73)
XII	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XIII	Other Equity						(1,23,107.14)
XIV	Earning Per Share (of Rs.1/- each) - Basic and Diluted	(3.05) (Not Annualised)	(2.38) (Not Annualised)	(2.38) (Not Annualised)	(5.43) (Not Annualised)	(6.25) (Not Annualised)	(11.20)

Notes:

- 1) The above statement of Unaudited Standalone Financial Results for the quarter ended 30th September 2022 was approved by the Board of Directors at their meeting held on 14th November 2022.
- 2) The Statutory Auditors have carried out Limited Review of the same and issued Limited Review Report.
- 3) The financial results comprise the combined operations of the company of its Fertilizer, Micro Irrigation and Agri Services businesses. For the purposes of disclosures under Ind AS 108, Operating Segments, as the financial results of Micro Irrigation and Agri Services are below the reportable segment threshold limit, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, the same are neither disclosed as separate segments nor are combined as "all other segments".
- 4) The Company is operating in a regulated environment under the Essential Commodities Act, 1955, supported by Government Subsidy. On account of an accident in the GAIL Pipeline which supplies Gas to the company during 2014, the production of the company was disrupted for long time and as a result the company suffered losses. To overcome the financial stress caused due to disruption of production and losses, the company approached its lenders for a Corrective Action Plan (CAP) and the lenders formed Joint Lenders Forum (JLF) in 2015 and assessed Rs. 3050 Crs (Rs.850 Cr under Fund Based + Rs.2200 Cr. Under Non-Fund Based) and Rs.800 Cr. Working Capital Term Loan under CAP to shore up the working capital and to enable the company to run. This funding for rectification of account is called Corrective Action Plan 2015 (CAP). Due to lack of assessed funds from lenders (non-implementation of CAP) the company's account after the GAIL Pipe Line accident could not be rectified in 2015-16 and went into severe financial stress increasing indebtedness and losses resulting in defaults in 2018. Upgrading of account without releasing of the assessed funds for rectification of account (CAP), is in violation of RBI CAP regulations of 2014 and 2015, resulting in the account becoming NPA in 2015 itself as per RBI regulations instead of 2018 after CAP implementation as being claimed by Banks. The company has been reporting the disputes on CAP debt (working capital term loans and working capital loans in the books of the company) to the lenders and in the annual reports. The debt in the books (CAP loans) are disputed and are sub-judice.

The lenders approved 'Holding on Operations' (HOO) from December 2018 to amicably resolve the debt issues with the company in the interests of all

stakeholders (valid till June 30, 2023). Due to inadequate working capital, financial stress and continued losses on account of stoppage of production of the plants during 2018, without prejudice to the interest that the company had taken up long-term financial Resolution Plan (RP) with its Lenders. The lenders held series of Joint Lenders Meetings (JLM) for consideration and suggestions on the RP. Consequent to the lenders meetings, a resolution plan was unanimously approved by the lenders in March 2020, which amongst other things, include segregation of debt into sustainable and unsustainable, reduction in the rate of interest, infusion of fresh equity and sanction of additional debt etc. However, post conclusion of the Resolution Plan, the lenders made arbitrary changes in the said RP on 4th June 2020. The company has filed a Writ Petition in the Hon'ble High court of Telangana, on the arbitrary actions of the lenders against the RBI Regulations. Further, the company had filed contempt cases against 2 lenders who have filed petitions under IBC in violation of the above stay orders of High Court and the matter is pending before the Court.

Notwithstanding the legal proceedings, the Company is actively working amicably to resolve the disputes with lenders and for completion of resolution plan. The Company is hopeful of a positive outcome and approval of resolution plan.

The company started operating urea plant 2 from mid April 22 and continued operating both the plants during the quarter. Due to lack of working capital and restart of plant 2, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the quarter ended 30th September, 2022, the Company's current liabilities exceeded current assets by Rs. 3,23,846.79 Lakhs (net current liabilities excluding contingent liabilities).

The company's management assessed various events / conditions which have an impact on the company's ability to continue as a Going Concern and concluded that use of Going Concern basis of accounting is appropriate. Accordingly, the financial results for the Quarter ended September 30, 2022, are drawn on going concern basis.

- 5) 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. Though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date. As a result the company filed cases against the lenders in Hon'ble High Court of Telangana, which has restrained the lenders from taking any coercive action against the company. Further, there is no clear information on when the loans were declared NPAs by the lenders. Due to these disputes, the lenders have not been sending the interest demands and the loan statements/ confirmation of balances to the company since 4 years. The company has also been disclosing CAP debt disputes since 2018. In this background, the company has been accounting the interest on the loans as per the terms of CAP funding sanction letters with a qualification of dispute and furnishing the default details as available with it in the financial statements. This is not confirmation of dues.
- 6) The lenders are yet to approve the managerial remuneration approved by the shareholders for the Managing Director.

- 7) In relation to some of the contracts, the following international Arbitration Awards have been passed against the Company.
- (i) in September 2016 for USD 14,398,188 (Rs 11,742.04 Lakhs) and GBP 690,630 (Rs. 626.89 Lakhs) and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and misrepresentation of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. The Matter is yet to be listed for hearing.
- (ii) in October 2017, for USD 877,500 (Rs. 715.62 Lakhs), EUR 455,000 (Rs. 364.50 Lakhs), GBP 52,314 (Rs. 47.48 Lakhs) and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, hence the Company could not proceed further, and the said award is not maintainable. The Matter is yet to be listed for hearing. While the Company is contesting the enforcement of the Awards in the Courts in India a sum of Rs. 557 lakhs have been provided for in the books in FY 2018-19 in respect of matter stated in para (ii) above. Further, since the matter being sub-judice, the said claims have continued to be treated as a contingent liability.


The contingent liabilities/claims stated above, are not confirmation of dues, but record of disputes.

- 8) Based on an execution petition filed by one of the operational creditors with the Honourable High Court of Telangana, the Court had directed the company to earmark an amount of Rs 20 Crs. Accordingly, the company complied with the said order. However, despite compliance of the High Court Order, the operational creditor filed a petition before the Hon'ble NCLT Hyderabad Bench, to initiate the CIRP against the company and the same has been admitted by the Hon'ble NCLT (putting the company in CIRP under the provisions of the I&BC, 2016 vide its order dt.27.08.2021). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed the order of NCLT. The NCLAT, has since stayed the orders of the NCLT vide its orders dt.14.09.2021 and the same is being continued.
- 9) Government of India announced New Urea Policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector which are effective from 1st June 2015 to 31st Mar 2019. Government of India extended the NUP -2015 from 1st April 2019 until further orders. Income from Urea Operations has been recognised in accordance with the said policies. Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation / de-escalation, have been recognised during the quarter/ year in terms of the said policies. Adjustments, if any, required will be considered on notification of final prices.
- 10) The Management, while assessing whether there is any indication that Property Plant & Equipment (PPE) may be impaired, considered the relevant external and internal sources of information and decided to test its PPE for impairment as at 31st March 2022, by an independent professional valuer. The impairment loss, if any, will be recorded in the books as and when the impairment testing is completed in FY 2022-23.

- 11) The Company has been using the "Nagarjuna Brand / Trademarks" for its urea and other products under a license agreement Dt 29/01/1998 with the grantor, a related party. The company, during the period under report, received a claim from the grantor asserting its right for royalty for the period from 29/01/1998 to 31/12/2021. The said claim is under review by the Company for appropriate action and consequent recognition in the books will be made.
- 12) Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against NCLT Order in NCLAT on behalf of NFCL and on the request of NFCL arranged a Third Party buyer for the debt of Keytrade and deposited an amount of Rs. 20 Crores in NCLAT. With the support of this NCLAT, vide its orders dated 14th September, 2021, has stayed the orders of the NCLT and the stay is continuing as on date. NFCL would be liable to the Third Party instead of Keytrade in case the Keytrade assigns the debt and security. NFCL is also liable for servicing the interest during the period of deposit with NCLT till the date of debt assignment. The company is yet to receive the claim on interest.
- 13) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable with that of the current periods.

HYDERABAD

14th November, 2022


K. RAHUL RAJU
MANAGING DIRECTOR

Balance Sheet

₹ in Lakhs

Particulars	Standalone	
	As At September 30, 2022	As At March 31, 2022
	(Un audited)	(Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2,06,552.56	2,10,618.76
(b) Capital work-in-progress	29.65	23.75
(c) Financial Assets		
(i) Investments	-	-
(ii) Others	355.24	475.04
Total non-current Assets	2,06,937.45	2,11,117.55
2. Current Assets		
(a) Inventories	14,286.61	4,640.22
(b) Financial Assets		
(i) Trade Receivables	2,28,631.04	48,493.22
(ii) Cash and Cash Equivalents	7,724.58	2,111.51
(iii) Bank Balances other than (ii) above	2,246.74	2,246.74
(iv) Other Financial assets	247.73	760.94
(c) Current Tax Assets (Net)	464.48	363.18
(d) Other Current Assets	22,586.06	5,959.13
Total current assets	2,76,187.24	64,574.94
Total - Assets	4,83,124.69	2,75,692.49
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	(1,55,607.61)	(1,23,107.14)
Total Equity	(1,49,626.96)	(1,17,126.49)
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,282.42	2,183.53
(ii) Other Financial Liabilities	6,970.76	6,986.73
(b) Provisions	542.91	508.86
(c) Deferred Tax Liabilities (Net)	22,749.70	24,054.59
(d) Other Non-Current Liabilities	171.83	345.79
Total non-current liabilities	32,717.62	34,079.50
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,66,424.96	2,53,869.18
(ii) Trade Payables		
(A) Micro Enterprises and Small Enterprises	67.47	100.52
(B) Other than Micro Enterprises and Small Enterprises	3,29,656.50	98,666.78
(iii) Other Financial Liabilities	1,408.32	1,474.99
(b) Other Current Liabilities	1,880.16	4,082.98
(c) Provisions	596.62	545.03
Total current liabilities	6,00,034.03	3,58,739.49
Total liabilities	6,32,751.65	3,92,818.99
Total Equity and Liabilities	4,83,124.69	2,75,692.49

Nagarjuna Fertilizers and Chemicals Limited
Standalone Cash Flow Statement for the Year ended 30st September 2022

Particulars	Rs.in Lakhs	
	Year ended September 30, 2022	Year ended March 31, 2022
A. Cash Flow from Operating Activities		
Loss before Tax	(33,805.35)	(70,063.79)
<i>Adjustments:</i>		
Depreciation and Amortisation	4,096.68	8,208.51
Impairment of Land	-	-
Provision for Doubtful Debts / Advances	639.29	1,833.17
Finance Cost	25,697.04	36,892.78
Impairment of CWIP	-	429.80
Deferred government grant	(173.96)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	0.29	(0.56)
Operating Profit before working capital changes	(3,546.01)	(23,048.00)
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	2,30,956.66	55,186.31
Increase/(decrease) in long term provisions	34.05	19.63
Increase/(decrease) in short term provisions	51.59	298.26
Increase/(decrease) in other current liabilities	(2,202.83)	392.61
Increase/(decrease) in other current financial liabilities	(66.67)	36.69
Increase/(decrease) in other long term liabilities	(15.97)	(530.69)
Decrease/(increase) in trade receivables	(1,80,777.11)	(30,441.89)
Decrease/(increase) in inventories	(9,646.39)	187.91
Decrease/(increase) in Non-current - Other Financial Assets	119.80	233.79
Decrease/(increase) in other current assets	(16,626.92)	3,388.71
Decrease/(increase) in other Current financial assets	513.21	1,013.27
Cash generated from/(used) in operations	18,793.42	6,736.60
(Direct Taxes Paid -net of refunds)	(101.30)	(251.46)
Net cash flow from / (used) in operating activities	18,692.12	6,485.14
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(36.51)	(54.44)
Proceeds from Margin Money Deposits	-	1,979.68
Proceeds from Sale of fixed assets	(0.17)	3.42
Net cash flow from / (used) in investing activities	(36.68)	1,928.66
C. Cash flow from Financing activities		
Repayment of long term borrowings	(242.90)	(519.54)
Finance Costs paid	(15,924.02)	(17,799.58)
Net cash flow from / (used) in financing activities	(16,166.92)	(18,319.12)
Net Increase/(decrease) in Cash and Cash Equivalents	2,488.52	(9,905.32)
Cash and Cash Equivalents as at beginning of the year	(1,21,821.63)	(1,11,916.31)
Cash and Cash Equivalents as at end of the period	(1,19,333.11)	(1,21,821.63)

Notes: Rs. in Lakhs

Particulars	Year ended September 30, 2022	Year ended March 31, 2022
Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	7,702.05	2,096.94
Cheques, drafts on hand	-	-
Cash on hand	22.53	14.57
Cash and Cash Equivalents	7,724.58	2,111.51
Less: Cash Credit	1,27,057.69	1,23,933.14
Cash and Cash Equivalents in Cash Flow Statement	(1,19,333.11)	(1,21,821.63)



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Independent Auditor's Review Report on the Quarterly/ Half-yearly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Nagarjuna Fertilizers and Chemicals Limited,
Nagarjuna Hills,
Hyderabad- 500082.

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Nagarjuna Fertilizers and Chemicals Limited** (the "Company") for the quarter ended 30 September, 2022 and for the period from 01 April 2022 to 30 September 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by "the Company's" 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, as amended, read with 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.
3. We conducted our review of "the 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 of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, except for the matters stated in para 5 & 6 below, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of





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the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material uncertainty relating to Going Concern

We refer to Note No.4 to "the Statement". The Company has been incurring losses continuously which has resulted in complete erosion of Net Worth. The current liabilities exceeded the current assets. The Company had defaulted in respect of its dues/liabilities. These indicate that material uncertainty exists that casts a significant doubt on the Company's ability to continue as a going concern.

However, the management believes that the assumption on the preparation of the financial results of the Company for the Quarter ended 30th September, 2022 is still appropriate as the Company is actively working amicably to resolve the disputes with lenders and completion of resolution plan and hopeful of a positive outcome and approval of resolution plan and the Company's management assessed various events/conditions which have an impact on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

6. Emphasis of matter

We refer to the following notes to "the Statement":

- a) Note No 5: The Company has been accounting interest on the loans as per the terms of Corrective Action Plan (CAP) funding sanction letters, in the absence of interest demands and the Loan statements/confirmation of balances from the Lenders.
- b) Note No 6: The lenders are yet to approve the managerial remuneration approved by the Shareholders for the Managing Director.
- c) Note No 7: The claims as per the International Arbitration Awards passed against the Company in September 2016 and October 2017, aggregating to USD 15,275,688, GBP 742,944 and EUR 455,000 and INR 221.39 Lakhs (equivalent Aggregate amount of Rs. 13,717.92 Lakhs) and interest thereon as applicable apart from costs, are continued to be shown as a contingent liability since the matter being sub-judice.





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- d) Note No 8: Hon'ble NCLT admitted a petition filed by an operational creditor to initiate the CIRP against the Company under the provisions of the I&BC, 2016, which has since been stayed by the Hon'ble NCLAT.
- e) Note No 9: "The Company" has recognised Income from Urea Operations, Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation/de-escalation during the quarter in terms of new Urea policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector. Adjustments, if any, required will be considered on notification of final prices.
- f) Note No 11: Claim from a related party asserting its right for Royalty for the period from 29.01.1998 to 31.12.2021, is under review by the Company for appropriate action and consequent recognition in the Books.
- g) Note No 12: Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against Hon'ble NCLT Order in Hon'ble NCLAT on behalf of the "Company" and on the request of "Company", arranged a Third Party buyer for the debt of Key trade and deposited an amount of Rs. 20 Crores in Hon'ble NCLAT. With the support of this Hon'ble NCLAT, vide its orders dated 14th September, 2021, has stayed the orders of the Hon'ble NCLT and the stay is continuing as on date. The "Company" would be liable to the Third Party instead of Key trade in case the Key trade assigns the debt and security. The "Company" is also liable for servicing the interest during the period of deposit with Hon'ble NCLT till the date of debt assignment. The "Company" is yet to receive the claim on interest.

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

For P. Murali & Co
Chartered Accountants
FRN: 007257S


A. Krishna Rao
Partner

M.No. 020085

UDIN: 22020085BDCBDT2566



Place: Hyderabad

Date: 14.11.2022

Nagarjuna Fertilizers and Chemicals Limited
Nagarjuna Hills, Hyderabad - 500 082.
Website: www.nagarjunafertilizers.com
CIN: L24129TG2006PLC076238

Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022

Rs. In Lakhs

SI No	PARTICULARS	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-09-2022 (Unaudited)	30-06-2022 (Unaudited)	30-09-2021 (Unaudited)	30-09-2022 (Unaudited)	30-09-2021 (Unaudited)	31-03-2022 (Audited)
I	Revenue from Operations	2,07,007.34	1,49,275.93	69,529.76	3,56,283.28	1,33,948.42	2,69,233.25
II	Other Income	562.96	1,215.18	161.38	1,778.14	306.23	3,033.32
III	Total income (I+II)	2,07,570.30	1,50,491.11	69,691.14	3,58,061.42	1,34,254.65	2,72,266.57
IV	Expenses						
	a) Cost of materials consumed	1,07,924.02	86,446.44	32,248.90	1,94,370.46	63,809.73	1,33,987.82
	b) Purchase of Stock-in-Trade	305.63	19.40	10.92	325.03	12.30	181.67
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	3,063.21	(12,636.92)	2,084.87	(9,573.71)	(923.73)	81.20
	d) Power and Fuel	87,810.16	70,592.00	30,533.51	1,58,402.16	62,712.28	1,22,685.76
	e) Employee Benefits Expense	2,591.00	2,210.46	2,519.67	4,801.46	4,796.69	9,468.18
	f) Finance cost	15,439.89	10,257.15	9,377.26	25,697.04	18,101.92	36,963.49
	g) Depreciation and Amortization Expense	2,056.74	2,039.94	2,071.30	4,096.68	4,123.98	8,208.51
	h) Other Expenses	7,300.12	6,449.62	5,663.92	13,749.74	11,085.21	21,807.87
	Total expenses	2,26,490.77	1,65,378.09	84,510.35	3,91,868.86	1,63,718.38	3,33,384.50
V	Profit / (Loss) before exceptional items and tax (III-IV)	(18,920.47)	(14,886.98)	(14,819.19)	(33,807.44)	(29,463.73)	(61,117.93)
VI	Exceptional Items	-	-	-	-	9,043.64	10,857.50
VII	Profit / (Loss) before Tax (V-VI)	(18,920.47)	(14,886.98)	(14,819.19)	(33,807.44)	(38,507.37)	(71,975.43)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	-	-
	(c) Deferred Tax	(651.08)	(653.81)	(582.74)	(1,304.89)	(1,116.86)	(3,073.17)
		(651.08)	(653.81)	(582.74)	(1,304.89)	(1,116.86)	(3,073.17)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(18,269.39)	(14,233.17)	(14,236.45)	(32,502.55)	(37,390.51)	(68,902.26)
X	Other Comprehensive Income (net of tax)						
	A Items that will not be reclassified to profit or loss						
	(i) Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	126.30
	(ii) Income tax relating to these items	-	-	-	-	-	(39.41)
	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	-	-	-	-	-	86.89

XI	Total Comprehensive Income (IX+X)	(18,269.39)	(14,233.17)	(14,236.45)	(32,502.55)	(37,390.51)	(68,815.37)
XII	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XIII	Other Equity	-	-	-	-	-	(1,23,229.06)
XIV	Earning Per Share (of Rs.1/- each) - Basic and Diluted	(3.05) (Not Annualised)	(2.38) (Not Annualised)	(2.38) (Not Annualised)	(5.43) (Not Annualised)	(6.25) (Not Annualised)	(11.52)

Notes:

- 1) The above statement of Unaudited Consolidated Financial Results for the quarter ended 30th September 2022 was approved by the Board of Directors at their meeting held on 14th November 2022.
- 2) The Statutory Auditors have carried out Limited Review of the same and issued Limited Review Report.
- 3) The financial results comprise the combined operations of the company of its Fertilizer, Micro Irrigation and Agri Services businesses. For the purposes of disclosures under Ind AS 108, Operating Segments, as the financial results of Micro Irrigation and Agri Services are below the reportable segment threshold limit, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, the same are neither disclosed as separate segments nor are combined as "all other segments".
- 4) The Company is operating in a regulated environment under the Essential Commodities Act, 1955, supported by Government Subsidy. On account of an accident in the GAIL Pipeline which supplies Gas to the company during 2014, the production of the company was disrupted for long time and as a result the company suffered losses. To overcome the financial stress caused due to disruption of production and losses, the company approached its lenders for a Corrective Action Plan (CAP) and the lenders formed Joint Lenders Forum (JLF) in 2015 and assessed Rs. 3050 Crs (Rs.850 Cr under Fund Based + Rs.2200 Cr. Under Non-Fund Based) and Rs.800 Cr. Working Capital Term Loan under CAP to shore up the working capital and to enable the company to run. This funding for rectification of account is called Corrective Action Plan 2015 (CAP). Due to lack of assessed funds from lenders (non-implementation of CAP) the company's account after the GAIL Pipe Line accident could not be rectified in 2015-16 and went into severe financial stress increasing indebtedness and losses resulting in defaults in 2018. Upgrading of account without releasing of the assessed funds for rectification of account (CAP), is in violation of RBI CAP regulations of 2014 and 2015, resulting in the account becoming NPA in 2015 itself as per RBI regulations instead of 2018 after CAP implementation as being claimed by Banks. The company has been reporting the disputes on CAP debt (working capital term loans and working capital loans in the books of the company) to the lenders and in the annual reports. The debt in the books (CAP loans) are disputed and are sub-judice.

The lenders approved 'Holding on Operations' (HOO) from December 2018 to amicably resolve the debt issues with the company in the interests of all stakeholders (valid till June 30, 2023). Due to inadequate working capital, financial stress and continued losses on account of stoppage of production of the plants during 2018, without prejudice to the interest that the company had taken up long-term financial Resolution Plan (RP) with its Lenders. The lenders held series of Joint Lenders Meetings (JLM) for consideration and suggestions on the RP. Consequent to the lenders meetings, a resolution plan was unanimously approved by the lenders in March 2020, which amongst other things, include segregation of debt into sustainable and unsustainable, reduction in the rate of interest, infusion of fresh equity and sanction of additional debt etc. However, post conclusion of the Resolution Plan, the lenders made arbitrary changes in the said RP on 4th June 2020. The company has filed a Writ Petition in the Hon'ble High court of Telangana, on the arbitrary actions of the lenders against the RBI Regulations. Further, the company had filed contempt cases against 2 lenders who have filed petitions under IBC in violation of the above stay orders of High Court and the matter is pending before the Court.

Notwithstanding the legal proceedings, the Company is actively working amicably to resolve the disputes with lenders and for completion of resolution plan. The Company is hopeful of a positive outcome and approval of resolution plan.

The company started operating urea plant 2 from mid April 22 and continued operating both the plants during the quarter. Due to lack of working capital and restart of plant 2, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the quarter ended 30th September, 2022, the Company's current liabilities exceeded current assets by Rs. 3,23,967.98 Lakhs (net current liabilities excluding contingent liabilities).

The company's management assessed various events / conditions which have an impact on the company's ability to continue as a Going Concern and concluded that use of Going Concern basis of accounting is appropriate. Accordingly, the financial results for the Quarter ended September 30, 2022, are drawn on going concern basis.

- 5) 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. Though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date. As a result the company filed cases against the lenders in Hon'ble High Court of Telangana, which has restrained the lenders from taking any coercive action against the company. Further, there is no clear information on when the loans were declared NPAs by the lenders. Due to these disputes, the lenders have not been sending the interest demands and the loan statements/ confirmation of balances to the company since 4 years. The company has also been disclosing CAP debt disputes since 2018. In this background, the company has been accounting the interest on the loans as per the terms of CAP funding sanction letters with a qualification of dispute and furnishing the default details as available with it in the financial statements. This is not confirmation of dues.
- 6) The lenders are yet to approve the managerial remuneration approved by the shareholders for the Managing Director.
- 7) In relation to some of the contracts, the following international Arbitration Awards have been passed against the Company.
 - (i) in September 2016 for USD 14,398,188 (Rs 11,742.04 Lakhs) and GBP 690,630 (Rs. 626.89 Lakhs) and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and misrepresentation of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. The Matter is yet to be listed for hearing.

(ii) in October 2017, for USD 877,500 (Rs. 715.62 Lakhs), EUR 455,000 (Rs. 364.50 Lakhs), GBP 52,314 (Rs. 47.48 Lakhs) and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, hence the Company could not proceed further, and the said award is not maintainable. The Matter is yet to be listed for hearing. While the Company is contesting the enforcement of the Awards in the Courts in India a sum of Rs. 557 lakhs have been provided for in the books in FY 2018-19 in respect of matter stated in para (ii) above. Further, since the matter being sub-judice, the said claims have continued to be treated as a contingent liability.

The contingent liabilities/claims stated above, are not confirmation of dues, but record of disputes.

- 8) Based on an execution petition filed by one of the operational creditors with the Honourable High Court of Telangana, the Court had directed the company to earmark an amount of Rs 20 Crs. Accordingly, the company complied with the said order. However, despite compliance of the High Court Order, the operational creditor filed a petition before the Hon'ble NCLT Hyderabad Bench, to initiate the CIRP against the company and the same has been admitted by the Hon'ble NCLT (putting the company in CIRP under the provisions of the I&BC, 2016 vide its order dt.27.08.2021). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed the order of NCLT. The NCLAT, has since stayed the orders of the NCLT vide its orders dt.14.09.2021 and the same is being continued.
- 9) Government of India announced New Urea Policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector which are effective from 1st June 2015 to 31st Mar 2019. Government of India extended the NUP -2015 from 1st April 2019 until further orders. Income from Urea Operations has been recognised in accordance with the said policies. Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation / de-escalation, have been recognised during the quarter/ year in terms of the said policies. Adjustments, if any, required will be considered on notification of final prices.
- 10) The Management, while assessing whether there is any indication that Property Plant & Equipment (PPE) may be impaired, considered the relevant external and internal sources of information and decided to test its PPE for impairment as at 31st March 2022, by an independent professional valuer. The impairment loss, if any, will be recorded in the books as and when the impairment testing is completed in FY 2022-23.
- 11) The Company has been using the "Nagarjuna Brand / Trademarks" for its urea and other products under a license agreement Dt 29/01/1998 with the grantor, a related party. The company, during the period under report, received a claim from the grantor asserting its right for royalty for the period from 29/01/1998 to 31/12/2021. The said claim is under review by the Company for appropriate action and consequent recognition in the books will be made.
- 12) Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against NCLT Order in NCLAT on behalf of NFCL and on the request of NFCL arranged a Third Party buyer for the debt of Keytrade and deposited an amount of Rs. 20 Crores in NCLAT. With the support of this NCLAT, vide its orders dated 14th September, 2021, has stayed the orders of the NCLT and the stay is continuing as on date. NFCL would be liable to the Third Party instead of Keytrade in case the Keytrade assigns the debt and security. NFCL is also liable for servicing the interest during the period of deposit with NCLT till the date of debt assignment. The company is yet to receive the claim on interest.

- 13) The wholly owned subsidiary, JESCO, went into Voluntary Liquidation under IBC with effect from April 25, 2022, and the liquidation is in progress. The financials of the subsidiary for Q2 2022-23 as received from the liquidator have been consolidated.
- 14) The consolidated results include results of subsidiary, i.e Jaiprakash Engineering and Steel Company Ltd and excludes associates, (i)Nagarjuna Agricultural and Research Development Insititute and (ii) KVK Raju International Leadership Ltd. The associates are excluded as there are no operations in the said Companies.
- 15) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable with that of the current periods.

HYDERABAD

14th November, 2022



K. RAHUL RAJU
MANAGING DIRECTOR

Balance Sheet

₹ in Lakhs

Particulars	Consolidated	
	As At September 30, 2022 (Unaudited)	As At March 31, 2022 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2,06,552.56	2,10,618.76
(b) Capital work-in-progress	29.65	23.75
(c) Financial Assets		
(i) Investments		
(ii) Others	355.24	475.04
Total non-current Assets	2,06,937.45	2,11,117.55
2. Current Assets		
(a) Inventories	14,286.61	4,640.22
(b) Financial Assets		
(i) Trade Receivables	2,28,631.04	48,493.22
(ii) Cash and Cash Equivalents	7,736.82	2,113.81
(iii) Bank Balances other than (ii) above	2,246.74	2,259.07
(iv) Other Financial assets	247.73	760.94
(c) Current Tax Assets (Net)	464.72	363.42
(d) Other Current Assets	22,586.06	5,959.13
Total current assets	2,76,199.72	64,589.81
Total - Assets	4,83,137.17	2,75,707.36
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	(1,55,731.62)	(1,23,229.06)
Equity attributable to shareholders of the Company	(1,49,750.97)	(1,17,248.41)
Non-Controlling Interest	2.82	2.82
Total Equity	(1,49,748.15)	(1,17,245.59)
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,282.42	2,183.53
(ii) Lease Liabilities		
(ii) Other Financial Liabilities	6,970.78	6,986.73
(b) Provisions	542.91	508.86
(c) Deferred Tax Liabilities (Net)	22,749.70	24,054.59
(d) Other Non-Current Liabilities	171.83	345.79
Total non-current liabilities	32,717.64	34,079.50
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,66,424.96	2,53,869.18
(ii) Trade Payables		
(A) Micro Enterprises and Small Enterprises	67.47	100.52
(B) Other than Micro Enterprises and Small Enterprises	3,29,656.49	98,666.78
(iii) Other Financial Liabilities	1,514.07	1,580.74
(b) Other Current Liabilities	1,908.07	4,111.20
(c) Provisions	596.62	545.03
Total current liabilities	6,00,167.68	3,58,873.45
Total liabilities	6,32,885.32	3,92,952.95
Total Equity and Liabilities	4,83,137.17	2,75,707.36

Nagarjuna Fertilizers and Chemicals Limited
Consolidated Cash Flow Statement for the Year ended 30st September 2022

Rs.in Lakhs		
Particulars	Year ended September 30, 2022	Year ended March 31, 2022
A. Cash Flow from Operating Activities		
Loss before Tax	(33,807.44)	(71,975.43)
<i>Adjustments:</i>		
Depreciation and Amortisation	4,096.68	8,208.51
Impairment of Land	-	-
Provision for Doubtful Debts / Advances	639.29	3,647.03
Reversal of provision	-	0.80
Interest Income	(0.17)	-
Finance Cost	25,697.04	36,963.48
Impairment of CWIP	-	429.80
Deferred government grant	(173.95)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	0.29	(0.56)
Operating Profit before working capital changes	(3,548.26)	(23,074.28)
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	2,30,956.66	55,186.31
Increase/(decrease) in long term provisions	34.05	19.63
Increase/(decrease) in short term provisions	51.59	298.26
Increase/(decrease) in other current liabilities	(2,203.13)	419.03
Increase/(decrease) in other current financial liabilities	(91.67)	36.69
Increase/(decrease) in other long term liabilities	9.03	(530.69)
Decrease/(increase) in trade receivables	(1,80,777.11)	(30,441.89)
Decrease/(increase) in inventories	(9,646.39)	187.91
Decrease/(increase) in Non-current - Other Financial Assets	119.80	233.79
Decrease/(increase) in other current assets	(16,626.92)	3,388.71
Decrease/(increase) in other Current financial assets	513.22	1,013.31
Cash generated from/(used) in operations	18,790.87	6,736.78
(Direct Taxes Paid -net of refunds)	(101.30)	(251.52)
Net cash flow from / (used) in operating activities	18,689.57	6,485.26
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(36.52)	(54.44)
Interest Received	0.17	-
Proceeds from Margin Money Deposits	12.33	1,979.09
Proceeds from Sale of fixed assets	(0.17)	3.42
Net cash flow from / (used) in investing activities	(24.19)	1,928.07
C. Cash flow from Financing activities		
Repayment of long term borrowings	(242.90)	(519.54)
Finance Costs paid	(15,924.02)	(17,799.57)
Net cash flow from / (used) in financing activities	(16,166.92)	(18,319.11)
Net Increase/(decrease) in Cash and Cash Equivalents	2,498.46	(9,905.78)
Cash and Cash Equivalents as at beginning of the year	(1,21,819.33)	(1,11,913.55)
Cash and Cash Equivalents as at end of the period	(1,19,320.87)	(1,21,819.33)

Notes:

Rs. in Lakhs		
Particulars	Year ended September 30, 2022	Year ended March 31, 2022
Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	7,714.29	2,099.24
Cheques, drafts on hand	-	-
Cash on hand	22.53	14.57
Cash and Cash Equivalents	7,736.82	2,113.81
Less: Cash Credit	1,27,057.69	1,23,933.14
Cash and Cash Equivalents in Cash Flow Statement	(1,19,320.87)	(1,21,819.33)

Handwritten Signature



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O/C

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Independent Auditor's Review Report on the Quarterly / Half-yearly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Nagarjuna Fertilizers and Chemicals Limited,
Nagarjuna Hills,
Hyderabad- 500082.

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Nagarjuna Fertilizers and Chemicals Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended 30 September, 2022 and for the period from 01 April 2022 to 30 September 2022 (the "Statement") attached herewith, being submitted by "the Holding Company" pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. "The Statement", which is the responsibility of the Holding Company's Management and approved by the Holding Company's 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, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review
3. We conducted our review of the 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 of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance





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that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. Based on our review conducted as above, except for the matters stated in para 5 & 6 below, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty Relating to Going Concern

We refer to Note No.4 to "the Statement", "the Group" has been incurring losses continuously which has resulted in complete erosion of Net Worth of "the Group". The current liabilities exceeded the current assets. "The Holding Company" had defaulted in respect of its dues/liabilities. These indicate that material uncertainty exists that casts a significant doubt on the Group's ability to continue as a going concern.

However, the management of "the Holding company" believes that the assumption on the preparation of the financial results of "the Group" for the Quarter ended 30th September, 2022 is still appropriate as "the Holding company" is actively working amicably to resolve the disputes with lenders and completion of resolution plan and hopeful of a positive outcome and approval of resolution plan and the Holding Company's management assessed various events/conditions which have an impact on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

6. Emphasis of matter

We refer to the following notes to "the Statement":

- a) Note No 5: "the Holding company" has been accounting interest on the loans as per the terms of Corrective Action Plan (CAP) funding sanction letters, in the absence of interest demands and the Loan statements/confirmation of balances from the Lenders.





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- b) Note No 6: In case of "the Holding company" the lenders are yet to approve the managerial remuneration approved by the Shareholders for the Managing Director.
- c) Note No 7: The claims as per the International Arbitration Awards passed against "the Holding Company" in September 2016 and October 2017, aggregating to USD 15,275,688, GBP 742,944 and EUR 455,000 and INR 221.39 Lakhs (equivalent Aggregate amount of Rs. 13717.92 Lakhs) and interest thereon as applicable apart from costs, are continued to be shown as a contingent liability since the matter being sub-judice.
- d) Note No 8: Hon'ble NCLT admitted a petition filed by an operational creditor to initiate the CIRP against "the Holding Company" under the provisions of the I&BC, 2016, which has since been stayed by the Hon'ble NCLAT.
- e) Note No 9: "The Holding Company" has recognised Income from Urea Operations, Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation/de-escalation during the quarter in terms of new Urea policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector. Adjustments, if any, required will be considered on notification of final prices.
- f) Note No 11: In case of "the Holding company" Claim from a related party asserting its right for Royalty for the period from 29.01.1998 to 31.12.2021, is under review by "the Holding Company" for appropriate action and consequent recognition in the Books.
- a) Note No 12: Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against Hon'ble NCLT Order in Hon'ble NCLAT on behalf of "the Holding company" and on the request of "the Holding company", arranged a Third Party buyer for the debt of Key trade and deposited an amount of Rs. 20 Crores in Hon'ble NCLAT. With the support of this Hon'ble NCLAT, vide its orders dated 14th September, 2021, has stayed the orders of the Hon'ble NCLT and the stay is continuing as on date. "The Holding company" would be liable to the Third Party instead of Key trade in case the Key trade assigns the debt and security. "The Holding company" is also liable for servicing the interest during the period of deposit with Hon'ble NCLT till the date of debt assignment. "The Holding company" is yet to receive the claim on interest.





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- g) Note No 13: The wholly owned subsidiary, JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED (JESCO), went into Voluntary Liquidation under IBC with effect from April 25, 2022, and the liquidation is in progress. The financials of the subsidiary for Q2 2022-23 as received from the liquidator have been consolidated.

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



7. Other Matter Paragraph

We did not review the interim financial statements/financial information/ financial results of "the Subsidiary" included in the consolidated unaudited financial results of "the Group", whose interim financial statements/ financial information/financial results reflect total assets of Rs.12.47 Lakhs as at 30th September, 2022 and total Revenues of Rs. 0.02 Lakhs and Rs. 0.15 Lakhs and total comprehensive Income/ (loss) of Rs. (0.58) Lakhs and (2.09) Lakhs for the Quarter and half year ended 30th September, 2022 respectively and net cash flows of Rs.12.23 Lakhs as at 30th September, 2022.

These interim financial statements/ financial information/ financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on "the Statement", in so far as it relates to the amounts and disclosures included in respect of the subsidiary (JESCO), is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

For P. Murali & Co
Chartered Accountants
FRN: 007257S

A. Krishna Rao
Partner

M.No. 020085

UDIN: 22020085BDCDOW1504

Place: Hyderabad

Date:14.11.2022