Registered Office :
Nagarjuna Hills,
Hyderabad - 500 082. INDIA
Phones : 23357200, 23357204
23357589, 23356859
Fax : (91-40)23354788
Website : www.nagarjunafertilizers.com
CIN - L24129AP2006PLC076238

NAGARJUNA GROUP
Nagarjuna Fertilizers and Chemicals Limited

November 03, 2022

To
BSE Limited
P J Towers, Dalal Street, Fort
Mumbai – 400001
Scrip Code: **539917**

To
The National Stock Exchange of India Ltd
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Symbol: **NAGAFERT**

Dear Madam/Sir,

Sub: Annual Report 2021-22 – Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

MASAPATHRI VIJAYA BHASKER

Digitally signed by MASAPATHRI VIJAYA BHASKER
DN: c=IN, o=PERSONAL, title=0680, pseudonym=05555109c7d85b9d37822a6fb64d3890df9f1c09ee9b41d1d1f27fa7a24d569c, postalCode=504106, st=Telangana, serialNumber=ae76a2c3ad211a2596a281acc1bf9c5f9f6ac1e7498b5cccb0e800df7267b78, cn=MASAPATHRI VIJAYA BHASKER
Date: 2022.11.03 18:24:26 +05'30'

Board of Directors

Uday Shankar Jha
Chairman

Chandrapal Singh Yadav
Nominee of KRIBHCO

Lalitha Raghuram
Independent Director

Rajendra Mohan Gonela
Independent Director

K Rahul Raju
Managing Director

Sudhakara Rao Annam
Chief Financial Officer

Registered Office

D. No 8-2-248,
Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082. India

CIN: L24129TG2006PLC076238

Website
www.nagarjunafertilizers.com

Manufacturing Facilities

Urea
Kakinada, East Godavari Dist,
Andhra Pradesh

Micro-Irrigation
Nacharam, Hyderabad, Telangana
Sadashivpet Mandal, Medak District, Telangana
Halol, Panchmahal Dist., Gujarat

Statutory Auditors

M/s. JVSL & Associates
Chartered Accountants
Hyderabad

Vijaya Bhasker M
Company Secretary

Notice of 16th Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting (AGM) of the members of Nagarjuna Fertilizers and Chemicals Limited (the Company) will be held on November 29, 2022, at 10:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the 16th Annual Report of the Company, the Financial Statements for the Financial Year ended March 31, 2022 and the Reports of the Directors and Auditors thereon.
2) To appoint a Director in place of Mr. Uday Shankar Jha (DIN: 00056510) who retires by rotation and being eligible offers himself for re-appointment.
3) To appoint a Director in place of Mr. Chandrapal Singh Yadav

General Meeting at such remuneration as may be agreed by the company and the Statutory Auditors."

5) To approve appointment of M/s. P Murali & Co., as the Statutory Auditor's of the Company for a period of five years.

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

"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."

6) To ratify the remuneration of the Cost Auditors for the Financial Year 2022-23

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

"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"

By order of the board

Uday Shankar Jha

Hyderabad
October 28, 2022

Chairman
DIN: 00056510

Notes

1. The Ministry of Corporate Affairs ("MCA") vide General circular numbers 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022, dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022, respectively, read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), allowed Companies to hold Annual General Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of members at a common venue.

2. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to convene the 16th AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

3) In compliance with the Circulars, notice of 16th Annual General Meeting (AGM) along with Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositorie(s). The Notice of the 16th AGM along with the Annual Report 2021-22 is available on the Company's website at http://nagarjunafertilizers.com/inv_annual.htm, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively.

   The Notice of the 16th AGM is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

4) A member entitled to attend and vote at the 16th AGM is not entitled to appoint a proxy to attend and vote instead of himself / herself as the facility for appointment of proxies by the members will not be available.

5) Participation of members through VC shall be reckoned for the purpose of quorum for the 16th AGM as per section 103 of the Companies Act, 2013 ("the Act").

6) As the 16th AGM is being held through VC, the route map, proxy form and attendance slip are not attached to this Notice.

7) Institutional Investors and Corporate Members are encouraged to attend and vote at the 16th AGM through VC. Institutional Investors and Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a scanned copy of certified Board resolution / authorization letter to the Company at investors@nfcl.in.

8) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the Special Businesses set out in the Notice is annexed hereto.

9) Brief profile of Mr. Chandrapal Singh Yadav and Mr. Uday Shankar Jha, proposed to be re-appointed as the Directors along with names of Companies in which they hold Directorships and Memberships/Chairmanships of Board and its Committees, shareholding and their relationship with other directors inter-se, and other intormation prescribed is annexed hereto.

10) The Register of Members and the Share Transfer Books will remain closed from November 23, 2022 to November 29, 2022 (both days inclusive).

11) In terms of Section 124 of the Companies Act, 2013, (Section 205C of the Companies Act, 1956), the dividends which remained unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account pertaining to the F.Y. 2011-12, has been transferred by the company to the Investor Education and Protection Fund (IEPF), established by the Central Government and all corresponding shares has also been transferred to the demat account of IEPF Authority.

12) Members / claimants whose shares, unclaimed dividends, etc. which have been transferred to the demat account of the IEPF Authority, may apply for refund or claim the shares respectively by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee prescribed by the IEPF Authority from time to time. Members/claimants can file only one consolidated claim in a financial year as per the IEPF Rules. Form IEPF- 5 is also available on the website of the Company at viz., www.nagarjunafertilizers.com under the 'Investors' Desk section.

13) SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the company's RTA at Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082.

14) SEBI mandated listed companies to disallow from accepting request for transfer of securities which are held in physical form, with effect from April 01, 2019. Shareholders are requested to convert physical shares to demat form compulsorily if they wish to effect any transfer.

15) Members are requested to promptly intimate / update PAN, KYC details i.e., name, postal address, e-mail address, telephone/mobile numbers, mandates, nominations, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to Depository Participants if the shares are held in electronic form and to the Company's RTA if the shares are held in physical form in prescribed Forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021. The said form are available on the Company's website under Investor's Desk ⟶ In-House RTA/STA

16) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate;

claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form is available on the Company's website under Investor's Desk ⟶ In-House RTA/STA. It may be noted that any service request can be processed only after the folio is KYC Compliant.

17) Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified. Members whose shareholding is in the electronic mode are requested to inform change of address, notifications and updates of Bank account details to their respective Depository Participants only.

18) Members are requested to update the Bank account number allotted after implementation of Core Banking Solutions (CBS) to the Company in case of shares held in physical form and to Depository Participant (DP) in case of shares held in demat form.

19) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company's In-house RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

20) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.

21) Members desiring any information relating to accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready at the Annual General Meeting.

22) As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialized form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.

23) We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's Inhouse Share Transfer Agent (STA), to receive copies of the Annual Report 2021-22, in electronic mode at investors@nfcl.in

24) The Company has paid the listing fees to BSE Limited and National Stock Exchange of India Limited, Mumbai, where the securities of the Company are listed.

25) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be made available electronically for inspection by the members during the AGM. Members intending to inspect the said registers are requested to write to investors@nfcl.in

26) Members are requested to address all correspondences, including dividend matters, to Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082.

27) The Company has designated an exclusive e-mail ID titled investors@nfcl.in for the redressal of shareholders complaints / grievances. In case of any unresolved queries / complaints / grievances, please write to us at secretarial@nfcl.in

28) Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings, the Company is providing remote e-voting facility and e-voting during the 16th AGM, to all the shareholders of the Company in respect of all the businesses set forth in the Notice.

    The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting services through their e-voting platform. Your Demat Account/Folio Number has been enrolled by the Company for your participation in remote e-voting facility and e-voting during the 16th AGM.

    A Member shall opt only one mode of voting i.e., either remote e-voting or e-voting during 16th AGM. Members who have cast their vote by remote e-voting may attend the meeting but shall not be allowed to vote again at the 16th AGM. Voting, if exercised, shall be invalid and the vote cast through remote e-voting shall be considered.

    Remote e-voting facility will be available on the website www.evotingindia.com from Saturday, November 26, 2022 at 09.00 A.M. and ends on Monday, November 28, 2022 at 5.00 P.M, after which the facility will be disabled by CDSL and remote e-voting shall not be allowed beyond the said date and time. The notice is also available on the website www.evotingindia.com.

    The voting right of shareholders shall be in proportion to the amount paid up on the total number of shares held by the respective shareholder with the total share capital issued by the company as on the cut-off date i.e. November 22, 2022.

e-voting of any company, then your existing password is to be used.

6. If you are a first time user follow the steps given below:

Login type	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant Nagarjuna Fertilizers and Chemicals Limited on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investors@nagarjunagroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the 16th AGM is same as the instructions mentioned above for e-voting.
2. The Members can join the 16th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 16th AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 16th AGM without restriction on account of first come first served basis.
3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 16th AGM.
5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@nfcl.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@nfcl.in. These queries will be replied to by the company suitably by email.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present in the 16th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 16th AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the 16th AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to special business Items mentioned in the accompanying notice.

Item No.4

The Members of the Company at the 15th Annual General Meeting held on September 27, 2021, had appointed M/s. JVSL & Associates, (Firm Registration No, 015002S) Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the 15th Annual General Meeting till the conclusion of the 20th Annual General Meeting.

M/s. JVSL & Associates, Chartered Accountants, Hyderabad, vide letter dated August 12, 2022, had communicated the resource constraints and exit of senior trained associates / resource personnel from the Audit Firm and not being able to provide adequate staff for audit purpose and after due confirmation from the Statutory Auditor's that they could not retain these personnel nor find suitable replacements for them and not be able to carry out the statutory audit and limited reviews of the company within the time lines, the company agreed to restrict the audit and resign effective from August 12, 2022, resulting in casual vacancy as envisaged under section 139(8) of the Companies Act, 2013.

Accordingly, in terms of the provisions of Section 139(8) of the Companies Act, 2013, the Board of Directors at their meeting held on August 30, 2022, basis the recommendation of the Audit Committee, subject to the approval of the member of the Company, have appointed M/s. P Murali & Co., (Firm Registration No 007257S), as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. JVSL & Associates, (Firm Registration No, 015002S) Chartered Accountants, Hyderabad, till the conclusion of the ensuing 16th Annual General Meeting at such remuneration as may be agreed by the Company and the Statutory Auditors.

M/s. P Murali & Co., Chartered Accounts, have consented to their appointment as Statutory Auditors and have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India and if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board of Directors recommend the appointment of M/s. P Murali & Co., (Firm Registration No 007257S), as the Statutory Auditors of the Company to fill the casual vacancy till the conclusion of the ensuing 16th Annual General Meeting at such remuneration as may be agreed by the Company and the Statutory Auditors for the approval of the Members of the Company.

None of the Director(s) or Key Managerial Personnel of the Company and / or their relatives are concerned or interested finaicially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set forth at Item No. 4 for the approval of the Members.

Item No.5

The Company in terms of Section 139 of the Companies Act 2013, is required to appoint the Statutory Auditors of the Company for a period of 5 years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting.

Accordingly, the Board of Directors at their meeting held on October 28, 2022, basis the recommendation of the Audit Committee, subject to the approval of the member of the Company, have recommended the appointment of M/s. P Murali & Co., (Firm Registration No 007257S), as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting, at such remuneration and actual out of pocket as may be determined by the Members of the Company.

M/s. P Murali & Co., Chartered Accounts, have consented to their appointment as Statutory Auditors and have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India and if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board of Directors recommend the appointment of M/s. P Murali & Co., (Firm Registration No 007257S), as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting, at such remuneration and actual out of pocket as may be determined by the Members of the Company, for the approval of the Members of the Company.

None of the Director(s) or Key Managerial Personnel of the Company and / or their relatives are concerned or interested finaicially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set forth at Item No. 5 for the approval of the Members.

Item No.6

In terms of the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the company is required to have its cost records audited by a Cost Accountant in practice.

Accordingly, the Board of Directors at their meeting held on June 14, 2022 on the recommendation of the Audit Committee, approved the appointment and remuneration of Rs. 4 Lakhs plus service tax as applicable and reimbursement of out of pocket expenses, to M/s. D V & Associates (Firm Registration No. 001929), Cost Auditors, Hyderabad to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2023, for the products "Fertilizers (Plant I and 2 at Kakinada) and other Machinery and Plastic and Polymers (Micro Irrigation Products).

Further, in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, The Board of Directors recommends the ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2023, as set out in the resolution, for the services rendered / to be rendered by the Cost Auditor for the approval of the Members of the Company.

None of the Director(s) or Key Managerial Personnel of the Company and / or their relatives are concerned or interested finaicially or otherwise in the Resolution mentioned at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for the approval of the Members.

Inspection of Documents

The documents pertaining to Special Businesses will be made available electronically for inspection by the Members during the AGM. Members intending to inspect are requested to write to investors@nfcl.in

By order of the board

Uday Shankar Jha

Chairman
DIN: 00056510

Hyderabad
October 28, 2022

Financial Summary

The 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 Crores mainly on account of Higher energy consumption and interest cost by Rs. 21.14 Crores

Share Capital

The Paid-up Equity Capital of the Company as on March 31, 2022, is Rs.59,80,65,003/- consisting of 59,80,65,003 Equity Shares of Re.1/- each.

Transfer to Reserves

There has been no transfer to General Reserves during the Financial Year 2021-2022 in view of losses incurred by the Company.

Dividend

The Board of Directors of your company, after considering the operational performance and keeping in view the company's Dividend Distribution Policy, has decided not to recommend any Dividend for the year under review.

COMPANY'S AFFAIRS

Plant Operations

Urea

Your Company during the financial year 2021-22 manufactured 9.142 LMT of urea as against 7.434 LMT in the previous year. The production for the year 2021-22 is less compared to the usual level, owing to low load operation of Unit II due to Ammonia-II Synthesis Converter problem till 17th Aug 2021 and then onwards shutdown of Unit-II till end of financial year.

Micro-Irrigation

Micro Irrigation Company achieved a production of 4.19 Lakh Meters in FY 2021-22 against 36.67 Lakh Meters during the previous year. PVC pipes production of 0.021 Lakh Meters in FY 2021-22 against 1.87 Lakhs Meters during the previous year.

Marketing

Urea

Your Company achieved a sale of manufactured urea of 9.18 LMT compared to 7.55 LMT in the previous year.

Other Traded Products

Traded Bulk Products

Your Company could not sell any of the Traded Bulk Products during the year. In the previous year also, there was no sale of Traded Bulk Products.

Specialty Fertilizers

Your Company could not sell Specialty Fertilizer during the year in comparison with sales of 71 MT during the previous year.

Micro-nutrients

Your Company could not sell Micro-nutrients during the year in comparison with sales of 38 MT during the previous year.

Supplements and OSR

Your Company could not sell Supplements & OSR during the year in comparison with sales of 19 MT/KL during the previous year.

Customized Fertilizers

Your Company sold 5117 MT of Customized Fertilizers during the year in comparison with sales of 13674 MT during the previous year.

Nagarjuna Brand

The Company has been using Nagarjuna Brand/ Trademarks under a License Agreement dated January 29, 1998. The Company had defaulted in payment of royalty dues under the said License Agreement. The Grantor had sent a notice for cancellation of the Royalty Agreement as the Company has outstanding royalty payments. The granter had also claimed dues with RP appointed by NCLT in 2021 when the company was admitted to NCLT. However, upon stay order from NCLAT, and discussions on settlement of outstanding dues, the Grantor had allowed continuance of the Brand usage by the Company upto end of December, 2022.

Environment and Safety

Environment

Your Company continues its mission of protecting the environment and has inculcated the concept right down the organization. The statutory compliance on environmental matters is being complied from time to time.

Health & Safety

By following the best practices and with adoption of international standards and procedures, Plant Operations continued. Your Company as on March 31, 2022, completed 57,25,496 accident free man-hours by employees and contractors of the Company.

Further to strengthen the procedures and practices, MAH inspection at Ammonia Storage Tanks and Cooling Towers Area, Safe Work Practices Audit, PPE Audit etc., were conducted. Refresher Training has been given to Rescue Squad and basic Fire Fighting techniques to Associates.

Energy Saving Schemes Implementation at NFCL, Kakinada

The Company is taking necessary steps in relation to the revised Energy Norms and Target set by Department of Fertilizers (5.50 Gcal/MT Urea from 2020-21 onwards).

Change in the nature of business

During the year, there was no change in the nature of business of the company.

Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the Report.

Reasons for Financial Stress and Debt Resolution Status

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.

As per the RBI circular dated 30th January, 2014, titled as 'Early Recognition of Financial Distress, Prompt Steps for Resolution and fair recovery for lenders: Framework for revitalizing distress assets in the economy':

- The Reserve Bank of India has to set up a Central Repository of Information on Large Credits to collect, store and disseminate credit data to lenders.
- Before any loan accounts turn into an NPA, the banks are required to identify and categorize such accounts as 'Special Mention Accounts' (SMA). The banks are to closely monitor the accounts reported as SMA's.
- In SMA-2 accounts if Principal or interest payment overdue between 61-90 days is reported by one or more lending banks, it would trigger the mandatory formation of a Joint Lenders' Forum (JLF) and formulation of Corrective Action Plan (CAP).
  - The JLF is required to explore the options to resolve the stress in the account and arrive at an early and feasible resolution to preserve the economic value of the underlying assets as well as the lender's loans.
  - The lenders under the CAP must mandatorily apply (a) Rectification or (b) Restructuring, but if Rectification and Restructuring fail, then the Lenders have an option of (c) Recovery.
- Evergreening the account by lenders (i.e., providing debt to repay debt) is strictly prohibited by RBI as a medium for rectification of account (Clause 6.3 of Circular dated 30th January, 2014).

· Projected Financials as per Agreed CAP Terms/Targets (Detailed in CAP Information Memorandum)

Projected Financials as per IM (Post CAP Implementation / Funding)	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	Total
Revenue in Crores	5,017	5,478	5,499	5,521	5,542	5,564	32,621
PAT in Crores	118	119	119	128	138	131	753

- Financial Results (due to non-implementation of CAP / Lack of Funding)

Financial Results (due to non-implementation of CAP / Lack of Funding)	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	Total
Revenue in Crores	4,010	3,420	3,969	1,967	1,734	1,599	16,698 (-15,923)
PAT in Crores	-93	-122	-22	-491	-472	-615	-1,815

- Projected Cash Flows as per Agreed CAP Terms/Targets Vs Actual Cash Flows due to non-implementation of CAP / Lack of Funding

Projected Cash Flows Vs Actual Cash Flows	FY 16	FY 17	FY 18	Total Cash Deficit
Projected DSCR by JLF	1.00	1.36	1.14	
Actual DSCR by JLF due to lack of funds	0.61	0.54	0.82	
Cash Deficit for servicing Debt Liability	-190.26 Crores	-220.23 Crores	-81.16 Crores	-491.65 Crores

On account of GAIL pipeline accident, NFCL's account was classified as SMA-2 due to defaults in May 2015, and due to negative / no operating cash flows to support debt servicing. The lenders formed JLF as per RBI guidelines and decided for the rectification of account with funding as a CAP to ensure that the account comes out of SMA status and not to slip into NPA.

Lenders assessed the funding required for rectification of account as (a) Working Capital Term Loan of Rs. 800 Crores (for margin money / correction of net working capital) and (b) Working Capital Limits of Rs. 3050 Crores to be disbursed in the Financial Year 2015-16.

The lenders instead released working capital term loan of Rs.621 crores (instead of Rs.800 crores) and (b) Reduced Working Capital limits (funded and non funded limits) to Rs 2058 crores instead of increasing the limits to Rs. 3050 Crores.

As per RBI guidelines of 2014 and 2105, funding assessed for rectification was not provided and the account was never rectified (resulting in negative cash flow with no DSCR, required for repayment of debt). Funding was only released to keep the account current and upgrading the account from SMA2 (which is strictly prohibited by RBI's mandatory CAP guidelines, RBI Master Guidelines of Asset Classification dated 1st July, 2015, titled as 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' and the reporting and disclosure of the account as standard is violative of RBI CLRIC guidelines dated 22nd May, 2014 titled as 'Reporting to Central Repository of Information on Large Credits'.

The under-funding/non-implementation of CAP/rectification of account resulted in Rs 1000's of crores of loss to the company. It is a well-established principle that where an agreement consists of reciprocal promises to be performed on both sides, and one

party fails to do so, then not only is the other party not required to perform its obligations but is also discharged and further entitled to compensation.

The claim of rectification of account and upgradation of account that was classified as SMA-2 by the bankers is only allowed by RBI subject to rectification of account as defined by RBI and any claim of rectification of account/implementation of CAP and upgradation of account from SMA 2 in violation of RBI's mandatory guidelines is invalid.

The Lenders classified the account as NPA in 2018 as opposed to classifying the account as NPA in 2015 from SMA 2 on account of not rectifying the account as per RBI mandated guidelines.

The rectification of account / CAP implementation and CAP debt in the books of the company is disputed on record since inception i.e., 2015.

One of the consortium banks issued a letter dated 17th September 2021 claiming to have implemented CAP. The Company had filed case against the Lenders in the Hon'ble High Court of Telangana against the contention of the Lenders that the accout was rectified/ CAP has been implemented without actually rectifying the accout/ implementing CAP in terms of RBI mandates of 2014 and 2015.

Keytrade Settlement

The Company has complied with the attachment of Rs.20 crores towards settlement of the award vide Execution Petition bearing Ex EP No. 03 of 2017, filed before the Hon'ble High Court of Telangana at Hyderabad under the provisions of Arbitration and Conciliation Act, 1996 and CPC, 1908, from its bank accounts for the exclusive entitlement of the Keytrade (decree holder) securing the award amount worth US $ 2,143,168 as ordered by the Hon'ble High Court dated 23.04.2019 in I.A. No. 2 of 2019 in EX.EP No. 3 of 2017. Thereafter the company has also filed an affidavit stating that the said order passed by the Hon'ble High Court of attachment was complied. The company has no pending dues/compliance on the EP filed by Keytrade.

However, despite compliance of the Execution Petition Order of the Hon'ble High Court of Telangana at Hyderabad, Keytrade had filed a petition before the Hon'ble NCLT Hyderabad Bench, to initiate the Corporate Insolvency Resolution Process (CIRP) against the company on the same issue suppressing Hon'ble High Court compliance and the same has been admitted by the Hon'ble NCLT under the provisions of the IBC, 2016 vide its order dated August 27, 2021. Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against the said order of NCLT in NCLAT. The NCLAT has since stayed the orders of the NCLT vide its orders dt.14.09.2021 and the stay is in operation as on date.

Agricultural Lands:

The company is in possession of agricultural lands at a). Kapavaram Village, East Godavari District, b). Nellore District and c). Wargal and Gowraram villages of Siddipet District, that have come into the company as part of the Scheme of Arrangement and Amalgamations and purchase of lands, which have been recorded in the books of accounts of the Company.

It has come to the notice of the Company that the Andhra Pradesh / Telangana Land Reforms Act, 1973 (Act), prohibits holding and alienation of the excess Agricultural Lands over and above the ceiling area.

The Company had identified excess Agricultural Land holding in the hands of Transferor Companies / Sellers and accordingly, the Board of Directors at their meeting held on February 12, 2020, in compliance with the requirements of the provisions of Andhra Pradesh / Telangana Land Reforms Act, 1973, and legal opinion impaired the Agricultural Lands in excess of the ceiling area and accordingly restated the Agricultural Land value in the books of accounts of the Company.

The excess Agricultural Lands at Kapavaram village also additionally were notified as Prohibited in Prohibition List by the Government of Andhra Pradesh, part of the Agricultural Lands at Nellore District in addition to being excess are under Prohibition vide Prohibition List maintained under Registration Act and part of the Lands at Wargal and Gowraram of Siddipet District, Telangana, in addition to being excess are also attached and is in absolute custody of the Department of Police, in relation to a case pertaining to the original seller.

Valuation of Property, Plant and Equipment

On account of the continuing losses the company could not spend the budgeted funds on energy and maintenance capex for the last several years.

The company on the basis of a recent technical due diligence conducted by an external agency on capex requirement (to produce at 100% capacity within the government energy norms) and considering the relevant external and internal sources of information had decided to test its Property, Plant and Equipment value for impairment by an independent professional valuer.

The current carrying value of the assets in the books of the company today are basis restructuring exercise taken up in 2010-11 by way of Merger & Amalgamation transaction (wherein the oil business was demerged, the fertiliser business got merged into Kakinada Fertilizers Limited and renamed as current NFCL and erstwhile NFCL got liquidated) and not the value at which the assets were originally acquired.

The company has appointed a valuer to value the current value of Property, Plant and Equipment (PPE) and assess impairment if any, in the current carrying value of its Property, Plant and Equipment basis which it will carry out the necessary adjustments in the books of account. As part of the exercise the valuer would also review the land allocation terms, PCB norms on utilisable land and land that is to be maintained as green belt which cannot be utilised for industrial purposes basis which the company would make necessary adjustments if any to the book value of land at Kakinada.

The decision to test the PPE for impairment has been duly disclosed in the notes to the financial results for the quarter ended 30th September and thereon. Due to covid situation, the complexity and

Appointment of Chief Financial Officer

Mr. Sudhakara Rao Annam has been appointed as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from May 24, 2021.

Executive Director

The Members of the Company at the 14th Annual General Meeting held on December 30, 2020, has approved the re-appointment of Mr. K Rahul Raju, Managing Director for a term of three years with effect from August 01, 2020.

There is no change in the status of Executive Director during the year under review.

The details of Directors being recommended for reappointment are contained in the Corporate Governance Report.

Key Managerial Personnel

The following are the Key Managerial Personnel of the Company as defined under Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2022:

a) Mr. K. Rahul Raju, Managing Director

b) Mr. Sudhakar Rao Annam, Chief Financial Officer

c) Mr. Vijaya Bhasker M, Company Secretary

Retiring by Rotation

In terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the company Mr. Uday Shankar Jha and Mr. Chandrapal Singh Yadav, retires at the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment.

The Board of Directors recommends the reappointment of Mr. Uday Shankar Jha and Mr. Chandrapal Singh Yadav, as directors liable to retire by rotation, for the consideration of the Members of the Company.

Declaration by Independent Directors

The Independent Directors have submitted their declaration to the Board that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations so as to qualify as an Independent Director of the Company.

Meetings of the Board

The Board of Directors of the Company had met four times during the year on June 29, 2021, August 13, 2021, November 12, 2021, and February 14, 2022.

Remuneration and other particulars of the Directors/ Key Managerial Personnel/ Employees

The information relating to remuneration and other particulars of the Directors / Key Managerial Personnel / Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 appears as **Annexure – II(a)** to this report.

Personnel

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules appears as **Annexure – II (b)** to this report.

Familiarization Program and Performance Evaluation

Details of the Familiarization Program and Performance Evaluation are incorporated in the Corporate Governance Report.

COMMITTEES

Audit Committee

The Audit Committee of the Board of Directors is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference are in compliance with the provisions of the Law.

The Chairman of the Committee is Mr. Rajendra Mohan Gonela, an Independent Director as on March 31, 2022, and the Committee consists of two Independent Directors, and one Non-Executive Director. The Board has accepted all the recommendation made by the Audit Committee.

The Committee meets periodically to review the internal audit report, quarterly financial results and annual audited financial statements among others and recommends its findings to the Board apart from taking action independently whenever required. The Statutory Auditors, Company Secretary, Internal Auditor and Cost Auditors attend and participate in the Audit Committee Meetings.

The Audit Committee comprises of

Mr. Rajendra Mohan Gonela	Chairman and Independent Director
Mrs. Lalitha Raghuram	Member and Independent Director
Mr. Uday Shankar Jha	Member and Nonexecutive Director
Mr. K C Bhanu[1]	Member and Independent Director

[1] Ceased to be a member with effect from June 19, 2021.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted with effect from April 22, 2014, in compliance with the provisions of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted a Nomination and Remuneration Policy with effect from October 1, 2014, for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The Nomination and Remuneration Committee on July 08, 2022, had approved the criteria for evaluation of the Board and its Committees and Individual Directors for the Financial Year 2021-22.

The Board of Directors, based on the responses received from all the Directors, evaluated the performance of the Board of Directors, its Committees, Chairman, Managing Director and the individual Directors at the Adjourned Meeting held on September 06, 2022.

Further, Independent Directors at their meeting held on August 30, 2022, had reviewed the performance of Non-Independent Directors, Chairman and the Board as a whole.

In view of the evaluation not linked to payment of remuneration, as the Company has opted only for payment of sitting fees, the evaluation has no financial implications on the Company.

Whistle Blower Policy/Vigil Mechanism

The Company formulated the Whistle Blower Policy/Vigil Mechanism in compliance with Regulation 22 of Listing Regulations and Section 177(9) of the Companies Act, 2013.

The Policy aims to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, and misappropriation of public funds among others.

Employees / associates aware of any alleged wrongful conduct are encouraged to make disclosures to the Audit Committee. The Audit Committee periodically reviews the existence and functioning of the mechanism. No personnel of the Company have been denied access to the Audit Committee. The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website. The Web link for the same is http://www.nagarjunafertilizers.com/corporate-governance/Whistle_Blower_Policy.pdf

Corporate Social Responsibility (CSR)

The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013. The Company has always desired to play a proactive role in societal development with an intention to bring positive change in the lives of many. The CSR Policy may be accessed on the Company's website at the link: http://www.nagarjunafertilizers.com/company-policies/Policy%20on%20Corporate%20Social%20Responsibility.pdf

An initiative started in 2009 with the spirit of making a difference, had deepened its roots and bigger impact and changing many more lives. The dedicated support, strength, initiative and encouragement from the associates to be part of this initiative gave impetus to the movement.

The Company supports CSR activities through Nagarjuna Foundation and Nagarjuna Education Trust which runs a school under the name of Akshara School and supports Agricultural research and formal training through Nagarjuna Agricultural Research and Development Institute.

During the year under review, the Company was not required to spend on CSR as the company had been incurring losses for the past few years. The Annual Report on CSR Activities carried out by the Company appears as **Annexure- III** to this Report.

The salient features of the policy on CSR appears as **Annexure – III(a)**

Corporate Governance

Your Company driven by a desire to be more competitive and recognized globally, had inculcated more than a decade ago rules defining ethical business, much before it was introduced as statutory compliance.

Your Company firmly believes that building a culture of compliance is more than meeting regulations and standards. Your Company has always proactively met mandated standards and practiced Corporate Governance in spirit and not just as letter of the law.

The goal of the Company in the area of Corporate Governance is to ensure fairness for every stakeholder; the company believes best practice Corporate Governance is critical to enhance and retain investor trust and to perform with integrity.

The Annual Report contains a separate section on the Company's corporate governance practices, together with a certificate from M/s. KBG Associates, Practicing Company Secretaries on compliance with conditions of Corporate Governance as stipulated under Listing Regulations.

MANAGEMENT DISCUSSIONAND ANALYSIS

A detailed report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a separate section in the Annual Report.

Business Responsibility Report

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Business Responsibility Report forms part of this Report and appears as **Annexure IV,** which describes the initiatives taken by the Company from an environmental, social and governance perspective

Related Party Transaction

All related party transactions by the Company during the financial year were at arm's length and in ordinary course of business. During the financial year, your Company has not entered into any material transaction as per the Listing Regulations with any of its related parties which may have potential conflict with the interest of the Company at large.

Disclosures pursuant to Accounting Standards on related party transactions have been made in the notes to the Financial Statements (refer Note 33). All related party transactions are placed before the Audit Committee and the Board for review and approval, as appropriate. To identify and monitor significant related party transactions, the Company has also framed a Policy on the Related Party Transactions and the same is available on the Company's website. Web link for the same is http://www.nagarjunafertilizers.com/pdfs/Policy_on_Related_Party_Transactions.pdf

All the related party transactions entered during the year were in Ordinary Course of the Business and on Arm's Length business. Particulars of Contracts or Arrangements with Related parties appears as **Annexure V** to this report.

Particulars of loans, guarantees or investments

There are no loans, guarantees and investments under Section 186 of the Act as at the end of the Financial Year 2021-22.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Disclosure in terms of Section 134(3)(m) read with Rule 8(3) of The Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption, earnings and outgo of foreign exchange is attached as **Annexure-VI** to this Report.

Annual Return

The Annual Return of the Company for the year ended March 31, 2022, is placed on the website of the Company. The web link for the same is http://www.nagarjunafertilizers.com/inv_annualreturn.htm

Compliance with Secretarial Standards

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India SS-1 – Meetings of Board of Directors and SS-2 – General Meetings.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There were no significant awards that have been passed by any Court or Judicial Authority against the company during the Financial Year 2021-22 impacting the going concern status and Company's operations in future.

Adequacy of Internal Financial Controls with reference to Financial Statements

The Company maintains all its records in SAP system and the work flow and approvals are routed through SAP.

The Company's Internal Auditors scrutinize on periodical basis and ensure that the internal controls and the work flow of the organization are being don191 2ughd theapproved poldicesy of

,r

n, WhistlheBlower P

SheBrokers
12) andExctangheBoardr ofIndia.s

The Board of Directors in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, recommends the appointment of M/s. P Murali & Co., (Firm Registration No 007257S), as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting, at such remuneration and actual out of pocket as may be determined by the Members of the Company for the approval of the Members.

Auditors Report

M/s. J V S L & Associates, Chartered Accountants, Statutory Auditors', 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 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.

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.

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.

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.

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.

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

a) Emphasis of Matter given in Note (i) of the Auditor's Report on standalonefinancial statements read with Note 20 of Notes forming part of the standalonefinancial statements for the year ended March 31, 2022, are self-explanatory anddo not call for any further comments.

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

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) 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) 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) 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.

Cost Auditor & Cost Audit Report

Cost Auditor

In terms of Section 148 of the Companies Act, 2013 and the Rules made there under the Company is required to undertake Audit of the cost accounts maintained by the Company by a Cost Auditor.

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on June 14, 2022,, appointed M/s. D V & Associates as Cost Auditor's, at a remuneration of Rs.4 Lakh plus taxes as applicable and reimbursement of out-of-pocket expenses for conducting the audit of cost records of the company for the Financial Year 2022-23.

The remuneration payable to the Cost Auditor's for the Cost Audit undertaken / to be undertaken is subject to ratification by the members of the company.

The Board of Directors recommends the remuneration payable to the Cost Auditor for the Financial Year 2022-23, for the approval of the Members.

Cost Audit Report

M/s. Sagar & Associates, Cost Auditors have issued Cost Audit Report for the Financial Year 2021-22, which does not contain any qualification, reservation or adverse remarks.

Secretarial Auditor & Secretarial Audit Report

Secretarial Auditor

The Board of Directors at their meeting held on June 14, 2022, pursuant to the provisions of Section 204 of the Companies Act, 2013, have appointed Mr. C S S Krishna, Partner, M/s. KBG Associates, Company Secretaries, Hyderabad as the Secretarial Auditor's of the Company to undertake Secretarial Audit for the Financial Year 2022-23.

Secretarial Audit Report

M/s. KBG Associates, Secretarial Auditor's, have issued the Secretarial Audit Report for the Financial Year 2021-22, which does not contain any qualification, reservation, or adverse remark. The Secretarial Audit Report appears as Annexure - VII to this Report.

Internal Audit

The Company has well established system of Internal Audit which carries out audit on Risk based Internal Audit framework covering the gamut of financial, marketing, plant operations and service functions.

The Company's Internal Audit function has obtained Quality Management System ISO 9001, certificate since December 2006 and the same was upgraded to ISO 9001:2015.

A Chief Internal Auditor of the Company has been appointed by the Board of Directors, in compliance with the Companies Act, 2013 and Listing Regulations.

Remuneration Policy

The salient features of the policy on director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board, appears as Annexure VIII to this report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company. The Nomination and Remuneration Policy may be accessed on the Company's website at the link: http://www.nagarjunafertilizers.com/pdfs/Nomination%20and%20Remuneration%20Policy%20-%20nfcl.pdf

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place Policy on Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Company has not received any complaints pertaining to sexual harassment during the FY ended March 31, 2022.

D. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013 your Directors hereby report that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

During the year, the industrial relations at all the works of the company were cordial

ACKNOWLEDGEMENT

Your directors place on record their gratitude to the Government of India, Government of Andhra Pradesh, Government of Telangana and the Financial Institutions and Company's Bankers for their assistance and cooperation.

Further, the Company places on record its sincere appreciation for the continuing support and unstinting efforts of investors, dealers and associates and all stakeholders.

CAUTIONARY STATEMENT

The Board's Report may contain certain statements that the Company believes are or may be considered to be "forward looking statements" within the meaning of applicable securities law and regulations. All these forward-looking statements are subject to certain risks and uncertainties, including but not limited to Government action, economic developments, risks inherent to the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward-looking statements and the company is not obliged to update any such forwarding looking statements.

By Order of the Board

Uday Shankar Jha
Chairman
DIN: 00056510

Hyderabad
October 28, 2022

ANNEXURES TO BOARD REPORT

ANNEXURE – I - Form AOC 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts)Rules, 2014 – Form AOC-I)

Part "A": Subsidiaries

Rs. In lakh

Particulars	Subsidiary Company
	Jaiprakash Engineering and Steel Company Limited
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April 1, 2021 to March 31, 2022
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR
Share capital	2,25,97,203 shares of Rs.10/- each
Reserves and Surplus	(2378.82)
Total assets	14.86
Total Liabilities	14.86
Investments	0
Turnover	0
Profit/(Loss) before taxation	(1911.62)
Provision for taxation	0
Profit after taxation	(1911.62)
Proposed Dividend	0
% of shareholding	99.84%

Part "B": Associates and Joint Ventures

Rs. In lakh

Particulars	Nagarjuna Agricultural Research and Development Institute Private Limited	KVK Raju International Leadership Limited
1. Latest Audited Balance Sheet Date	March 31, 2022	March 31, 2022
2.Shares of Associate /Joint Ventures held by the Company at the year end		
i) Number	25,020	1,50,000
ii) Amount of Investment in Associates / Joint Venture	2.50	15.00
iii)Extent of Holding %	25%	42.85%
3. Description of how there is significant influence	By virtue of shareholding	By virtue of shareholding
4. Reason why the associate / joint venture is not consolidated	The Company had made provision for diminution in the entire value of investment as it is not in operation and net worth is negative	The Company had made provision for diminution in the entire value of investment as it is not in operation and net worth is negative
5. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Considered as zero since net worth is negative	Considered as zero since net worth is negative
6. Profit / Loss for the year		
i) Considered in Consolidation	-	-
ii) Not Considered in Consolidation (refer point no.4 above)	0.00	0.00

By Order of the Board

Uday Shankar Jha
Chairman
DIN: 00056510

Hyderabad
June 14, 2022

ANNEXURE – II (a)

Particulars of Remuneration of Directors / Key Managerial Personnel / Employees

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year- 2021-22

S.No.	Name of the Director	Median Remuneration (Rs.)	Directors Remuneration (Rs.)	Median Remuneration in %
1.	Mr. K Rahul Raju	5,28,522	69,37,888	13.15%

b) The Percentage increase in remuneration of Director, Chief Executive Officer, Manager, Chief Financial Officer, Company Secretary in the Financial Year- 2020-21

S.No.	Name	Designation	2020-21 (Rs.)	2021-22 (Rs.)	Percentage Increase of salary
1.	Mr. K Rahul Raju	Managing Director	69,49,728	69,37,888	-0.17
2.	Mr.Annam Sudhakara Rao	Chief Financial Officer	-	34,34,926	-
3.	Mr, Vijaya Bhasker M	Company Secretary	18,31,827	22,54,544	23.08

c) The percentage increase / (decrease) in the median remuneration of employees in the Financial Year 2019-20

Particulars	2020-21 (Rs.)	2021-22 (Rs.)	Percentage Increase of Medi-an salary
Median Salary	5,28,522	5,81,626	10.04%

d) The number of permanent employees on the rolls of the Company

	2020-21	2021-22
No. of Employees	948	866

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

8.45% % including Managerial personnel except directors.

f) Affirmation that the remuneration is as per the remuneration policy of the Company

The Remuneration paid is as per the remuneration policy of the Company.

ANNEXURE – II (b)

Statement of Particulars of Employees

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No	Name	Designation	Remuneration received	Nature of Employment	4 X D O L À F D tions	Years of experience	Date of commencement of employment	Age	Last employment held by employee before joining	Number of equity share held	Relation with Director or Manager
1.	Mr. K.RAHUL RAJU	MANAGING DIRECTOR	69,37,888	Refer Note 1	B.Com (Hons)	23	01-08-11	45	JMD, Nagarjuna Fertilizers and Chemicals Ltd., (Merged)	Nil	-
2.	Mr. RAMESH MADHAV DESHPANDE	SR.EXECUTIVE DIRECTOR & HEAD OPERATIONS	88,58,276	Refer Note 1*	M.Com, LLB	49	03-04-07 @	74	Advisor to MD, GSFC	Nil	-
3.	Mr. GOLLAPUDI SAI SRINIVASA RAO	Vice President - Legal	83,19,114	Refer Note 1	LLM	26	17-04-17	54	Vice President - Reliance Communications Ltd	Nil	-
4	Mr. G V S ANAND	VICE PRESIDENT – OPERATIONS.	63,70,288	Refer Note 1	M.E (Chemical)	34	04-06-10	58	Sr. Engineer, SAUDI ARABIA INTERNATIONAL CHEMICALS LTD.	Nil	-
5	Mr. R RAGHAVAN	EXECUTIVE DIRECTOR - MANUFACTURING	62,64,023	Refer Note 1*	B.Tech, BOE	39	01-04-99	62	Day Co. Ordination Urea Plant, SAFCO . SABIC Group.	Nil	-
6	Mr. K RAVINDRA	VICE PRESIDENT-OPERATIONS(SUPPLY CHAIN)	47,07,728	Refer Note 1	M B A	27	01-01-11	50	DGM, BIJAM BIO SICENCES PVT LTD	Nil	-
7	Mr. A NASARA REDDY	EXECUTIVE DIRECTOR - SALES & MKTG.	46,31,039	Refer Note 1*	M B A (Marketing)	37	10-12-87	62	Marketing Representative, E.I.D.PARRY(I) LTD	Nil	-
8	Mr. SUDHAKAR RAO INALA	VICE PRESIDENT HPD	44,99,964	Refer Note 1	MSW	39	19-11-20	62	Sr.G.M Corporate - Apollo Pharmacies Ltd	Nil	-
9	Mr. B VINOD KUMAR	CHIEF INTERNAL AUDITOR	36,20,542	Refer Note 1	C A	28	19-11-20	52	Accounts Executive, SRAVANTHI ELECTRONICS PVT. LTD.	Nil	-
10	Mr. JOSYULA VENKATESWARA PRASAD	GM - ELECTRICAL & INSTRUMENTATION	35,67,177	Refer Note 1*	MSc	35	12-08-09	59	DGM,IFFCO	Nil	-

All the above mentioned appointments are non-contractual except marked '*' and are terminable by notice on either side-

Accumulated Superannuation withdrawal figures not considered for 217(2A)

NOTE: Shri.R.Raghavan, Shri.A.Nasara Reddy & Shri.Josyula Venkateswara Prasad (Fixed Term Engagement) . Date of Joining as regular employee is considered for Date of commencement.

ANNEXURE – III

Annual Report on CSR activities of the Company

(Pursuant to Section 135 of Companies Act, 2013)

1. A brief outline of the CSR Policy of the Company

At Nagarjuna, we believe in philosophy of "SERVING SOCIETY THROUGH INDUSTRY".

We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

The Nagarjuna Group with the support of Nagarjuna Foundation, a not-for-profit Company incorporated under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), with Registered Office at Nagarjuna Hills, Punjagutta, Hyderabad, Nagarjuna Education Trust (under the aegis of Nagarjuna Foundation) and Nagarjuna Agricultural Research and Development Institute, undertakes various activities under Corporate Social Responsibility.

At Nagarjuna, we define CSR as:

- Conducting affairs of our Company in a socially acceptable manner
- Understanding, supporting and developing the communities and the cultures within which we work
- Protecting the environment and safety of the people connected with the Company and the surroundings.
- Enhancing the value of the Company through sustainable growth

Our CSR Framework:

Nagarjuna's CSR Framework consists of following four important dimensions:

- Investors and other stakeholders
- Customers
- Employees
- Community

Compliance:

Compliance with this policy is continuously monitored and subject to review by the Company.

In the ensuing year, the major focus will be on development of the Communities located in and around the Plants of the Company with continued support to Investors and other stakeholders, Customers and Employees.

2. Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Director-ship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attend-ed during the year
1.	Mrs. Lalitha Raghuram	Chairperson and Independent Director	1	1
2.	Mr. K Rahul Raju	Member and Executive Director	1	1
3.	Mr. Uday Shankar Jha	Member and Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

http://www.nagarjunafertilizers.com/inv_corp.htm

4.Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.

Not applicable

5.Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not applicable

6. Average net loss of the company as per section 135(5) - Rs. (48,060.08) lacs

7. (a) Two percent of average net profit of the company as per section 135(5): Not applicable

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.: Nil

(c) Amount required to be set off for the financial year, if any.: Nil

(d) Total CSR obligation for the financial year (7a+7b+7c). Nil

8.(a) CSR amount spent for the financial year:

The Company supports CSR activities through:

1. Nagarjuna Education Trust, established in 1990, runs a school under the name of "Akshara School" also catering to the children of the employees of the Company on the land it has leased from NFCL. admeasuring 35 acres to provide better primary, secondary and higher education, sports facilities and other initiatives for the benefit of the community at large in and around Kakinada; and
2. Nagarjuna Agricultural Research and Development Institute established in 1995 which supports agricultural research and farmer training under lease of agricultural land situated at Wargal, admeasuring 97.14 acres from the Company.

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment: Not applicable

9.(a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

	K Rahul Raju	**Lalitha Raghuram**
Hyderabad August 30, 2022	Managing Director	Chairperson, CSR Committee

---

ANNEXURE - III (a)

Policy on Corporate Social Responsibility

Our Philosophy

At Nagarjuna, we believe in philosophy of "SERVING SOCIETY THROUGH INDUSTRY".

Our Culture:

We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

Our Definition

At Nagarjuna, we define CSR as:

- Conducting affairs of our company in a socially acceptable manner
- Understanding, supporting and developing the communities and the cultures within which we work
- protecting the environment and safety of the people connected with the company and the surroundings.
- enhancing the value of the company through sustainable growth

Our CSR approach

At Nagarjuna, CSR is an initiative to "create new value" to economic, environmental and social issues and is intended to identify our Company with the society to establish rapport, increase competitiveness, and achieve sustainable growth, for better social development.

Practicing CSR does not mean compromising our business standards or values. It means taking a fresh approach to our objectives in order to reduce the social and environmental impacts of our business and to meet the needs of all our stakeholders.

Our principles

We recognise that we must integrate our business values and operations to meet the expectations of our stakeholders. They include customers, employees, regulators, investors, suppliers, the community at large and the environment.

- We recognise that our social, economic responsibility and commitment to preserve environment forms integral part of our business. We aim to demonstrate these responsibilities through our actions and corporate policies.
- We take seriously all feedback from our stakeholders and, aim to meet their aspirations and our commitments.
- We shall be honest and transparent in communicating our strategies, targets, performance and governance to our stakeholders at all times.
- The responsibility of translating this policy into action rests with all associates throughout the company.

Our CSR Framework

Nagarjuna's CSR Framework consists of following four important dimensions:

- Investors and other stakeholders
- Customers
- Employees
- Community

Investors and other stakeholders

We strive to maximize shareholders wealth through our consistent performance to achieve long term sustainable growth.

- We will provide information on our policies, performance and activities to all stakeholders and shareholders on a timely and accurate basis
- We shall ensure a high level of business performance and aim for best practices of corporate governance
- We shall provide honest, accurate, reliable, ethical, qualitative and complete corporate information to the shareholders to enable them make investment decisions and be proactive in clarifying any information which may be detrimental to the interests of all stakeholders.
- All business decisions will be made in the best interests of the company and not motivated by personal interest or gain
- We ensure that no insider will misusa3 <<(and pr s.7 i proar gain)]

- We shall deliver high quality products which meet their needs and also promote the safe and responsible handling of the products.
- Customer complaints shall be resolved in the shortest time to their satisfaction.
- We shall treat all customers fairly and with respect
- We will work with our suppliers and other business partners on the basis of mutual respect and trust and so far as practicable, require that they act in accordance with our values.

Employees

At Nagarjuna there is no 'Human Resource Development' but only 'Human Potential Development' and there are 'no' employees, only 'associates' who are treated equally with dignity, respect, and fairness. Associates are not 'resources', but persons with 'potential' who are free to exhibit their capability and allowed to exploit their potential.

- We are an equal opportunity employer and committed to treat all employees and qualified applicants for employment openly, fairly and equitably with clear and fair terms of employment and remuneration.
- We shall attract and retain the best people and provide the appropriate training and development opportunities to help them reach their full potential
- We shall provide, and strive to maintain, a clean, healthy and safe working environment that is free from harassment.
- We encourage associates to develop and evolve themselves as successful managers to lead the society from the front and we also encourage entrepreneurship among them by providing adequate opportunities and training.
- We shall treat the family of the associates as an integral part of the company and render all support whenever required.
- We shall protect their personal information at all times.

Communities

We strive to be a responsible corporate member of each and every community where we operate and support efforts of our employees to that end.

- We are committed to being an industry leader by conducting our activities responsibly to minimize any adverse impact of our operations on employees, the public at large and the environment.
- Through effective partnerships, we shall continue our initiatives on water and energy efficiency, education and environmental improvement within the community.
- We aim to create employment opportunities to the communities in which we operate and shall support and encourage our employees to help local community organizations and activities in our region
- We will not be part of a political party or take part in any political activity nor encourage any associate to do so. We will not support policies which are detrimental to the public at large.
- No employee shall directly or indirectly offer, promise to pay or authorize the payment of money or kind to Government officials, political parties or candidates or to an employee of a company with whom the company does business or is seeking to do business, for the purpose of influencing the acts or decisions of such persons or parties.
- Associates shall devote their full attention to the business interest of the company and should not engage in activities that are conflicting or interfere with their responsibilities towards the company or is advantageous to the company's competitors.
- Associates under no circumstances shall accept any money, gift, privilege or any other service or thing of value from the company's customers, vendors, consultants or any other transacting party.
- Associates must ensure that they do not conduct the company's business with a relative or with an entity in which a relative is associated or with an organization where they are directly or indirectly interested or where they shall derive a benefit from the transaction.
- Opportunities that are discovered through company's position and sources shall not be exploited or made use of, by the associates for their personal gain or advantage, unless such opportunity is fully disclosed to the Board of Directors of the company.
- We shall take our environmental responsibilities seriously and be aware of the impacts of our operations on the local communities.

Compliance

Compliance with this policy will be continuously monitored and subject to review by the Company. Associates who notice a breach of this policy must report it to the Chairman immediately.

ANNEXURE - IV

Business Responsibility Report 2021-22

SECTION A: General Information about the Company

1.	Corporate Identification Number	:	L24129TG2006PLC076238
2.	Name of the Company	:	Nagarjuna Fertilizers and Chemicals Limited
3.	Registered Address	:	D. No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082, Telangana, India
4.	Website	:	www.nagarjunafertilizers.com
5.	E-mail id	:	investors@nfcl.in
6.	Financial Year reported	:	1st April 2021 – 31st March 2022
7.	Sector(s) that the Company is engaged in	:	C6, E1
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	1) Neem coated Urea 2) Customized Fertilizers
9.	Total number of locations where business activity is undertaken by the Company		
	a. Number of International Locations	:	NA
	b. Number of National Locations	:	13 Branches/offices all over India and the Registered Office.
10.	Markets served by the Company	:	India

SECTION B: Financial Details of the Company

1.	Paid up Capital (INR in Lakhs)	:	59,80.65
2.	Total Turnover (INR in Lakhs)	:	2,69,233.25
3.	Total profit/Loss after taxes (INR in Lakhs)	:	-66,990.62
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Not Applicable
5.	List of activities in which expenditure in 4 above has been incurred:-	:	Not Applicable

SECTION C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	:	Jaiprakash Engineering And Steel Company Limited (under Voluntary Liquidation under IBC, 2016)
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	:	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	:	No

SECTION D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 00015990
2. Name: K. Rahul Raju
3. Designation: Managing Director

b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number	00015990
2.	Name	K. Rahul Raju
3.	Designation	Managing Director
4.	Telephone number	040-23357200
5.	e-mail id	rahul@nfcl.in

2. Principle-wise (as per NVGs) BR Policy/policies

Principles as per NVG:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the Environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

S. No.	Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, they are in line with National Voluntary Guidelines (NVG) on Social, environmental and economic principles.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by Managing Director / owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.nagarjunafertilizers.com/inv_corp.htm								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y								

a. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Name	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	NA								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Principle 3 - Businesses should promote the well-being of all employees.

1.	Please indicate the Total number of employees.	866
2.	Please indicate the Total number of employees hired on temporary/contractual/ casual basis.	490 (Out-sourced)
3.	Please indicate the Number of permanent women employees.	28
4.	Please indicate the Number of permanent employees with disabilities	0
5.	Do you have an employee association that is recognized by management.	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	104 members

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a. Permanent Employees
b. Permanent Women Employees
c. Casual/Temporary/Contractual Employees
d. Employees with Disabilities

S. No	Description	Total Strength	No.of employees undergone Safety & Skill Upgradation during 2021-22	% of employees undergone Safety & Skill Upgradation during 2021-22
a	Permanent Employees	866	203	23.4%
b	Permanent Women Employees	28	0	0
c	Casual/ Temporary/ Contractual Employees	490	0	0
d	Employees with Disabilities	0	0	0

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

   Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

   Yes. Company has identified stakeholders who could be vulnerable and marginalized viz., society at large, employees including women employees, vendors, etc., Special initiatives have been taken by the Company to engage with the said stakeholders through set up of unique mechanisms.

   CSR initiatives, Whistleblower mechanism, Prevention of sexual harassment at work place, vendor grievances redressal mechanism are a few of them.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Policy on Human Rights covers the Company and its interface with suppliers, contractors, etc. wherever possible.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The Company has not received any stakeholder complaint during the previous financial year.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   The Policy covers the Company and its interface with suppliers, contractors, etc., wherever possible.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

   Yes. The Policies of the Company have strategic initiatives on Health, Safety & Environment, Bio diversity etc. the policies can be accessed on the website of the company at: http://www.nagarjunafertilizers.com/inv_corp.htm

3. Does the Company identify and assess potential environmental risks?

   Yes, the Company has a mechanism to identify and assess potential environmental risks at plant level as well as corporate level. Potential Environmental risks also form a part of Business Risk Management Model, where all business related risks are identified and their mitigation strategies and plans are worked upon.

We have been given to understand that since the Company is admitted to NCLT, Hyderabad and currently there is a stay from NCLAT, Chennai, the Company is not in a position to fulfill the requirement but however, the Company is in the process of identifying a suitable candidate for the appointment of Independent Director.

l. The Directors have not recommended any dividend on the equity capital of the Company during the FY 2021-22.

m. Transfer of Unpaid and Unclaimed dividend to the Investor Education and Protection Fund: Nil

n. Borrowings and registration, modification and satisfaction of charges wherever applicable;

o. Investment of the Company's funds including investments and loans to others;

p. Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;

q. Directors' Report including the response by the Company for the Remarks of the Auditors vide their Audit Report for the FY 2020-21

r. Contracts, common seal, registered office and publication of name of the Company; and

s. Mr. K Rahul Raju, had resigned as the Chief Financial Officer of the Company with effect from 24th May, 2021.

Mr. Sudhakar Rao Annam was appointed as Chief Financial Officer with effect from 24th May, 2 21.

B. Under the Companies Act, 2013, We further report that

i) The Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act except as specified in the report.

Further we report that, as on 31st March, 2022 the Board of the company consists of 5 Directors. Of the Directors, 2 are "Independent Directors", 1 "Nominee Director", 1 "Non-Executive Director" and 1 "Executive Director (including a women director as prescribed regulations under Companies Act and SEBI Regulations).

Justice Shri K C Bhanu (Rtd) had resigned from the office of Independent Directorship of the Company with effect from 19th June, 2021 and the Company is required to appoint one Independent Director on the Board

Furthermore, we have been given to understand that since the Company is admitted to NCLT, Hyderabad and currently there has been a stay from NCLAT, Chennai, the Company is not in a position to fulfill the requirement but however, the Company is in the process of identifying a suitable candidate for the appointment of Independent Director.

Furthermore, it is to be noted that :

c) Mr. K.C. Bhanu resigned wef 19th June 2021

d) Mr. Sudhakar Rao Annam, was appointed as Chief Financial Officer wef 24th May, 2021, consequent to the resignation of Mr. K Rahul Raju as the Chief Financial Officer wef 24th May, 2021.

ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes if any.

iv) There were no prosecution initiated or no other fines or penalties were imposed during the year under review under SCRA, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

v) The Directors have complied with the disclosure requirements in respect of their independence and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

vi) We report that the Minimum Remuneration paid to the Managing Director during the year in terms of his appointment approved by the Shareholders in the Annual General Meeting held on 30th December 2020 for a period of 3 years effective 1st August 2020, is yet to be approved by the lenders as required by the Companies (Amendment) Act, 2017 in view of the defaults in payment of dues to lenders.

vii) Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, vide order dated August 27, 2021, had initiated Corporate Insolvency Resolution Process (CIRP) under Section 9 of Insolvency and Bankruptcy Code, 2016 (IBC, 2016) in respect of a claim of M/s Key Trade AG, Switzerland, Operational Creditor.

However, Hon'ble National Company Law Appellate Tribunal (NCLAT), Chennai, had vide order dated September 14, 2021, granted stay on the implementation of the order dated August 27, 2021, passed by the Hon'ble NCLT, Hyderabad Bench, and the stay is extended from time to time and is in force as on the date of this report.

2.Under the Securities Contracts (Regulation) Act, 1956, We report that

The Company has complied with the requirements of Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act.

3. Under the Depositories Act, 1996, We report that

The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. Under FEMA, 1999, We report that

The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

5. Under Reserve Bank of India Act, 1934, we report that:

We have given to understand that the company does not require complying any of the provisions under the Reserve Bank of India Act, 1934.

6. Under the SEBI Act, We report that

a. The Company has complied with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except as mentioned in this report.

b. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 with regard to disclosures and maintenance of records required under the Regulations and we note that there are no transactions falling under the purview of these regulations during the financial year under review.

c. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with regard to disclosures and maintenance of records required under the Regulations.

d. The Company is not required to comply with the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of' Employees Stock Option Scheme, Grant of Options and related disclosures and other aspects as no such transaction had arisen in this respect during the year under review.

e. The Company is not required to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 as there was no issue and no allotment of convertible warrants on preferential basis to entities in the Promoters Group.

f. We further report that, the company has complied the Secretarial Standards issued by The Institute of Company Secretaries of India with regard to Meeting of the Board Meeting (SS-1) and General Meeting (SS-2)

g. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

7. Responsibility for other information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, including the standalone financial statements and the auditor's report thereon.

Our opinion does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Secretarial Audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Secretarial Audit or the laws applicable to the Company or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The said other information is expected to be made available to us after the date of this audit report. When we read the other information, when furnished to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984D000580030

Date: 7th July, 2022
Place: Hyderabad

*Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-I" and Forms an integral part of this report.

Annexure to Secretarial Audit Report

To The Members
Nagarjuna Fertilizers and Chemicals Limited
Nagarjuna Hills, Punjagutta, Hyderabad – 500 082. Telangana

Our report for the even date to be read with the following Letter;

S. No.	Particulars

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Pursuant to analysis made; we have been given to understand that the scope of the audit is restricted to
   (a) Companies Act, 2013
   (b) SEBI Act, 1992
   (c) The Depositories Act, 1996
   (d) Foreign Exchange Management Act, 1999
   (e) Securities Contracts (Regulation) Act, 1956
   (f) Reserve Bank of India Act, 1934

For KBG Associates
Company Secretaries
Firm Regn No # P2009AP006100

Srikrishna Chintalapati
Partner
CP No: 6262

Date: 7th July, 2022
Place: Hyderabad

ANNEXURE - VIII

Nomination and Remuneration Policy

Introduction

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Objective

The objectives for adopting the policy are:

a) To ensure that the level and composition of remuneration payable to KMP and others is reasonable and sufficient to attract, retain and motivate persons to join the Board of Directors of the company so as to provide the company the required strategic direction.

b) To clarify that remuneration is linked to performance and there exists appropriate benchmarks

c) To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives synchronizing the same to the working of the company and its goals

d) To lay down criteria for identifying persons to be qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration

e) To carry out evaluation of Directors, Key Managerial Personnel and Senior Management

f) To ensure that the remuneration is being paid across the organization based on prevailing trends in the industry to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

Appointment of Directors, Key Managerial Personnel and Senior Management

a) The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.

b) The Committee shall ascertain the qualifications, expertise and experience of the persons to be appointed as Directors, KMP and Senior Management and recommend their appointment to the Board of Directors.

c) The decision of the Board of Directors based on the recommendation of the Committee shall be final

d) The appointment including tenure of Directors and KMP shall be subject to the policy of the company, provisions of Companies Act, 2013, Listing Agreement and other relevant laws.

e) The Committee shall evaluate their performance on a yearly basis and recommend their removal to the Board, if required.

Remuneration of Directors, KMP, Senior Management and other employees

a) The remuneration payable to the Whole Time Directors shall be as per the provisions of the Companies Act, 2013 and other relevant provisions.

b) The remuneration payable to KMP and Senior Management shall be approved by the Committee on case to case basis.

c) The increments to the existing remuneration structure

1) In relation to Board of Directors based on the evaluation of performance
2) In relation to KMP and Senior Management shall be approved by the Committee based on the recommendation of the Managing Director
3) In relation to others shall be approved by the Managing Director based on the market conditions, performance of the company and other relevant factors from time to time.

Remuneration to Non-Executive and Independent Directors

The Non-Executive and Independent Directors of the company shall only be paid sitting fees (as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination

The Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655, dated November 03, 2021, read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/687, dated December 14, 2021, to enhance the ease of doing business for investors in the securities market, as prescribed Standardized, simplified and common norms for processing investor service requests.

Accordingly, Members are requested to promptly intimate / update PAN, KYC details i.e., name, postal address, e-mail address, telephone/mobile numbers, mandates, nominations, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to Depository Participants if the shares are held in electronic form and to the Company's RTA if the shares are held in physical form in prescribed form.

The prescribed forms for updating PAN, KYC details and Nomination are as under:

Form ISR-1: Request for Registering PAN, KYC Details or Changes Updation thereof

Form ISR-2: Confirmation of Signature of securities holder by the Banker

Form ISR-3: Declaration Form for Opting-out of Nomination

Form SH-13: Nomination Form

Form SH-14: Cancellation or Variation of Nomination

The said form are available on the Company's website under Investor's Desk ⟶ In-House RTA/STA.

Further, in terms of the said circular the members holding shares in physical form are requested to submit valid PAN only i.e., PAN linked with Aadhaar number. The folios wherein valid PAN, KYC details and Nomination are not available on or after April 01, 2023, shall be frozen by the RTA. The RTA shall revert the frozen folios to normal status upon a) receipt valid PAN, KYC details and Nomination or b) dematerialization of all the securities in such folios

Transfers / Transmissions etc. of shares only in dematerialized form

The SEBI vide its Notification dated June 8, 2018 notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 wherein it mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. The shareholders are requested to take note of the same.

Further, in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8, dated January 25, 2022, listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request.

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal / Exchange of securities certificate;

iv. Endorsement;

v. Sub-division / Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission;

viii. Transposition;

Accordingly, Members are requested to promptly convert physical shares to demat form compulsorily

Transfer of Dividends and Corresponding Shares to Investor Education Protection Fund

The Company had paid dividend to the shareholders for the financial year 2011-12 on August 31, 2012. The period of seven years as envisaged in the Companies Act and the rules made thereunder has expired during the month of September, 2019. The Company as required by law has sent notice of intimation of transfer of shares and dividends to the shareholders dated June 30, 2019, and published an advertisement in the newspapers as required by law requesting the shareholders to claim the unclaimed / unpaid dividend within the due date as mentioned in the notice.

The Company has transferred the unpaid / unclaimed dividend and corresponding shares to Investor Education and Protection Fund during the month of October 2019.

Members / claimants whose shares, unclaimed dividend, etc. which have been transferred to the demat account of the IEPF Authority, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. Member/ claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Form IEPF- 5 is also available on the website of the Company at viz., www.nagarjunafertilizers.com under the 'Investors' section.

Corporate Governance Report

A. Company's Philosophy

At Nagarjuna, we believe in the philosophy of 'Serving Society through Industry', with the Nagarjuna Culture being 'We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society'.

This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its interactions with stakeholders, customers, associates and community at large which has always propelled the Group towards newer horizons.

Owing to the changing business environment in which the Company today operates, your Company has drawn up a Vision.

"To be global leaders in plant nutrition' with a Mission"

'We shall pioneer transformation in plant nutrition, deliver wholesome plant nutrition solutions to the farmers and be the organization to be associated with'.

At Nagarjuna, we persistently strive to transform our business environment. We are committed to continuously evoke customer delight through constant review, monitoring and delivering proactive value-added solutions. We are also committed to provide satisfaction of all stakeholders in a balanced manner through sustainable growth and profitability. We also aim to create an environment where work becomes an enjoyable experience aligning individual goals with organizational goals, share knowledge and information, be proactive and responsible, pursue excellence and be committed, transforming the society. We aim to create an environment which enhances opportunities for all the good things, better health, education and overall quality of living that life has to offer.

At Nagarjuna, we believe that it is not the latest technology or management practice (as important as they are) that makes an organization successful as it ought to be. However, what makes it an enterprise worthy of emulation is that it shapes the environment in which it grows through active fostering of creativity, innovation, entrepreneurship and knowledge sharing.

We believe in the principles of trusteeship, fair play and transparency in all our dealings. We endeavor to have a work culture, which is performance driven and conducive to improving discipline, accountability, character, team spirit and honesty, personally and professionally.

We also believe that mutual care and concern among the employees and the organization acts as a guiding principle.

Governance Philosophy

Your Company firmly believes that building a culture of compliance is more than meeting regulations and standards. Your Company is always proactive in meeting mandated standards and practicing Corporate Governance in spirit and not just the letter of the law.

Your Company's philosophy on Corporate Governance is based on following principles:

a) Preserving core values and ethical business conduct.
b) Commitment to maximizing shareholder value on a sustained basis.
c) To enhance the efficacy of the Board and inculcate a culture of transparency, accountability and integrity across the Company.
d) Perceiving and mitigating the various risks that impact the Company.
e) Make timely and transparent disclosures.
f) Legal and statutory compliances.

Your Company's ethos is self-regulatory system of prompt reporting, monitoring, certification and voluntary code of practice and standards improving management effectiveness, supervision and accountability to stakeholders.

Corporate Ethics

As a responsible corporate the Company consciously follows corporate ethics in business and corporate interactions. The various Codes and Policies adopted by the Company that determine its functioning are:

- Code of Conduct and Ethics for Senior Management
- Code of Conduct for Prevention of Insider Trading
- Policy on Corporate Social Responsibility
- Policy on Corporate Governance
- Policy on Related Party Transactions
- Legal Compliance Policy
- Whistle Blower Policy
- Policy on Vendor Grievances
- Policy on Supply Chain
- Policy on Succession Planning
- Policy on Employee Participation in Management
- Policy on Conflict Management
- Policy on Training for Board of Directors
- Policy on Induction of Directors
- Board Charter
- Forex Risk Management Policy
- Policy on Corporate Sustainability
- Policy on Sexual Harassment at Workplace
- Policy on Board Evaluation
- Policy on Nomination and Remuneration
- Policy for determining Material Subsidiaries
- Policy for Preservation and Archival of Documents
- Policy on Disclosure of Material Events
- Policy on Bio-diversity
- Gift Policy
- Health Safety and Environment Policy
- Human Rights Policy
- Policy on Control of Stationary
- Policy for Preservation and Archival of Documents
- Policy on Dividend Distribution

The effective implementation of tt>>B[codes / p26.8sid underpins bution

Governance consistent with the Company's goal to enhance stakeholder value. These codes / policies are briefly described in the report.

Date of Report

The information provided in the Corporate Governance Report for the purpose of unanimity is as on March 31, 2022. The Report is updated as on the date of the report wherever applicable.

B. Board of Directors

Role of Board of Directors

The Board has its own charter which sets out the role, structure, responsibilities and operation of the Board. Nagarjuna Fertilizers and Chemicals Limited (hereinafter referred to as 'NFCL') is a professionally managed Company functioning under the overall supervision of the Board of Directors.

The primary role of the Board is that of trusteeship to protect the interest of Company, its stakeholders and enhance their value. As trustee, the Board ensures that the Company has clear goals and policies for achievement which are in alignment with the Vision and Mission of the Company.

The Board provides strategic direction, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliances and safeguards interest of Stakeholders.

The Board is responsible for maintaining and nurturing high levels of Corporate Governance in the Company.

Composition of Board of Directors

The Board of Directors of the Company comprises of an optimum combination of Executive, Non-Executive and Independent Directors, including a women director in line with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

The Board comprises of a nominee of core Promoter Company, Amlika Mercantile Private Limited and a nominee of co-promoter Company, Krishak Bharathi Cooperative Limited.

As on March 31, 2022, the Company is required to appoint one Independent Director in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board as on March 31, 2022, is as under.

Category	No. Of directors	% of total no. of Directors
Executive Directors	1	20
Non-Executive Directors	1	20
Nominee Directors	1	20
Independent Directors	2	40

Skills/Expertise/Competencies available with the Board

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following skills / expertise / competencies have been identified by the Board of Directors in the context of the Company's business and sector for it to function effectively and those available with the Board of Directors and the names of directors who have such skills / expertise / competencies are as under:

- Industry Knowledge
- Strategic Planning and Implementation
- Finance, regulatory and Risk Management
- Leadership and Management
- Corporate Governance

Skills/expertise/competencies					
Name of Director	Industry Knowledge	Strategic Planning and Implementation	Finance, regulatory and Risk Management	Leadership and Management	Corporate Governance
Mr. Uday Shankar Jha	√	√	√	√	√
Mr. K Rahul Raju	√	√	√	√	√
Mr. Chandra Pal Singh					

The details of the Board and Annual General Meeting attendance, Membership in all the Committees of Board of the Company and Directorships and Committee positions held in other companies, for the year 2021-22 are as under:

Director	DIN No	Attendance Particulars at			Committees of Board of NFCL	No. of other Directorships, Committees member & Chairmanship (other than NFCL) in Public, Pvt., Sec.8 of Companies Act, 2013 etc.				
		Board Meetings		AGM held on September 27, 2021		Board			Board Committees&	
		Held	Attended			Chairman	Director	Name of Listed Company and Category of Directorship	Chairman	Member
INDEPENDENT										
Mrs. Lalitha Raghuram	07161344	4	4	No	• Audit Committee • Nomination and Remuneration • Stakeholders Relationship Committee • Corporate Social Responsibility Committee • Risk Management Committee • Management Committee	-	1	-	1	-
Mr. K C Bhanu 1	08608297	-	-	-	-	-	-	-	-	-
Mr. Rajendra Mohan Gonela	02354356	4	3	Yes	• Audit Committee • Nomination and Remuneration Committee • Stakeholders Relationship Committee	-	-	-	-	-
NON EXECUTIVE										
Mr. Chandra Pal Singh Yadav	00023382	4	2	No	Nil	-	6	-	-	-
Mr. Uday Shankar Jha	00056510	4	4	Yes	• Audit Committee • Nomination Remuneration Committee • Management Committee • Stakeholders Relationship Committee • Risk Management Committee • Corporate Social Responsibility Committee • Shares & Debentures Committee • Banking Committee • Investment committee	-	1	-	-	1
EXECUTIVE DIRECTORS										
Mr. K. Rahul Raju	00015990	4	4	Yes	• Shares & Debentures Committee • Banking Committee • Management Committee • Risk Management Committee • Investment Committee • Corporate Social Responsibility Committee	--	2	-	--	-

1 Resigned with effect from June 19, 2021

& The Chairmanship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone is considered as per Regulation 26 of Listing Regulations.

Meetings of the Board

During the year under review the Board of Directors met four times on June 29, 2021, August 13, 2021, November 12, 2021, and February 14, 2022.

Relationships Between Directors Inter-SE

There is no inter-se relationship with directors and KMP of the Company.

Board Agenda and Minutes

As a system, Agenda, Notes on Agenda and information to Directors are generally circulated not less than seven days before the meeting of the Board of Directors. All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting.

The Company is in compliance of Secretarial Standard on Meetings of Board of Directors and Secretarial Standards on

General Meetings issued by the Institute of Company Secretaries of India.

The Board of Directors meets at least once in every quarter to review the quarterly financial results and operations of the Company. Apart from this, Board Meetings are convened by giving appropriate notice to address specific needs and business requirements of the Company.

Matters of urgent nature are approved by the Board by passing resolutions through circulation.

The dates of the Board Meeting are decided well in advance and are communicated to the directors to enable them make it convenient to attend the meeting. The maximum time gap between any two consecutive meetings did not exceed 120 days except where specific exemptions have been provided in view of the COVID-19 pandemic.

The Company has a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and Committees of the Board. The Company presents a comprehensive Action Taken Report of the previous meeting to the Board of Directors at the ensuing Meeting of the Board of Directors.

Information to the Board

The Board has complete access to all the information within the Company inter-alia the following information is regularly provided to the Board as part of the agenda papers.

a) Monthly operations report and quarterly results of the Company.
b) Annual operating plans, budgets, capital budgets, cash flow, updates and all variances.
c) Contracts in which Directors are deemed to be interested.
d) Materially important show-cause notices, demand, prosecutions or other legal notices.
e) Materially relevant default in financial obligations to and by the Company.
f) Significant labour problems and their proposed solutions and other significant developments.
g) Compliance of any regulatory, statutory nature or listing requirements.
h) Minutes of the meetings of the Board of Directors and Committees of the Board of Directors.
i) Status of subsidiary companies.
j) Minutes of meetings of the Board of Directors of subsidiary companies.
k) Details of related party transactions.
l) Quarterly compliance report in terms of SEBI (Listing Obligation and Disclosure Requirements) and any non-compliance.
m) Report on risk assessment and minimization procedures.
n) Information on recruitment and remuneration of senior managerial personnel below the Board level.
o) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
p) Issues which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
q) Significant sale of investments, subsidiaries, assets, which are not in the normal course of business.
r) Details of any joint ventures or collaboration agreements.
s) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
t) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement if material.

Review of Legal Compliance Reports

The Board periodically reviews the compliance reports in respect of the various statutory enactments applicable to the Company.

Appointment of the Directors

Non-Executive Director

Mr. Uday Shankar Jha and Mr. Chandrapal Singh Yadav, Directors of the Company are liable to retire by rotation in compliance with the requirement of Section 152 of the Companies Act, 2013 and being eligible offers themselves for reappointment as Director.

The Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mr. Uday Shankar Jha and Mr. Chandrapal Singh Yadav, forms part of Notice of the Annual General Meeting.

Independent Director

Independent Directors play an important role in the governance processes of the Board. The appointment of Independent Director is done in a structure manner taking the requirement of skill sets and competence on the Board into consideration. The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. None of the Independent Directors serve as "Independent Directors" in more than eight listed companies, in line with the requirements of the Listing Regulations.

The Independent Director(s), have at the first meeting of the Board in which they participate as Director and thereafter at the first meeting of the Board in every financial year, confirmed that they meet the criteria of independence as provided under the Companies Act, 2013 and Listing Regulations.

In the opinion of the Board, the Independent Directors fulfills the conditions specified in the Listing Regulations and are Independent of the Management.

Resignation of Hon'ble Justice K C Bhanu, Retd. Independent Director

Hon'ble Justice Mr. K C Bhanu, (Retd), Independent Director resigned from the Directorship of the Company with effect from June 19, 2021, due to personal and professional reasons.

Hon'ble Justice Mr. K C Bhanu, (Retd), has confirmed that there are no other material reasons other than those mentioned above for the resignation

The Board placed on record its appreciation for the services and contributions made by Hon'ble Justice Mr. K C Bhanu, (Retd), during his tenure as the Director of the Company.

Details of Familiarization Programmes to Directors

The company believes that a Board, which is well informed / familiarized with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations.

As a practice, a familiarization programme for all the directors, with respect to changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions, is an ongoing process in the company.

While inducting Directors on the Board, formal letter of appointment is issued to the Directors, inter alia, explaining their role, function, duties, and responsibilities as Directors. The Memorandum and Articles of Association of the Company, copies of Annual Reports for the previous financial years, half year reports, organization structure, Company policies including Code of Conduct, Insider Trading Policy and Board Charter, Whistle Blower Policy etc. are also provided to the directors at the time of induction. The web link of familiarization programme is http://www.nagarjunafertilizers.com/pdfs/Familiarzation%20Prog.pdf

Remuneration of Directors

The Company has adopted a Nomination and Remuneration Policy in compliance of Section 178 of the Act and Listing Regulation. The Policy acts as a guideline for determining, among other things, the qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The Company has adopted a Policy on Board Evaluation in compliance of Act and the Regulation 19 of Listing Regulations. The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Directors on regular basis and to take necessary steps for improving the effectiveness of the Board. The Nomination and Remuneration Committee of the Board is responsible for the evaluation of the Board, Committee and Directors.

Pecuniary Relationship or Transactions

Non-Executive Directors / Independent Directors are committed to maintain a high level of Corporate Governance and as such they do not have any material pecuniary relationship or transactions with the Company except as stated in the Corporate Governance report.

Remuneration Policy

The Nomination and Remuneration Policy has been adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Act and Listing Regulations.

This Policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Remuneration to Non-Executive Directors / Independent Directors

The Non-Executive Directors of the Company, whether Independent or Non-Independent, are paid sitting fees for attending the meetings of the Board of Directors/Committees of Board of Directors which is within the limits prescribed under the Companies Act, 2013 and the Company has not paid any other fee or compensation to the Non-Executive Directors. There were no pecuniary relationships or transactions between the Non-Executive Directors, their associates or relatives, and the Company during the Financial Year 2021-22.

The details of remuneration paid to Non-Executive / Independent Directors of the Company during 2021-22 as sitting fees for attending the Meetings of the Board of Directors or Committees of the Board of Directors are as under:

Name of the Director	Sitting Fees for attending meetings of the Board of Directors / Committees of Directors (in Rs.)
INDEPENDENT	
Mrs. Lalitha Raghuram	2,85,000
Mr. K C Bhanu[1]	-
Rajendra Mohan Gonela	1,50,000
NOMINEE	
Mr. Chandra Pal Singh Yadav	30,000
Mr. Uday Shankar Jha	3,00,000

[1] Hon'ble Justice Shri K C Bhanu, (Retd), ceased to be a director w.e.f June 19, 2021

Remuneration to Executive Directors

The Executive Directors remuneration is subject to compliance with Schedule V of the Companies Act, 2013 and other applicable provisions. The Board, on the recommendations of the Nomination and Remuneration Committee, considers the remuneration of the Executive Directors. The Board recommends the remuneration of Executive Directors, for approval of the shareholders, at the General Body Meeting or any such authority as may be required.

The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company and on review of remuneration packages of CEO's of other organizations in the industry.

Apart from the above, the Executive Directors do not receive any other remuneration.

Perquisites include housing, medical reimbursement; leave travel concession, club fees, personal accident insurance, earned leave and car among others.

The Company has not entered into any contract with the managerial personnel and the notice period is governed by the rules of the Company and no severance fees is payable.

The Company does not have any stock option scheme for the managerial personnel.

The details of remuneration approved by the Members of the Company, for payment to Executive Director, during 2021-22 are as under:

Directors Name	Salary per month	Commission	Perquisites
Mr. K. Rahul Raju	Rs.5,00,000/-	0.5% of the net profits of the Company limited to annual salary	Perquisites other than medical reimbursement are restricted to an amount equal to the annual salary.

Performance Evaluation of Directors and Criteria for Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. The performance evaluation of the Board of Directors, its Committees and Individual Directors including Independent Directors has been carried out by the Board.

The Independent Directors of the Company had reviewed the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

Meetings of Independent Directors

The Companies Act, 2013 and Listing Regulations mandate that Independent Directors of the Company shall meet at least once every year without the presence of Executive Directors or management personnel. Such meetings enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act.

The Independent Directors met on August 11, 2021 and August 30, 2022, and apart from other matters connected to the operations and strategy of the Company reviewed the performance of the Non-Independent Directors, the Chairman of the Company taking into account the views of the Executive Director and Non-Executive Directors and the Board as a whole and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Related Party Transactions

The Board's Report contains information in this regard.

Responsibilities of the Directors

Responsibilities of the Board

The primary role of the Board is that of trusteeship to protect and enhance shareholder value. As a trustee, the Board ensures that the Company has clear goals and policies for achievement. The Board oversees the Company's strategic direction, makes strategic intervention, reviews corporate performance, authorizes and monitors strategic decision, ensures regulatory compliance and safeguards interests of stakeholders.

Responsibilities of the Chairman and Managing Director

The Board of Directors at their Meeting held on September 30, 2020, delegated powers to Mr. K. Rahul Raju, Managing Director to enable him to carry out the day-to-day operations of the Company. The powers encompass all areas such as finance, personnel, legal, general and miscellaneous powers.

Shares held by Executive and Non-Executive Directors

Mr. K. Rahul Raju, Managing Director does not hold any shares in the Company as on March 31, 2022.

None of the Non-Executive Directors held shares in the Company as on March 31, 2022.

Code of Conduct and Ethics

The Company adopted the Code of Conduct and Ethics for Directors and Senior Management Personnel. The Code was circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website http://www.nagarjunafertilizers.com/pdfs/Code%20of%20Conduct%20and%20Ethics_2016.pdf

The Board of Directors and Senior Managerial Personnel have affirmed their compliance with the Code and a declaration to this effect signed by Managing Director and Company Secretary appears as annexure to the Corporate Governance report.

Training for the Board Members

As part of ongoing knowledge sharing, the Board of Directors are updated with relevant statutory amendments and landmark judicial pronouncements encompassing important laws such as Company law, SEBI Law, Income Tax Law, among others at meetings of the Board of Directors.

The Board of Directors met periodically with Senior Managerial Personnel and discusses areas of interest of the Company.

The Company, as a good governance practice, put in place a "Policy on Training of Board of Directors".

Committees of the Board

The Board of Directors has constituted various committees with specific terms of reference to ensure timely and effective working of the Board of Directors and the Company in addition to comply with the provisions of the Companies Act, 2013, Rules framed hereunder, Listing Regulations and other applicable regulations, guidelines, circulars and notifications of the Securities and Exchange Board of India ("SEBI"). All decisions and recommendations of the Committees are placed before the Board of Directors. The Committees constituted by the Board are:

Audit Committee

The Committee comprises of two Independent Directors, and one Non-Executive Director. The Company Secretary acts as secretary of the Audit Committee. The permanent invitees include Managing Director, Chief Financial Officer, and representatives of statutory auditors, internal auditors and such other executives of the Company.

The Chairman of the Audit Committee was present at the last Annual General Meeting. All the Members of the Committee possess adequate knowledge of finance and accounts. The scope of the activities of the Committee is in conformity with Regulation 18 of Listing Regulations read with Section 177(4) of the Companies Act, 2013.

The Composition of the Audit Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Status	Category	Date of the Meetings and Attendance particulars			
			29.06.2021	13.08.2021	12.11.2021	14.02.2022
Mr. Rajendra Mohan Gonela	Chairman	Independent	√	X	√	√
Mrs. Lalitha Raghuram	Member	Independent	√	√	√	√
Mr. Uday Shankar Jha	Member	Nonexecutive	√	√	√	√
Mr. K C Bhanu[1]	Member	Independent	NA	NA	NA	NA

[1] Justice Shri K C Bhanu ceased to be a member with effect from June 19, 2021.

The quorum for the Audit Committee is two Members or 1/3rd of the strength of the Audit Committee, whichever is higher with at least two Independent Directors present at the meeting.

Terms of Reference

a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment remuneration and terms of appointment of auditors of the Company.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d) Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
   i. Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
   ii. Changes, if any, in accounting policies and practices and reasons for the same.
   iii. Major accounting entries involving estimates based on the exercise of judgement by management.
   iv. Significant adjustments made in the financial statements arising out of audit findings.
   v. Compliance with listing and other legal requirements relating to financial statements.
   vi. Disclosure of any related party transactions.
   vii. Qualifications in the draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

g) Review and monitor the auditor's independence and performance and effectiveness of audit process.

h) Approval or any subsequent modification of transactions of the Company with related parties.

i) Scrutiny of inter-corporate loans and investments.

j) Valuation of undertakings or assets of the Company, wherever it is necessary.

k val of

e. The Internal Audit Department adopted a risk-based approach to the Internal Audit in accordance with the recommendations of the Institute of Chartered Accountants of India. This was in comparison to the earlier system of transaction mode of Audit.

f. The Audit Committee sought clarifications from the Auditors, Cost Accountant and the Management of the Company, whenever required, in relation to the financial matters of the Company as per the scope and powers of the Audit Committee.

g. The Audit Committee meetings were interactive.

h. The Committee has recommended to the Board, the appointment of M/s. D V & Associates as Cost Accountant of the Company, for the financial year 2022-23.

i. M/s. D V & Associates have confirmed that:
   a. They are eligible to be appointed as Cost Auditor of the Company pursuant to Section 141 of the Companies Act, 2013.
   b. They hold a valid certificate of practice.
   c. They are not disqualified under any of the provisions of Section 148 of the Companies Act, 2013 and further stated that they are maintaining an arm's length relationship with the Company.

Sd/-

Hyderabad
June 14, 2022

Rajendra Mohan Gonela
Chairman Audit Committee

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors.

The Composition of the Nomination and Remuneration Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Status	Category	Date of the Meetings and Attendance particulars	
			29.06.2021	13.08.2021
Mrs. Lalitha Raghuram	Chairperson	Independent	√	√
Mr. Rajendra Mohana Gonela[1]	Member	Independent	√	X
Mr. Uday Shankar Jha	Member	Non-Executive	√	√
Mr. K C Bhanu [2]	Member	Nominee Director	NA	NA

[1] Mr. Rajendra Mohana Gonela inducted as a member with effect from June 29, 2021.

[2] Mr. K C Bhanu ceased to be member with effect from June 19, 2021

The quorum for the meeting is two Members or 1/3 of the members whichever is greater including atleast one Independent Director in attendance.

Terms of Reference:

1) Formulate and recommend to the Board a Remuneration Policy, relating to the remuneration for the directors, key managerial personnel and other employees and review/ modify the same from time to time

2) Formulate criteria for determining qualifications, positive attributes and independence of a director and review/ modify the same from time to time

3) Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.

4) Carry out evaluation of every director's performance.

5) Devising a policy on Board diversity.

6) To select, retain and terminate the services of any consultant who shall assist the Committee in discharging its functions.

The performance evaluation of Independent Directors has been carried out based on the following criteria's:

a)The independent Director is Independent from the entity, b) Director upholds ethical standards of integrity and probity, c) Director exercises objective independent judgment in the best interest of the company, d) Director has effectively assisted the Company is implementing best corporate governance practice and then monitors the same, e) Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc., f) Director keeps himself/herself well informed about the Company and external environment in which it operates, g) Director acts within his authority and assists in protecting the legitimate interest of the Company, shareholder and employees, h) Director maintains high level of confidentiality, and i) Director adheres to the applicable code of conduct for independent directors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of three directors with two being an Independent Directors. The Chairperson of the Stakeholders Relationship Committee expressed her inability to attend the last Annual General Meeting due to preoccupations.

The Composition of the Stakeholders Relationship Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Status	Category	Date of the Meetings and Attendance particulars			
			29.06.2021	13.08.2021	12.11.2021	14.02.2022
Mrs. Lalitha Raghuram	Chairperson	Independent	√	√	√	√
Mr. Uday Shankar Jha	Member	Non-Executive	√	√	√	√
Mr. Rajendra Mohan Gonela	Member	Independent	√	X	√	√

The quorum for the meeting is two Members present in person.

Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are in accordance with the provisions of Companies Act, 2013 and the Listing Regulations. It discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Stakeholders Relationship Committee includes resolving the grievances of the security holders of the Company, issue of duplicate certificates for securities of the Company, deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company, review of measures taken for effective exercise of voting rights by shareholders, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company and approve, from time to time, issue of new share certificates and transfer/transmission of shares to Investor Education and Protection Fund Authority or any other statutory body or authority, as may be applicable, and all other matters allied or incidental thereto, in pursuance of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. In order to provide quick service to investors and expedite the process of transfers, the Board of Directors had delegated sufficient powers to the Company's executives to deal with various matters including transfer of shares, transmission of shares, etc

Name, designation, and address of Compliance Officer

Mr. Vijaya Bhasker M
Company Secretary and Compliance officer
Nagarjuna Fertilizers and Chemicals Limited
D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082
Telephone: 040-66544500, E-mail: secretarial@nfcl.in

Shareholders' complaints received and solved during the year:

The company has 3, 01,005 shareholders as on March 31, 2022. During the financial year 2021-22, the status of investor complaints were as follows:

No. of Investor complaints			
Opening balance as on 01.04.2021	Received	Solved to the satisfaction of investors	Pending as on 31.03.2022
0	8	8	0

* The Investor complaints as received from the Stock Exchanges / SEBI.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of three Directors. The Committee met once during the year.

The Composition of the Corporate Social Responsibility Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Status	Category	Date of the Meetings and Attendance particulars
			29.06.2021
Mrs. Lalitha Raghuram	Chairperson	Independent	√
Mr. K Rahul Raju	Member	Executive	√
Mr. Uday Shankar Jha	Member	Non-Executive	√

The quorum for the meeting is two Members present in person.

The terms of reference:

The terms of reference of the Corporate Social Responsibility Committee are as prescribed under the Companies Act, 2013 and the Rules framed there under, and it discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility ("CSR") Policy indicating the activities to be undertaken by the Company as specified in the Companies Act, 2013, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy of the Company from time to time. The Corporate Social Responsibility Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks as also to identify business opportunities.

The Composition of the Risk Management Committee is in compliance with Regulation 21 of Listing Regulations.

The Composition of the Risk Management Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Status	Category	Date of the Meetings and Attendance particulars	
			23.12.2021	14.02.2022
Mr. K Rahul Raju	Chairman	Executive	√	√
Mr. Uday Shankar Jha	Member	Non - Executive	√	√
Mrs. Lalitha Raghuram[1]	Member	Independent	√	√

[1] Mrs. Lalitha Raghuram has been inducted as a member with effect from June 29, 2021.

The quorum for the meeting shall be either two Members or one third of the members of the Committee whichever is higher including at least one member of the Board of Directors in attendance.

The terms of reference of the Committee are as follows:

1. To lay down procedures to inform the Board of the risk assessment and risk minimization procedures in the Company.
2. To formulate a detailed risk management policy which shall include
   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
3. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

SHARES AND DEBENTURES COMMITTEE

The Shares and Debentures Committee comprises of:

Name of member	Status
Mr. Uday Shankar Jha	Chairman
Mr. K. Rahul Raju	Member

The Committee has not met during the year 2021-22 and considered the matters through circulation.

The quorum is two Members present in person.

Terms of reference:

Allotment of shares, debentures, securities, accept calls in advance and/or share capital not called up, approve/reject or otherwise deal with applications for transfer, transmission, transposition, mutation of shares and debentures, issue share and debenture certificates including duplicate, split, sub-divide or consolidated certificates and to deal with all related matters.

MANAGEMENT COMMITTEE

The Management Committee of Directors met four times during 2021-22.

The Composition of the Management Committee and the dates on which meetings were held and the attendance particulars are as under:

Name of the Member	Category	Dates of Meeting and attendance particulars			
		29.06.2021	13.08.2021	12.11.2021	14.02.2022
Mr. Uday Shankar Jha	Chairman	√	√	√	√
Mr. K. Rahul Raju	Member	√	√	√	√
Ms.Lalitha Raghuram	Member	√	√	√	√
Mr. K C Bhanu[1]	Member	NA	NA	NA	NA

[1] Mr. K C Bhanu ceased to be a member with effect from June 19, 2021.

The quorum is two Members present in person.

Terms of reference:

1. To review the operations of the Company from time to time and also formulate and review corporate objectives and strategies including long range plans for expansion / diversification of the Company's activities.
2. To formulate annual budgets/business plans for the Company.
3. To approve capital expenditure other than proposals for expansion, diversification, modernization and de-bottlenecking, including Research Projects and R&D division and investment in immovable property, above Rs.5 crore up to Rs.10 crore per proposal, excluding the authority already delegated to Managing Director or Internal Management, as the case may be, as per Delegation of Authority.
4. To approve revenue expenditure above Rs.5 crore up to Rs.10 crore in case of procurements on a single tender basis or above Rs.10 crore up to Rs.15 crore on multi-tender basis excluding the authority already delegated to Managing Director or Internal Management, as the case may be, as per Delegation of Authority.
5. To make donations/contributions to charitable and other funds other than to any political party or for political purposes up to an aggregate amount of Rs.10 lakh in any financial year.
6. To lay down and review from time to time the Company's employment policy.

BANKING COMMITTEE

The committee has not met during the year under review 2021-22.

The Banking Committee comprises of

Name of the Member	Status
Mr. Uday Shankar Jha	Chairman
Mr. K Rahul Raju	Member

The quorum is two Members present in person.

Terms of reference:

Availment of fund-based and non-fund-based credit facilities by the Company from Financial Institutions and Banks as per the limits delegated by the Board of Directors of the Company.

INVESTMENT COMMITTEE

The committee has not met during the year under review 2021-22.

The Investment Committee comprises:

Name of the Member	Status
Mr. Uday Shankar Jha	Chairman
Mr. K. Rahul Raju	Member

The quorum is two Members present in person.

Terms of reference:

1. Investment of surplus funds in units, discounting of LC backed bills, clean bill discounting, inter-corporate deposits and investment in shares.
2. To disinvest or pledge the securities such as shares, debentures, government bonds, among others, held by the Company in its name from time to time and do all such acts, deeds and things that are necessary in this regard.

RISK ASSESSMENT AND MINIMISATION PROCEDURE

The Company formulated an Enterprise Risk Management System to manage and mitigate unforeseen risks. The implementation of this system is through the Risk Management Steering Committee. The Committee is supported at the plant by the Plant Risk Management Committee and at the corporate office by Corporate Risk Management Committee.

The Committee at an early stage identifies, manages and responds to critical, cautionary and manageable risks in a systematic manner. To actively involve and inculcate the risk management right down the organization, 'Risk Owners and Risk Champions' were appointed for each department. Board members periodically review existing/new risks and action plans formulated to mitigate the risks.

SUBSIDIARY COMPANIES

The Company does not have any "material subsidiary" as defined in the Listing Regulations. The Company's policy on "material subsidiary" is placed on the Company's website and can be accessed through web link http://www.nagarjunafertilizers.com/pdfs/Policy%20on%20Material%20subsidiary.pdf

The Financial Statements and Minutes of Meeting of Board of Directors of Subsidiary Company are tabled at the Meetings of the Audit Committee and Board of Directors of the Company.

PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated the "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" which allows the formulation of a trading plan subject to certain conditions and requires preclearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares, by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The Company Secretary is responsible for implementation of the Code. The Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

The code can be accessed through web link: http://www.nagarjunafertilizers.com/pdfs/Code_Insider_Trading_NFCL_Revised_24052019.pdf

CODE OF CONDUCT AND ETHICS

The Company adopted the Code of Conduct and Ethics for Directors and Senior Management Personnel which forms the basis of its ethics and compliance program. The Code was circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website www.nagarjunafertilizers.com.

The Board of Directors and Senior Managerial Personnel have affirmed their compliance with the Code and a declaration to this effect signed by Managing Director and Company Secretary appears as annexure to the Corporate Governance Report.

C. MANAGEMENT

The management identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operation. The Company developed and implemented policies, procedures and practices that attempt to translate the Company's core purpose and mission into a reality.

All these policies, procedures and practices are elaborated hereunder:

1) Policy on Corporate Governance

The Company always makes conscious efforts to inculcate best global Corporate Governance practices and goes beyond adherence to regulatory framework. The Company towards its commitment to trusteeship, transparency, accountability and equality in all its dealings and to maintain positive bonding has put in place a 'Policy of Corporate Governance'.

2) Policy on Corporate Social Responsibility (CSR)

The Company's dedicated philosophy of "Serving Society

through Industry" is envisaged through the above policy. At Nagarjuna, CSR is an initiative to "create new value" to economic, environmental and social issues and is intended to identify your Company with the society to establish rapport, increase competitiveness, and achieve sustainable growth, for better social development.

3) Policy on Vendor's Grievances

To ensure consistent smooth and timely supply of quality material and services at economically viable and competitive prices from various vendors, without any grievances, the Policy on Vendors' Grievances is adopted.

4) Policy on Supply Chain

Your Company, being the largest manufacturer and marketer of agri inputs in South India, introduced a 'Policy on Supply Chain', to ensure quality products are delivered on time to end customers through a network of suppliers.

5) Prohibition of Insider Trading

The Company had implemented a Policy prohibiting Insider Trading in conformity with regulations of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and now is aligned the Insider Trading to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Necessary procedures have been laid for insiders identified from time to time, prohibiting trading in the securities of the Company, based on unpublished price sensitive information.

6) Policy on Succession Planning

Your Company has put in place a policy on succession planning, which is an ongoing process that identifies necessary competencies, and then works to assess, develop, and retain a talent pool of associates, in order to ensure a continuity of leadership for all critical positions.

7) Policy on Employee Participation in Management (EPM)

Your Company framed a mechanism where the associates have an involvement and ownership in the decision making process of the organization. The purpose of EPM is to increase production and productivity, evaluate costs, develop personnel, expand markets and risk management.

8) Whistle Blower Policy / Vigil Mechanism

The Company formulated a policy in compliance with Regulation 22 of Listing Regulations and Section 177(9) of the Companies Act, 2013. The Policy aims to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, and misappropriation of public funds, among others.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company were denied access to the Audit Committee.

9) Legal Compliance Policy

The Company has a Legal Compliance Policy for duly complying with central, state and local laws and regulations to achieve and maintain high business standards and benchmark the internal legal practices against international standards.

The Company uses an IT-enabled Company specific Legal Compliance Management System known as "nSure" to ensure legal and regulatory compliances of various central, state and local statutes applicable across the Company.

The system provides for tracking, monitoring and compliance at one point of control.

10) Policy on Conflict Management

The Company adopted a Policy on Conflict Management, which aims to resolve conflicts, at the lowest possible level, using procedures that address and respect the needs, interest and rights of associates in a fair and efficient manner. This is attained through the use of both, formal and informal conflict management processes. These tools are effectively coordinated through the Conflict Management System (CMS).

11) Policy on Training for Board of Directors

At Nagarjuna, we strongly believe in continuous learning. The policy ensures that the Board of Directors, being at the highest level in the organisation structure, too require training and development, to update themselves and provide best services to the Company. The training requirements of Directors vary in view of their nature of nomination on the Board and their training needs are structured accordingly.

12) Policy on Induction of Directors

The policy places the responsibility on the Chairman of the Board to ensure that all new Board members are briefed and have access to all aspects of the Company's operations. The new Directors are briefed on several matters like, duties and powers of Directors, special duties or arrangements attaching to the position, requirement to disclose Directors interest, confidentiality and right to access Company information, among others. Additionally, new Directors are provided with other information like the Company's constitution, policies, organization structure and other relevant information.

13) Board Charter

This Charter sets out the role, structure, responsibilities and operations of the Board of the Company and its delegation of authority to the management.

The Charter sets out the role of the Board as a Trustee of the stakeholders and the Company, who provides strategic direction, review corporate performance, authorize and monitor strategic decisions, ensure regulatory compliances and safeguard their interest.

14) Forex Risk Management Policy

The Company constituted a Forex Risk Committee to achieve the specific objectives of managing treasury risks within the Company's strategic approach towards business and risk management.

The Company has drawn up a Forex Risk Management Policy with the objectives of forex risk management, the risk management organization structure, the benchmarks to measure performance, operational processes to identify, measure, monitor and manage

forex risks, appropriate control parameters and MIS. The minutes of the Forex Risk Committee are reviewed by the Board of Directors at every Board meeting.

15) Policy on Corporate Sustainability

At Nagarjuna, the environmental and community responsibility extends beyond the narrow confines of compliance with statutorily-stipulated standards and aims to maintain long term harmony.

16) Policy on Sexual Harassment at workplace

Policy on Sexual harassment at the work place has been framed to be in line with The Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Act 2013 and The Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Rules 2013.

Any form of sexual harassment is unacceptable and therefore this policy is being framed to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

17) Policy on Related Party Transactions

The Company has formulated a Policy on Materiality of Related Party Transactions In compliance with Regulation 23 of Listing Regulations. The Company to the extent possible does ensure that there are no related party transactions and if entered into due to exigencies and in the event entered into shall enter into the transaction as if entered into between unrelated parties.

The Company has formulated a "Policy for Related Party Transactions" and can be accessed at www.nagarjunafertilizers.com/pdfs/Policy_on_Related_Party_Transactions.pdf

No Related Party Transaction is entered into by the Company, except in accordance with the provisions of this Policy.

18) Policy on Board Evaluation

The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Individual Directors (Independent and Non-Independent) on regular basis and to take necessary steps for improving the effectiveness of the Directors involvement in decision making in the Board.

19) Policy on Nomination and Remuneration

This policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees

20) Policy for determining Material Subsidiaries

The Policy for determining Material Subsidiaries pursuant to Regulation 16 (c) of Chapter IV of Listing Regulations, determines the criteria for classifying a subsidiary as 'Material' in accordance with the provisions of this Policy.

The Company has formulated a "Policy for determining Material Subsidiaries" and can be accessed at http://www.nagarjunafertilizers.com/pdfs/Policy%20on%20Material%20subsidiary.pdf

21) Policy for preservation and archival of documents

The Policy sets out the standard for classifying, managing and storing of records of the Company and establishes a framework for effective record management and the process for subsequent archival of such records.

22) Policy on Control of Stationary

The Policy sets out control on stationery used by Share Transfer Agent (STA) including but not limited to blank certificates, dividend / interest / redemption warrants and to periodically verify the stationary by physical verification in a transparent manner as required by Securities and Exchange Board of India (SEBI).

23) Policy on Disclosure of Material Events

The Policy is drawn in accordance with Regulation 30 of Listing Regulations which states that every Company listed on the Stock Exchange shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed Company, is material.

24) Policy on Bio-diversity

Protecting and enhancing biodiversity which is an integral part of the Company's commitment to sustainable development.

25) Gift Policy

The purpose of this Policy is to inform one and all of the Company's philosophy on acceptance by associates and giving of gifts to others.

26) HSE Policy

To lay down a policy in relation to Health, Safety and Environment.

27) Human Rights Policy

The purpose of this policy is to ensure protecting human life and promoting social well-being.

28) Policy on Dividend Distribution

The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

The policy on dividend distribution appears on the website of the Company under http://www.nagarjunafertilizers.com/pdfs/Dividend_Distribution_Policy.pdf

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a detailed annexure on Management Discussion and Analysis.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report describes the initiatives taken by the Company from an environmental, social, and Governance perspective forming pat of the Directors report,

MANAGEMENT DISCLOSURES

Directors and Senior Management Personnel of the Company, as well as certain identified key associates, in compliance with Regulation 26 of Listing Regulations, make annual disclosures

to the Board relating to all material, financial and commercial transactions where they have interest, conflicting with the interest of the Company. The interested Directors do not participate in the discussion nor do they vote on such matters when the matter is considered by the Board of Directors.

D. STAKEHOLDERS INFORMATION

DISSEMINATION OF INFORMATION

The Company established systems and procedures to disseminate relevant information to its stakeholders including shareholders, auditors, suppliers, customers, employees and financers. The primary source of information regarding the operations of the Company, including the quarterly results, can be viewed on the Company's website www.nagarjunafertilizers.com.

The quarterly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and published in widely circulated English newspaper and in vernacular newspaper.

Green Initiative:

As a responsible corporate citizen, the Company accepts and supports the "Green Initiative" undertaken by the Ministry of Corporate Affairs, enabling delivery of documents including Annual Reports through electronic mode to shareholders at their e-mail address registered with the Depository Participants / Company.

The Company has proactively requested the shareholders to inform their email IDs. As an investor-friendly measure, the unaudited quarterly financial results and audited financial results for the year ended March 31, 2022 of the Company were emailed in addition to being published in newspapers.

The Company uses this channel of communication extensively to carry out substantial correspondence with the shareholders to reduce costs while maintaining reach to the shareholders. Shareholders, who have not yet registered their email IDs, may immediately do so at investors@nfcl.in

Investor Grievance Redressal

The company has 3,01,005 shareholders as on March 31, 2022. The Company during April 1, 2021 to March 31, 2022 received and attended/resolved 1955 letters from the investors and dematerialized/rematerialized 1189 requests for dematerialization /rematerialization of shares.

The table below lists the details of shareholder's or depositor's queries/ complaints/requests received and resolved during 2021-22.

Nature of Letters	Opening Balance	Received	Replied	Closing Balance
Change of address	0	0	0	0
Revalidation of dividend warrants	0	0	0	0
Share transfers	0	0	0	0
Demat / Remat of Shares	0	1189	1189	0
Issue of dupli-cate certificates	0	3	3	0
Transmission of shares *	0	69	69	0
General queries	0	1955	1955	0

SHARE TRANSFER SYSTEM

The Company's transfer of shares is fully computerized. Applications for transfer of shares held in physical form are received at the office of the Company's In-house RTA. All valid transfers are processed and registered within 15 days from the date of receipt.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars & Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

The Company obtains certificate from a practicing Company Secretary in terms of Regulation 40(9) of the Listing Regulations certifying that all the certificates have been issued within 30 days of the date of lodgment for transfer, and thereafter submit the same to the stock exchanges

Transfer of unpaid and unclaimed amounts to Investor Education and Protection Fund (IEPF)

The Company in terms of provisions of Companies Act, 2013 and Investor Education and Protection Fund, Rules, 2016, had transferred dividend which remained unpaid and unclaimed for a period of 7 years along with their corresponding shares to IEPF.

The Members / claimants whose shares, unclaimed dividend, etc. which have been transferred to the demat account of the IEPF Authority, may apply for refund or claim the shares respectively by making an application to the IEPF Authority in Form IEPF- 5.

Name, designation, and address of Nodal Officer

Mr. Vijaya Bhasker M
Company Secretary and Compliance officer
Nagarjuna Fertilizers and Chemicals Limited
D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082
Telephone: 040-66544500 E-mail: secretarial@nfcl.in

Remote E-voting and E-voting during the AGM

In terms of the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and General circulars, the Company is providing remote e-voting facility and e-voting facility during the 16th AGM to enable members to cast their vote electronically on all the resolutions set forth in the Notice to the 16th Annual General Meeting to be held on Tuesday, November 29, 2022, at 10.00 AM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting platform to the Members.

Shareholders holding shares in dematerialized form and shareholders who have registered their email addresses with the Company shall receive the remote e-voting instructions by email.

Remote e-voting facility will be available on the website www.evotingindia.com from Saturday, November 26, 2022, at 09.00 A.M and ends on Monday, November 28, 2022, at 5.00 P.M, after which the facility will be disabled by CDSL and remote e-voting shall not be allowed beyond the said date and time. The notice is also available on the website www.evotingindia. com.

The voting right of shareholders shall be in proportion to the amount paid up on the total number of shares held by the respective shareholder with the total share capital issued by the company as on the cut-off date i.e. November 22, 2022.

Dematerialization of shares and liquidity

The shares of the company are under the category of compulsory delivery in dematerialized mode by all categories of investors.

The company signed agreements with both the depositories, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2022, 96.54 % of the shares of the company are held in electronic mode.

The status of the company's equity shares is furnished below:

Total No. of equity shares	59,80,65,003
Total No. of shareholders as on March 31, 2022	3,01,005

The table below shows the status of the equity shares of the company as on March 31, 2022:

DISTRIBUTION OF SHAREHOLDING

The table below shows the distribution of shareholding of various groups as on March 31, 2022

Shareholding	Shareholders		Shareholding	
	Number	% to Total	Value in Rs.	% to Total
Upto 5000	296955	98.65	103677189	17.34
103677189	17.34			
5001 – 10000	2127	0.71	15719443	2.63
10001 – 20000	980	0.33	14168927	2.37
20001 – 30000	315	0.1	7813746	1.31
30001 – 40000	140	0.05	4937776	0.83
40001 – 50000	110	0.04	5150950	0.86
50001 – 100000	218	0.07	16412888	2.74
100001 and Above	160	0.05	430184084	71.93
TOTAL	301005	100.00	598065003	100.00

The table below lists the distribution of promoter and non-promoter shareholding as on March 31, 2022

	Category	No. of shares held	% of shareholding
A.	Promoter's holding	341700129	57.13%
B.	Non-promoters holding		
	I. Institutional investors		
	a. Mutual funds and UTI	4730	0.00%
	b. Banks, financial institutions, insurance companies (Central/ state government institutions/ non-government institutions)	16238	0.00%
	c. Foreign Institutional Investors/ FPI/QIB	1221878	0.20%
	II. Others		
	a. Private corporate bodies	55993834	9.36%
	b. Indian public	164524617	27.51%
	c. NRIs/OCBs	5641118	0.94%
	d. Any other (please specify) trusts	148703	0.02%
	e. Foreign National	1072	0.00%
	f. HUF	4469781	0.75%
	g. IEPF	24342903	4.07%
	GRAND TOTAL	598065003	100.00%

The table below lists the details of persons holding more than 1% shareholding in the Company as on March 31, 2022

S. No.	Name of the Company	%
	Core Promoters	
1	Amlika Mercantile Private Limited	49.51%
	Co-Promoters	
1	Governor of Andhra Pradesh	3.58%
2	KRIBHCO	1.84%
3	Fireseed Limited	1.47%
	Others - Private Corporate Bodies	
1	Zuari Agro Chemicals Limited	1.86%

LIST OF PROMOTER COMPANIES OF THE COMPANY

Core Promoters

1. Amlika Mercantile Private Limited

Co-Promoters

1. Fireseed Limited
2. Government of Andhra Pradesh
3. Krishak Bharati Co-operative Limited
4. Saipem S.p.A. (formerly Snamprogetti S.p.A)

DETAILS OF GENERAL MEETINGS

The 15th Annual General Meeting of the Company was held at the Registered Office of the Company at D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, through Video Conferencing / Other Audio Visual Means.

The 14th Annual General Meeting of the Company was held at the Registered Office of the Company at D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, through Video conferencing / other Audio Visual means.

The 13th Annual General Meetings of the Company was held at KLN Prasad Auditorium, # 11-6-841, FTCCI Building, FTCCI Marg, Red Hills, Lakdikapool, Hyderabad - 500 004

The details of approvals accorded by Special Resolution by shareholders at the last three Annual General Meetings are as under:

No of AGM & F.Y	Date & Time	Special Resolutions passed
15th AGM 2020-21	September 27, 2021 at 10.00 A.M	Nil
14th AGM 2019-20	December 30, 2020 at 10.00 AM.	• Reappointment of Mrs. Lalitha Raghuram as on Independent Director for a second term of five years
		• Reappointment of Mr. K Rahul Raju as a Managing Director for a term of three years subject to compliance with the requirements of Companies Act, 2013.
		• Contribution to the PM cares relief fund and AP CM relief fund for relief efforts against Covid-19
		• Sell or Dispose off the investment held in Jaiprakash Engineering and Steel Company Limited, subsidiary company
13th AGM 2018-19	December 24, 2019 at 10.00 A.M.	• Approval of payment of remuneration to Mr. K.S. Raju, Executive Director.
		• Approval of payment of remuneration to Mr. K Rahul Raju, Managing Director.

The details of approvals accorded by Special Resolution by shareholders at the last three Extraordinary General Meetings are as under:

Date	Time	Transactions / Business approved by Special Resolutions
September 12, 2011	9.00 AM	• Alteration of Articles of Association as per Section 31 of the Companies Act, 1956.
		• Contribution of sum not exceeding Rs.1 crore per year to Nagarjuna Oil Refinery Limited (NORL) pursuant to Clause 29 of the Composite Scheme of Arrangement and Amalgamation and in accordance with Section 372A of the Companies Act, 1956
August 19, 2011	09.00AM	• Change of Name of the Company from Kakinada Fertilizers Limited to Nagarjuna Fertilizers and Chemicals Limited as per Section 21 of the Companies Act, 1956 and Orders of the High Court of Andhra Pradesh and High Court of Mumbai
		• Alteration of Articles of Association of the Company pursuant to the provisions of Section 31 of the Companies Act, 1956 and Orders of the High Court of Andhra Pradesh and High Court of Mumbai
February 25, 2011	02.30 PM	•Cancellation of existing capital of Rs.5 Lakhs of the Company pursuant to Section 100 to 103 subject to sanction of Composite Scheme
		•Approval of the Company to borrow any sum of money as per section 293(1)(d) of the Companies Act, 1956.
		•Approval to create mortgage and/ or charge as per Section 293(1)(a) of the Companies Act, 1956.

DETAILS OF PUBLIC FUNDING IN THE LAST THREE YEARS

The Company has not raised any funds from the public. There are no GDRs / ADRs / Warrants or any convertible instruments as at the end of March 31, 2022.

Commodity Price Risk / Foreign Exchange Risk and hedging activities:

The commodity price risk of the Company may arise mainly out of imported fertilizers due to fluctuation of prices in the international market. The Company controls such risk through dynamic sourcing strategy and supply plan including constant review of market conditions and costing of competitors. In addition to the above, the prices of natural gas are subject to fluctuation on account of change in prices of crude oil and demand-supply factors. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the Urea pricing policy if the consumption is within the permissible norms. The Company did not enter any transaction for hedging the commodity price risk.

The foreign exchange risk of the Company arises mainly out of import of fertilizers. The Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk exposure to the extent considered necessary through forward contracts and option structures.

MONEYS REMAINING UNCLAIMED WITH THE COMPANY

There are no unclaimed fixed deposits, unclaimed deposits and interest on deposits.

The unclaimed dividends has been transferred to IEPF Authority in terms of the provisions of the Companies Act, 2013.

Certifications:

The Managing Director and Chief Financial Officer, certify every quarter that the unaudited financial results of the Company do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

As required under Regulation 17(8) of the Listing Regulations, the Managing Director / Chief Executive Officer and Chief Financial Officer/General Manager - Accounts of the Company have certified the accuracy of Financial Statements, the Cash Flow Statements and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2022, and the Certificate is annexed to this Report.

Code of Conduct and Ethics Certification:

The Company had adopted Code of Conduct and Ethics which is available on the website of the Company (www.nagarjunafertilizers.com). The declaration given by Managing Director of the Company affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during the Financial Year 2021-22 is annexed to this Report.

Corporate Governance Compliance Certification:

A certificate from Company Secretary in Practice regarding compliance of conditions on Corporate Governance is annexed to this Report.

Director's disqualification certificate:

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

OTHER COMPLIANCES

Your Company, in recent years, undertook a series of initiatives, going beyond regulatory requirements, to ensure excellence in governance and to promote the interests of all stakeholders.

Secretarial Standards of Institute of Company Secretaries of India (ICSI)

The Company has complied with the Secretarial Standard on Meetings of Board of Directors and (SS-1), Secretarial Standards on General Meetings (SS-2), of the Institute of Company Secretaries of India (ICSI)

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not received any complaints pertaining to sexual harassment during the financial year 2021-22.

Means of Communication

i. Quarterly results:

The quarterly results of the Company are submitted to the Stock Exchanges in accordance with the requirements of the Listing Regulations.

ii. Newspapers wherein results normally published:

Quarterly / Half Yearly / Annual Audited Results are generally published in widely circulated newspapers viz., Financial Express (English daily) and Nava Telangana (Regional Newspaper – Telugu Daily).

iii. Any website, where displayed:

Quarterly / Half Yearly / Annual Audited Financial Results, Annual Reports, Announcements, Investor information, Policies etc. are displayed on the Company's website:

www.nagarjunafertilizers.com under the Investors section

iv. Whether it also displays official news releases:

Official news releases if any, are displayed on the Company's website: www.nagarjunafertilizers.com

V. Presentations made to institutions investors or to the analysts:

The presentations if any are placed on the Company's website www.nagarjunafertilizers.com.

GENERAL SHAREHOLDERS INFORMATION

16th Annual General Meeting to be held for Financial Year 2021-22	
Date	Tuesday, November 29, 2022
Time	10.00 A.M. (ISD)
Venue	Video Conference (VC) / Other Audio-Visual Means (OAVM) For details please refer to the Notice of this AGM
Dates of Book Closure	November 23, 2022 To November 29, 2022 (Both days Inclusive)
Registered Office	D.N 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082.
Compliance Officer	Mr. Vijaya Bhasker M Ph No. (040) 66544500 Email: secretarial@nfcl.in
Share Transfer Agent	Nagarjuna Fertilizers and Chemicals Limited Investors Service Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082 Telangana, India Ph No. (040) 66544500 Email: Investors@nfcl.in

Dividend history for the last five years	The Company has not declared any dividend during the last 5 Financial Years. The Directors of your company, after considering the operational performance and keeping in view the company's dividend distribution policy, has decided not to recommend any Dividend for the year under review.

The Financial year is 1st April to 31st March every year and for the FY 2022-23, the financial results are proposed to be declared as per the following tentative schedule

Particulars	Schedule
Financial reporting for the quarter ended June 30, 2022	September 06, 2022
Financial reporting for the quarter / half year ending September 30, 2022	First fortnight of November, 2022
Financial reporting for the quarter / nine months ending December 31, 2022	First fortnight of February, 2023
Financial reporting for the quarter / year ending March 31, 2023	Second fortnight of May, 2023
Annual General Meeting for the year ending March 31, 2023	August / September, 2023

Stock code:

Demat ISNI for NSDL and CDSL: INE454M01024

Name of the Stock Exchange	Script Code
BSE Limited	539917
National Stock Exchange of India Limited	NAGAFERT

The Equity Shares of the Company are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company confirms that it has paid annual listing fees to the Stock Exchanges for the year 2022-2023.

Plant Locations:

Urea Manufacturing
Nagarjuna Road, Kakinada, East Godavari Dist,
Andhra Pradesh – 533003

Micro-Irrigation
Nacharam, Hyderabad, Telangana
Sadashivpet Mandal, Medak District, Telangana
Halol, Panchmahal Dist., Gujarat

Investor Services

The Company is registered with SEBI as a Registrar to an Issue / Share Transfer Agent in Category II Share Transfer Agent which offers all share related services to its Members and Investors. These services include transfer / transmission / dematerialization of shares / revalidation of dividend warrants / subdivision / consolidation/ renewal of share certificates and resolutions of investor grievances.

Exclusive email address: The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail address is investors@nfcl.in

Credit Rating:

The Company obtained credit rating from India Ratings and Research (Ind-Ra) for long term issuer. The following is the ratings assigned during the financial year and status as on the date of this report:

Instrument type	Maturity date	Size of issue (billion)	Rating	Rating Action
Fund-based limit (Long-term)	-	INR8.03	IND D	Affirmed
Non-fund-based limit (Short term)	-	INR11.80	IND D	Affirmed
Long-term loans	FY21-FY24	INR4.73	IND D	Affirmed

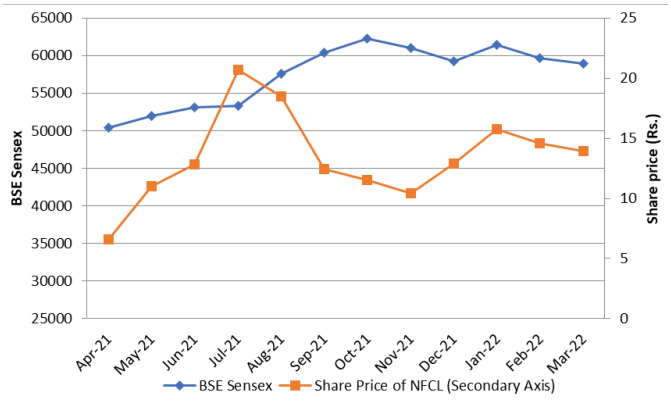
Market Price Data – high, low during each month in last financial year relating to Equity Shares listed

The monthly high and low prices of your Company's share at BSE and NSE for the year ended March 31, 2022 are as under:

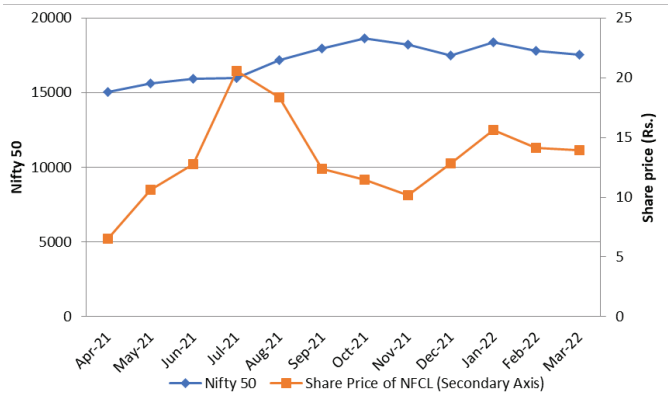
(Amount in Rs)

Month	BSE		NSE	
	High	Low	High	Low
April 2021	6.58	5.05	6.55	5.10
May 2021	11.00	5.49	10.65	5.45
June 2021	12.82	8.95	12.75	9.00
July 2021	20.67	13.46	20.55	13.55
August 2021	18.50	10.15	18.35	10.15
September 2021	12.45	10.35	12.35	10.30
October 2021	11.50	8.68	11.45	8.70
November 2021	10.45	7.60	10.15	7.50
December 2021	12.90	10.31	12.85	10.50
January 2022	15.73	11.40	15.60	11.40
February 2022	14.60	10.73	14.15	10.70
March 2022	13.90	10.45	13.90	10.25

Performance of the Share Price of the Company in comparison to BSE Sensex



Performance of the Share Price of the Company in comparison to Nifty 50



Disclosures:

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or their relatives, management, its subsidiaries etc., that may have potential conflict with the interests of the Company at large:

None of the transactions with related parties during the Financial Year 2021-22 were material and were also not in conflict with the interests of the Company at large. The transactions with related parties are mentioned in the notes to Accounts.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

Year	Regulation	Authority	Fine (per Stock Exchange)
2019-20	Reg 17 SEBI (LODR) Regulations, 2015, Quarter ended June 30, 2019)	BSE & NSE	Rs. 4,36,600/-
	Reg 17 SEBI (LODR) Regulations, 2015, Quarter ended March 31, 2020	BSE & NSE	Rs. 4,83,800/-
2020-21	Reg 17 SEBI (LODR) Regulations, 2015, Quarter ended June 30, 2020.	BSE & NSE	Rs. 3,36,300 /-
	Reg 33 SEBI (LODR) Regulations, 2015, Quarter ended June 30, 2020.	BSE & NSE	Rs. 88,500 / -
	Reg 33 SEBI (LODR) Regulations, 2015, Quarter ended September 30, 2020.	BSE & NSE	Rs. 76,700/-
2021-22	Reg 33 SEBI (LODR) Regulations, 2015, year ended March 31, 2022.	BSE & NSE	Rs. 88,500/-

Whistle Blower Policy/Vigil Mechanism:

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organization, the Company has a Whistle Blower Policy/Vigil Mechanism in place, applicable to the Company. The vigil mechanism under the Whistle Blower Policy provides adequate safeguard against victimization of the Directors

and employees who avail of the mechanism and also provide for direct access to Chairman of the Audit Committee in exceptional cases. No personnel was denied access to the Audit Committee.

This mechanism has been communicated to all concerned and posted on the Company's website: www.nagarjunafertilizers.com/corporate-governance/Whistle_Blower_Policy.pdf

Fees paid to Statutory Auditors:

M/s. JVSL & Associates, Chartered Accountants, (ICAI Firm Registration no. 015002S), have been appointed as the Statutory Auditors in place of retiring Auditors M/s M Bhaskara Rao & Co., Chartered accountants (ICAI Firm Registration no. 000459S) have been appointed as the Statutory Auditors of the Company.

The particulars of payment of Statutory Auditors' fees, on consolidated basis are given below:

Amount (in lakh)

Particulars	Year ended March 2022	Year ended March 2021
Statutory Audit	42.00	60.00
Tax Audit	-	7.50
Limited Review	9.70	15.00
Certification and other services	8.50	16.50
Reimbursement of expenses	5.00	5.00
Total	65.20	104.00
Auditor-wise Breakup		
M Bhaskara Rao & Co		
(upto the AGM held in 9/2021)	15.20	104.00
M/s JVSL & Associates		
(From the AGM held in 9/2021)	50.00	-
Total	65.20	104.00

Compliance with Mandatory Requirements of Listing Regulations

Your Company is fully compliant with the applicable mandatory requirements of Listing Regulations except to the extent mentioned. The details as to compliance with the applicable requirements specified in regulation 17 to 27 and clause B to clause I of Sub-Regulation (2) of Regulation 46 of the Listing Regulations are as under:

Particulars	Regulation Number	Compliance status (Yes/ No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	The Company was required to appoint an Independent Director as on March 31, 2022.
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Secretarial Audit	24A	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from Members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other corporate governance requirements	27	Yes

The adoption of the non-mandatory requirements is as under:

Discretionary Requirements

A Non-Executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and allowed reimbursement of expenses incurred in performance of his duties.	Not Applicable
A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Unaudited Financial Results of every quarter is sent to all shareholders who have provided their e-mail addresses
The listed entity may move towards a regime of financial statements with unmodified audit opinion	Yes
The listed entity may appoint separate persons to the post of Chairperson and Managing Director or Chief Executive Officer	There is a separate Chairman and Managing Director in the Company
The Internal auditor may report directly to the Audit Committee.	The Internal Auditor has direct access to Audit committee.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, K Rahul Raju, Managing Director and Sudhakara Rao A, CFO, of Nagarjuna Fertilizers and Chemicals Limited, to the best of our knowledge and belief certify that:

A. We have reviewed the Financial Statements including Cash Flow of the Company (standalone and consolidated) for the year ended March 31, 2022 and to the best of our knowledge and belief, these statements:
   1) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   2) together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to taken to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee
   1) Significant changes in internal control over financial reporting during the year
   2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Hyderabad
June 14, 2022

K Rahul Raju
Managing Director

Sudhakara Rao A
Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT AND ETHICS

This is to inform you that the Company adopted a Code of Conduct and Ethics applicable to all the Members of the Board of Directors and Senior Management Personnel of the Company. The details of the Code of Conduct and Ethics are available at the Company's website at www.nagarjunafertilizers.com.

We confirm that the Company has in respect of the financial year ended March 31, 2022, received from all the Members of the Board of Directors and all the Senior Management Personnel of the Company a declaration of compliance with the Code of Conduct and Ethics as applicable to them.

Senior Management Personnel are personnel who are part of the core management team, comprising personnel one level below the Executive Directors and including all functional heads as on March 31, 2022.

Hyderabad
June 14, 2022

K Rahul Raju
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nagarjuna Fertilizers and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Nagarjuna Fertilizers and Chemicals Limited for the year ended on 31st March, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the company at large, as stated under Disclosures Column of the Company's Report on Corporate Governance.

Sl.	Particulars
1.	The Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except the following: As per Regulation 17(1) of SEBI (LODR) Reg, 2015, where the Chairman of the board of directors is a nonexecutive director, atleast one third of the board of directors shall comprise of Independent Directors and where the listed entity does not have a regular non- executive chairperson, atleast half of the board of directors shall comprise of Independent directors. Consequent to the resignation of Justice Shri K C Bhanu (Rtd) Independent Director of the Company with effect from 19th Jun 2021, the Company is required to appoint one Independent Director on the Board. We have been given to understand that since the Company is admitted to NCLT, Hyderabad and currently there is a stay from NCLAT, Chennai, the Company is not in a position to fulfill the requirement but however, the Company is in the process of identifying a suitable candidate for the appointment of Independent Director.
2.	We have been given to understand that the company undertakes share transfer activity as a Category II – In House Share Transfer Agent and the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and there are no complaints pending as at the year-end as stated under Investor Grievance Redressal Column of the Company's Report on Corporate Governance.
3.	We have been given to understand that the Company was in receipt of clarification / observation Letters for which the Company duly replied to the Stock Exchanges.

We certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **KBG Associates**
Company Secretaries
Firm Regn No # P2009AP006100

Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984D000580041

Date: 7th July, 2022
Place: Hyderabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V - Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Nagarjuna Fertilizers and Chemicals Limited
D.No 8-2-248, Nagarjuna Hills
Punjagutta, Hyderabad,
Telangana 500082.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nagarjuna Fertilizers And Chemicals Limited having CIN L24129TG2006PLC076238 and having registered office at D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad, Telangana – 500082 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers.

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SI	Name of the Director	DIN	Date of Appointment
1	Mr. Uday Shankar Jha	00056510	06-08-2016
2	Mr. K Rahul Raju	00015990	01-08-2014
3	Mr. Chandra Pal Singh Yadav	00023382	18-08-2011
4	Ms. Lalitha Raghuram	07161344	18-04-2015
5	Mr. K C Bhanu*	08608297	11-11-2019
6	Mr. Rajendra Mohan Gonela	02354356	25-05-2020

* Mr. K C Bhanu resigned wef 19-06-2021

It is to be noted that ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KBG Associates**
Company Secretaries
Firm Regn No # P2009AP006100

Srikrishna Chintalapati
Partner
CP No: 6262
UDIN : F005984D000669042

Date: 22-07-2022
Place: Hyderabad

Management Discussion and Analysis

Global Economic Scenario

The global economy may be on the cusp of a new crisis, while still recovering from the pandemic. The war in Ukraine has upended the fragile global recovery, triggering a devastating humanitarian crisis in Europe, pushing up food and commodity prices, slowing growth globally and exacerbating inflationary pressures worldwide. Geopolitical and economic uncertainties are dampening business confidence and investment and further weakening short-term economic prospects.

The world economy is projected to grow by only 3.1 per cent in 2022 and 2023, with major downside risks from further intensification of the war in Ukraine, new waves of the pandemic, and faster-than-expected monetary tightening by developed country central banks.

The war in Ukraine and the sanctions against the Russian Federation have rattled commodity markets, exacerbating supply-side shocks. The conflict has directly disrupted exports of crude oil, natural gas, grains, fertilizer and metals, pushing up energy, food and commodity prices. The Russian Federation and Ukraine are key suppliers of agricultural goods, accounting for 25 per cent of global wheat exports, 16 per cent of corn exports and 56 per cent of exports of sunflower oil.

The world economy is facing substantial inflationary pressures. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent recorded during 2010–2020. Soaring food and energy prices are having knock-on effects on the rest of the economy, as reflected in the significant rise in core inflation in many economies as well.

Rising inflation is posing an additional challenge to an inclusive recovery as it disproportionally affects low-income households that spend a much larger share of their income on food items. The decline in real incomes is particularly pronounced in developing countries, where poverty is more prevalent, wage growth remains constrained, and fiscal support measures to alleviate the impact of higher oil and food prices on the vulnerable groups are more limited. Surging food inflation is worsening food insecurity and pushing many below the poverty line as developing countries are still struggling with economic shocks from the pandemic.

Indian Economic Scenario

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. India's economy is expected to grow at 7.5% in fiscal year (FY) 2022 and 8% in FY2023, supported by increased public investment in infrastructure and a pickup in private investment

The Government of India's policy to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income will support the country's accelerated recovery with the risks of uncertain global economic conditions, potential new surges in COVID-19 cases, and sharp rises in commodity prices.

Large public infrastructure investments planned over the next 2 years will encourage more private investment. Together with the PM Gati Shakti initiative to improve India's logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending and help spur economic growth. Private consumption will pick up as labor market conditions improve. Forecasts are based on a normal monsoon, which, coupled with rising wheat prices, is expected to boost agriculture output and improve farmers' income. The government's production-linked incentive scheme will provide a thrust to the manufacturing sector in FY2022 and FY2023.

Inflation will likely increase to 5.8% in FY2022 amid rising oil prices. While monetary policy will remain accommodative, the central bank may hike policy rates in the later part of the fiscal year due to tightening of the United States federal funds rate and elevated oil prices. Foreign direct investment inflow is expected to moderate amid rising global uncertainty and tightening of global economic and financial conditions.

India is a 5th Largest Economy of the World ahead of United Kingdom. It is expected that India will match Germany GDP and become the 4th Largest Economy by 2025-26 and by 2027 India will surpass Japan and become the largest economy. India's population will become the largest in the world next year and its youngest.

Agriculture Sector

The agriculture sector has experienced buoyant growth in the past two years. The sector, which is the largest employer of workforce, accounted for a sizeable 18.8 per cent (2021- 22) in Gross Value Added (GVA) of the country registering a growth of 3.6 per cent in 2020-21 and 3.9 per cent in 2021-22, due to good monsoon, various Government measures to enhance credit availability, improve investments, create market facility, promote infrastructure development and increased provision of quality inputs to the sector. Growth in allied sectors including livestock, dairying and fisheries has been the major

to farmers amid the lockdown, resulting in increased fertilizers sales. India is the second-largest consumer of fertilizers globally, with an annual consumption of more than 55 million ton.

Over the long term, increasing agricultural production to meet the food demand of the country's growing population is expected to drive the demand for fertilizers. Among the various types of fertilizers used in India, urea, a nitrogen source, is one of the most consumed fertilizers. In 2020, urea consumption in India amounted to over 33 million ton compared to other fertilizers, and the consumption volume of urea was the highest across the country that year, followed by diammonium phosphate (DAP), according to the Ministry of Agriculture and Farmers Welfare (India).

Government Policies

Currently, New Urea Policy of 2015 is applicable to old / existing urea units. These pricing policies regulate payment of fixed costs up to and beyond reassessed capacities of urea units, promoting energy efficiency in urea production and rationalizing subsidy burden on the Government.

Major Issues faced by the urea industry are fixation of minimum fixed cost, Non-relaxation of energy consumption norms, Non-recognitions of capex for energy saving projects, nonrecognizing increase in fixed cost beyond 2008-09, Poor Profitability of Urea Sector due to under recovery of costs and delayed payments of subsidy. Issue of P&K Fertilizers is mainly Reasonableness of MRP.

The recent policy changes

One Nation One Fertilizers

The Government decided to implement One Nation One Fertilizers by introducing Single Brand for fertilizers and Logo under fertilizer subsidy scheme namely "Pradhamantri 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 PNK. 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.

Pradhanmantri Kisan Samridhi Kendra (PMKSK)

The Government decided to convert the existing village, block/ sub-district/taluk and district level fertilizer retail shops 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.

Ensuring timely supply

The Department of Fertilizers has been entrusted the responsibility to ensure movement and distribution of subsidized chemical fertilizers. All the subsidized fertilizer sale transactions are captured online in the Integrated Fertilizer Management System (IFMS) on real time basis. The hybrid Direct Benefit Transfer (DBT) system is introduced wherein 100 per cent payment of subsidy to the fertilizer manufacturing companies /importers on the basis of actual sales by the retailer to the farmers through the Point of Sale (PoS) machines installed at the retailer's end.

Company's Strengths and opportunities

The Company's main strength lies in an excellent track record of project execution, achieving high production levels and good safety record. The company has multiple advantages of having good brand image, nearness to raw material, and the market at its doorstep. The Company is constantly looking for new opportunities to further enhance its revenue streams and increase profitability.

Financial Performance vis a vis Operational Performance

Financials

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

Plant Operations

The Company during the financial year 2021-22 manufactured 9.142 LMT of urea as against 7.434 LMT in the previous year. The production for the year 2021-22 is less compared to the usual level, owing to low load operation of Unit II due to Ammonia-II Synthesis Converter problem till 17th Aug 2021 and then onwards shutdown of Unit-II till end of financial year.

Sales and Marketing

The Company achieved a sale of manufactured urea of 9.18 LMT compared to 7.55 LMT in the previous year. The total urea sales for both manufactured and imported urea was 9.18 LMT compared to 7.55 LMT of previous year. The Company sold 5117 MT of Customized Fertilizers during the year in comparison with sales of 13674 MT during the previous year.

Details of significant changes in Key Financial Ratios:

S. No	Ratio	31.03.2022	31.03.2021
i	Debtors Turnover Ratio	6.54	7.92
ii	Inventory Turnover Ratio	91.27	22.98
iii	Interest Coverage Ratio	-4.25	-3.21
iv	Current Ratio	0.18	0.17
v	Debt Equity Ratio	-2.18	-1.02
vi	Operating Profit Margin %	-10%	-12%
vii	Net Profit Margin %	-25%	-39%

i. Debtors Turnover Ratio: has declined due to increase in subsidy outstanding from government compared to the previous year.

ii. Inventory Turnover Ratio: Improved due to increase in sales revenue and inventory being maintained at lower level.

iii. Interest coverage Ratio: Increase in the losses in the current year.

iv. Current Ratio: No significant change in current ratio.

v. Debt Equity Ratio: Debt Equity Ratio is negative due to increase in losses.

vi. Operating Profit Margin: Gross Profit Margin improved due to higher production.

vii. Net Profit Margin: Improved due to higher sale value and reduction in expenses.

The Company is incurring losses for the last few years and Consequent to the same, the Net Worth of the Company became negative as on March 31, 2022.

Human Resources and industrial Relations

The Company during the previous year continued to have good industrial relations with all its employees. Various initiatives have been taken to impart training and development activities so that employees are prepared to take up new challenges for their own development and also for the overall well-being of the Company. There are 866 employees on the rolls of the Company as on 31.03.2022.

Internal Control Systems.

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and balances and procedures through documented policy guidelines and manuals. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. With a view to maintain independence and objectivity in its working, the Internal Audit function reports directly to the Audit Committee.

The internal financial controls within the Company are also commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

Risks, issues and concerns

The major issues and concerns are delay on the part of the Government of India in undertaking comprehensive fertilizer reforms is a matter of concern. DBT scheme which has serious impact on working capital, non-revision urea retail prices, dwindling domestic gas availability and enforcing revised energy norms. In addition to above challenges, the company facing is severe financial crisis, due to losses incurred during non-supply / short supply of gas, post GAIL pipeline accident

Share of domestic natural gas in total supply of gas to urea plants has declined from about 78 per cent in 2012-13 to the tune of 41 per cent during 2019-20. This was further reduced to 37 per cent in 2020-21. Further increase in LNG prices has resulted in sharp increase in gas pool prices for domestic urea. Pool price of gas has increased by about Rs.288 MMBTU from average of 2020-21 at Rs. 655 MMBTU on NCV basis to Rs. 943 MMBTU for August 2021. This translates into an increase of Rs. 6285 per tonne of urea. This cost though pass through increases in cost and working capital requirement of the company.

The pricing of Natural Gas is not in parity with international prices resulting in the cost of production of fertilizers in India not being comparable and competitive with imports, resulting in unfair competition denying level playing field to Indian fertilizer companies. The Fertilizer Industry need protection through tariff, other measures for mitigating the threat of cheaper imports and also more allocation of domestic gas.

Outlook / Future plans.

The CC /P 000Lang (el04600524kes forearplydebt, reoluation(and)Tj□TE□MC /

STANDALONE
FINANCIAL STATEMENTS

Independent Auditor's 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").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the company as at March 31, 2022, its Loss including other comprehensive income, Changes in Equity and its Cash flows for the year then ended.

Basis for Qualified Opinion

i. We draw attention to 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.

   The management explained in the said note that having noticed indications that the PPE may have impaired, it has decided to test its PPE for impairment, but could not complete the impairment testing during the year as the report of the valuer who was appointed for this purpose was not received till date. This is not in compliance with Ind AS-36, Impairment of assets. Pending completion of testing the PPE for impairment and identifying the impairment loss, if any, we have not been able to corroborate the Management's decision of continuing to present the PPE at carrying value and further we are unable to state whether the carrying values of PPE require any adjustments for impairment. Accordingly, we are unable to comment on the appropriateness of the carrying value of PPE and their consequential impact on the financial results and the financial position of the company as at and for the year ended March 31, 2022.

ii. We draw attention to 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. As a result, the company filed cases against the lenders in the 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 as 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. 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.

   In the absence of independent audit evidence from the lenders on the date(s) from which the loan accounts have been classified as NPAs, outstanding amount of borrowings at the end of every year, interest accrued thereon, period and amount of default in repayment of loans and payment of interest thereon disclosed in the financial statements, we are unable to form an opinion whether any adjustments are required to be made to the outstanding balance of borrowings as at the year end, interest on the borrowings charged to the profit and loss for the year and the period and amount of default in repayment of principal and payment of interest disclosed in the financial statements for the year.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Material uncertainty related to Going Concern

We draw attention to Note No.30 in the standalone financial statements on the disclosure of Material Uncertainty on the company's ability to continue as a Going Concern and appropriateness of use of Going Concern basis of accounting in preparation of standalone financial statements.

The company has incurred a net loss of Rs.66990.62 lakhs for the year ended March 31, 2022, and the current liabilities exceeded the current assets by Rs.294164.54 lakhs as on March 31, 2022. In the last 3 financial years also the company incurred net loss and its current liabilities exceeded its current assets. The company, during the year under review, continued to default in discharging its obligations for repayment of Loans and settlement of other financial and non-financial liabilities including statutory dues on the due dates. Further, no restructuring / resolution plans are under consideration of the lenders as on date. The lenders have been treating the loans to the company as Non Performing Assets since last four years and three of the lenders have filed petitions under the Insolvency and Bankruptcy Code,2016 (IBC) before

the Hon'ble NCLT for initiating Corporate Insolvency Resolution Process (CIRP). Further, one of the operational creditors obtained an order under IBC from the NCLT for commencing CIRP and the same is under stay of operation by the Hon'ble NCLAT as on date.

The above events and conditions indicate material uncertainty which cast a significant doubt on the company's ability to continue as a going concern, and therefore may be unable to realize its assets and discharge its liabilities including potential liabilities in the normal course of its business. The ability of the company to continue as going concern is solely dependent on the successful restructuring / resolution plans and raising of the required additional funds.

The management of the company assessed various events/ conditions which had a positive impact individually/ collectively on the company's ability to continue as a going concern and concluded that the use of Going Concern basis of accounting is appropriate for the year. Accordingly, the company's management has prepared the financial statements for the year under review on going concern basis of accounting and adequately disclosed the material uncertainty of going concern basis in the financial statements. In view of the above, no adjustments have been made to the carrying value of assets and liabilities and their presentation / classification in the financial statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matters:

Attention is invited to the following notes in the standalone financial statements:

i) Note No:20 on recognition of 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.

ii) Note No: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, for the reasons stated in the said note.

iii) 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.

iv) 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.

v) 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.

vi) 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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the standalone financial statements of the current period. These matters were addressed in the context of the audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the 'Basis for Qualified Opinion' section, we have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No	Key Audit Matter	How the matter was addressed in our audit
i).	Recognition, measurement, presentation and disclosures of revenue from operations. The company's revenue from operations comprises of sale value of Urea and the Subsidy received from Govt of India under various notifications, on the urea sold. Since the sale and the eligible subsidy are interlinked and further the claim for subsidy depends on various government notifications issued from time to time, it is important to verify the correctness of the revenue from operations recognised in the books of account. Refer Note No.20 in the standalone financial statements.	Principal Audit procedures performed: • Verified various applicable Govt orders under which the subsidy was notified. • Verified the sales made and related claims for subsidy with the records/ certificates submitted to the Government. • Performed analytical procedures for reasonableness of revenue and subsidy recognised vis a vis the sales made.

S. No	Key Audit Matter	How the matter was addressed in our audit
ii).	Provision for Expected Credit Loss in accounts receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows. Refer Note No.7. in the standalone Financial statements.	Our audit procedure in respect of this area included: • Understand and assess the management's estimate and related policies used in the credit loss analysis • Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. • For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtors' credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures thereto, Management discussion and analysis, Corporate Governance report and Shareholders' information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The said other information is expected to be made available to us after the date of this audit report. When the other information is furnished to us, we read the same and if we conclude that there is a material misstatement therein, we are required to communicate the same to those charged with governance and the shareholders of the company.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The standalone financial statements of the company for the previous financial year i.e for the year ended March 31, 2021 were audited by predecessor auditors, M.Bhaskara Rao & Co., Chartered Accountants, who have expressed an unmodified opinion vide their audit report dated June 29, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   (i) We have sought and except for the matters described in the Basis for Qualified Opinion Section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements;

   (ii) Except for the possible effects of the matters described in the Basis for Qualified Opinion Section, in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

   (iii) The standalone financial statements dealt with by this report are in agreement with the relevant books of account of the company;

   (iv) Except for the possible effects of the matters described in the Basis for Qualified Opinion Section, in our opinion, the standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act and the rules made thereunder;

   (v) The matters described in the Basis for Qualified Opinion section, material uncertainty related to going concern section and emphasis of matter section, in our opinion, may have an adverse effect on the functioning of the Company;

   (vi) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (vii) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Section.

   (viii) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to the standalone financial statements;

   (ix) With respect to the statement to be included in the Auditor's Report pursuant to section 197(16) of the Act, as amended, we report that:

   Based on the examination of documents and records of the company and as per the information and explanations furnished to us, the company has paid remuneration to its managing director during the year without obtaining the prior approval in terms of third proviso to sub-section (1) of section 197 of the Act from the lenders to whom it has defaulted in repayment of loans and payment of interest thereon. Remuneration paid to the Managing Director in excess of the limit laid down under this section is Rs.69.38 lakhs (Refer Note No.33.3 in the standalone financial statements).

   (x) With respect to the "other matters" to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, our views and comments on the said other matters are as under:

   a. The company, as detailed in Note No.32 in the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2022.

   b. The compan y did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2022.

   c. There has been no requirement to transfer any amounts to the Investor Education and Protection Fund by the company during the year ended 31st March 2022.

   d. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

   e. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order / CARO"), issued by the Central Government in terms of section 143 (11) of the Act, we give in "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No. 15002S)

J. VENKATESWARLU
Partner
ICAI Ms. No. 022481
UDIN: 22022481AKXZJY5518

Place: Hyderabad
Date: 14-06-2022

Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 1(viii), Report on Other Legal and Regulatory Requirements section of our report of even date to the Members of Nagarjuna Fertilizers and Chemicals Limited)

Report on the Internal Financial Controls with reference to financial statements of the Company under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to the standalone financial statements of **Nagarjuna Fertilizers and Chemicals Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("The Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness has been identified in the company's internal financial controls with reference to financial statements as at 31st March, 2022 as regards impairment testing of its Property, Plant and Equipment and accounting the effect of impairment, if any and disputes with the lenders resulting in not reconciling the interest on borrowings and the outstanding balance of borrowings with lenders' statements and the disclosure of period and amount of default in repayment of principal and payment of interest thereon.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material

misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion , except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of Internal Financial Controls stated in the Guidance Note.

For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No. 15002S)

J. VENKATESWARLU
Partner
ICAI Ms. No. 022481
UDIN: 22022481AKXZJY5518

Place: Hyderabad
Date: 14-06-2022

Annexure – B to the Independent Auditor's Report

(Referred to in paragraph 2, 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Nagarjuna Fertilizers and Chemicals Limited)

Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO")

Based on the audit procedure performed for the purpose of reporting a true and fair view on the financial statements of Nagarjuna Fertilizers and Chemicals Limited ("the company") and taking into consideration the information and explanations given to us and the books of account and other records examined by us in a normal course of audit, and to the best of our knowledge and belief, we report that:

i. a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE"), excepting for the immovable property reported at (c) below.

(B) The company has not held / dealt in intangible assets during the year.

b) The company's Property, Plant and Equipment, excepting the immovable property reported at (c) below, have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The company has reported that no material discrepancies were noticed on such verification made during the year.

c) (i) The Title deeds of the following immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are not held in the name of the company:

Description of property	Gross carrying value (Rs. In lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
340.11 Acres situated in Nellore District, A.P	4185.39	We were informed that these lands are held in the name of original owners who sold the lands to Nagarjuna Aqua Exports Limited. We were further informed that the details of the persons in whose name the lands are held are not available with the company.	No	From the date of vesting the lands on the company under the Composite Scheme of Arrangement and Amalgamation in F.Y.2011-12	We were informed that the original owners who sold the land to Nagarjuna Aqua Exports Ltd are not traceable.
(ii) Properties which are in dispute are as under:					
5 Acres of land in Wargal village, Telangana State	100.00	On own name, i.e. Nagarjuna Fertilizers and Chemicals Limited.	N.A	From the date of vesting the lands on the company under the Composite Scheme of Arrangement and Amalgamation in F.Y.2011-12	We were informed that the Title of the seller is under dispute.

Based on a legal opinion, as the company was holding agricultural lands in excess of the limit prescribed under the AP Land Reforms (Ceiling on agricultural holdings) Act 1973, carried value of the above lands has been fully impaired in F.Y 2020-21.

[Refer to Notes No: 3, 28(iii) and 45(i) in the standalone financial statements]

d) The company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

ii.(a) The company's inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency, coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stocks and the book stocks on such verification made during the year.

(b) In respect of the working capital limits sanctioned to the company in earlier years, which are continued in the current year, in excess of Rupees five Crores, in aggregate, by the Banks or Financial institutions, on the basis of security of current assets, we were informed by the management that no quarterly returns or statements have been filed by the company with such banks and financial institutions during the year under report.

iii.(a). During the year, the company has not - made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties.

(b). The investments made, guarantees and security provided and the terms and conditions of grant of all loans and advances in the nature of loans provided in the earlier years and continued in the current year are not prejudicial to the company's interest

(c). During the year, no loans or advances in the nature of loans were granted.

(d). There are no amounts which are overdue.

(e). No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans were granted to settle the overdues of existing loans given to the same parties.

(f).The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. The company has complied with the provisions of Sec.186 of the Act in respect of investments made. The Company has not given any loan, guarantees or provided security. The company has not entered into any transaction covered under section 185 of the Act.

v. During the year, the company has not accepted deposits or amounts which are deemed to be deposits. Hence, compliance with the directives issued by the RBI and the provisions of Sec.73 to 76 or any other relevant provisions of the Act and the Rules made thereunder is not applicable.

vi. Maintenance of Cost records has been specified by the Central Government U/s. 148(1) of the Act for this company and the prescribed accounts and records have been made and maintained by the company. However, we have not conducted audit of the same.

vii.(a). The company has not been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts in respect of the above statutory dues which are outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

(b). Details of statutory dues referred to in sub-clause (a) above, which have not been deposited on account of any dispute are as under:

Nature of Statute	Nature of dues	Amount (Rupees in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks
The Income Tax Act, 1961	Penalty U/s.270A	142	A.Y.2018-19	Commissioner of Income Tax (Appeals), Hyderabad	
VAT & CST	Regular Demand under Maharashtra VAT Act, 2002	7.92	F.Y 2008-09	Jt. Commissioner Appeals, Maharashtra	
	Regular Demand under Kerala VAT Act	6.93	F.Y 2011-12	Dy Commissioner Appeals, Kottayam	
	Regular Demand Under CST Act	139.39	F.Y 2013-14	AP VAT Appellate Tribunal, Visakhapatnam	
	Penalty under AP VAT Act, 2005	20.96	F.Y 2015-16	High Court of Judicature at Hyderabad for the state of Telangana	
	Penalty under Tamilnadu VAT Act	356.28	2016-17	Dy Commissioner Appeals, Trichy	The appeal has been disposed off in favour of the company on 11.04.2022
The Customs Act,1962	Penalty	44.04	F.Y 2010-11 to 2014-15	CESTAT- Hyderabad	Paid Rs.4.40 lakhs as a pre-deposit
	Penalty U/s.112(a)(i)	1500.00	2014-15	Commissioner of Customs, Ahmedabad	

viii. There were no transactions which are not recorded in the Books of account but which have been surrendered or disclosed as income during the year in the Tax assessments under the Income Tax Act, 1961.

ix.(a) The company has defaulted in repayment of loans and other borrowings and in payment of interest thereon to the lenders:

1). Loans and other borrowings from Banks / Financial Institutions:
We were informed by the management that as the company has been disputing with its lending Banks on the loan matters including non funding by the lenders as per the Corrective Action Plan (CAP) funding approved in the Joint Lenders Forum in 2015, the lenders have stopped issuing demands for interest/ instalments of loans, loan statements, information on the appropriation of partial payments made towards various loan accounts / Banks, NPA status of the loans and status of defaults of the loans, to the company. As a result of not getting the above details from the lenders, the company has been accounting the interest as per the loan documents and is unable to reconcile the interest charged and the loan outstanding amount with that of the Banks. Hence, the management expressed its inability to furnish us the correct details of defaults in repayment of loans and payment of interest thereon and the period of default.

As the management could not furnish the information on defaults and since we did not get Independent audit evidence, we are unable to determine and furnish the details of defaults in repayment of loans and other borrowings and payment of interest thereon to the lenders as required under sub-clause (a) of Clause (ix) of Para 3 of CARO, 2020.

(Refer Note Nos 14 and 26 in the standalone financial statements and para (ii) of Basis for Qualified Opinion section of Independent Auditor's Report dated 14.06.2022).

2). Loans and other borrowings from Government(s):
Defaults in repayment of loans and other borrowings from Government(s) are as under:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (Rs.in lakhs)	Whether principal or interest	No. of days delay	Remarks, if any
Loans under the scheme "BIPP"	Dept. of Bio-Technology, Ministry of Science and Technology, Govt. of India	286.98 139.18	Principal Interest	1401 1401	
Sales tax deferment loan	Commercial taxes Dept., Govt. of A.P	515.32	Principal	13	

(b) The company is not a declared wilful defaulter by any bank or financial institution or other lender;
(c) The company has not availed any Term loans during the year.
(d) The company has not raised any funds on short-Term basis during the year.
(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) No fraud by the company or any fraud on the company has been noticed or reported during the year.
(b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government.
(c) The company has not received any whistle – Blower complaints during the year.

xii. The Company is not a Nidhi company and hence compliance by the company with the requirements applicable to Nidhi companies is not applicable.

xiii. All transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) The company has an Internal Audit system commensurate with the size and nature of its business.
(b) We have considered the Internal Audit reports of the company issued till date, for the period under audit.

xv. The company has not entered into any non-cash transactions with its Directors or persons connected with them. Hence, compliance with the provisions of Section 192 of the Act by the company is not applicable.

xvi. The company:

(a) is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b). has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c). is not a Core Investment Company (CIC) as defined in the Regulations made by the RBI.

(d). the Group Companies has no CIC as part of the Group.

xvii. The company has incurred cash loss of Rs.61855.28 lakhs during the financial year covered by our audit i.e. F.Y 2021-22 and Rs.43003.11 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists as on the date of the audit report regarding the company's ability to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a). The company is not required to transfer any amount to a fund specified in Schedule VII to the Companies Act in compliance with Second proviso to Sub-section (5) of Section 135 of the Act.

(b). There are no amounts remaining unspent U/s.135(5) of the Act, pursuant to any ongoing project, which is required to be transferred to a special account in compliance with the provisions of Section 135(6) of the Act.

For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No. 15002S)

J. VENKATESWARLU
Partner
ICAI Ms. No. 022481
UDIN: 22022481AKXZJY5518

Place: Hyderabad
Date: 14-06-2022

Standalone Balance Sheet as at 31st March 2022

Rs.in Lakhs

		Note No.	As at March 31, 2022	As at March 31, 2021
1	**ASSETS**			
	Non-current assets			
	(a) Property, Plant and Equipment	3	210,618.76	2,18,787.16
	(b) Capital work-in-progress	3A	23.75	442.08
	(c) Financial Assets			
	(i) Investments	4	-	-
	(ii) Others	5	475.04	711.56
	Total of Non-Current Assets		**211,117.55**	**2,19,940.80**
	Current assets			
	(a) Inventories	6	4,640.22	4,828.13
	(b) Financial Assets			
	(i) Trade receivables	7	48,493.22	19,884.49
	(ii) Cash and cash equivalents	8	2,111.51	6,904.44
	(iii) Bank balances, other than (ii) above	9	2,246.74	4,223.69
	(iv) Others	5	760.94	1,774.21
	(c) Current Tax Assets (Net)	10	363.18	111.72
	(d) Other current assets	11	5,959.13	9,347.84
	Total of Current Assets		**64,574.94**	**47,074.52**
	Total Assets		**275,692.49**	**267,015.32**
2	**EQUITY AND LIABILITIES**			
	(a) Equity Share capital	12	5,980.65	5,980.65
	(b) Other Equity	13	(123,107.14)	(56,203.42)
	Total		**(117,126.49)**	**(50,222.77)**
	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,183.53	2,788.10
	(ii) Other financial liabilities	15	6,986.73	7,517.42
	(b) Provisions	16	508.86	615.53
	(c) Deferred tax liabilities (Net)	17	24,054.59	27,088.35
	(d) Other non-current liabilities	18	345.79	693.70
	Total Non-Current Liabilities		**34,079.50**	**38,703.10**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	253,869.18	229,578.55
	(ii) Trade payables	19		
	(A) Total outstanding dues of Micro enterprises and Small Enterprises		100.52	135.68
	(B) Total outstanding dues of creditors other than micro and small enterprises.		98,666.78	43,445.31
	(iii) (a) Other financial liabilities (other than those specified in item (c) below)	15	1,474.99	1,438.30
	(b) Other current liabilities	18	4,082.98	3,690.38
	(c) Provisions	16	545.03	246.77
	Total of Current Liabilities		**358,739.48**	**278,534.99**
	Total Equity and Liabilities		**275,692.49**	**267,015.32**
	Corporate Information, Significant Accounting Policies and explanatory notes	1 to 47		

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period (31.03.2022)

Rs.in Lakhs

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(2) Previous reporting period (31.03.2021)

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(B) Other equity **Rs.in Lakhs**

	Reserves and surplus					Total
	Capital Reserve	Security premium	Other Reserves (General Reserve)	Retained earnings	Other items of Other Compre-hensive Income (Defined Benefit Plans)	
Balance at the beginning of the current reporting period	51,853.85	109,619.35	13,379.72	(231,657.93)	601.60	(56,203.42)
Restated balance at the beginning of the current reporting period	51,853.85	109,619.35	13,379.72	(231,657.93)	601.60	(56,203.42)
Total Comprehensive Income for the current year	-	-	-	(66,990.62)	86.89	(66,903.73)
Balance at the end of the current reporting period	51,853.85	109,619.35	13,379.72	(298,648.55)	688.49	(123,107.14)
(2) Previous reporting period (31.03.2021)						
Balance at the beginning of the previous reporting period	51,853.85	109,619.35	13,379.72	(170,124.84)	660.74	5,388.82
Restated balance at the beginning of the previous reporting period	51,853.85	109,619.35	13,379.72	(170,124.84)	660.74	5,388.82
Total Comprehen sive Income for the previous year	-	-	-	(61,533.09)	(59.14)	(61,592.24)
Balance at the end of the previous reporting period	51,853.85	109,619.35	13,379.72	(231,657.93)	601.60	(56,203.42)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

K. Rahul Raju
Managing Director
DIN: 00015990

A. Sudhakara Rao
Chief Finacial Officer

Vijaya Bhasker M
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March 2022

Rs.in Lakhs

	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from Operating Activities		
Loss before Tax	**(70,063.79)**	**(65,308.95)**
Adjustments:		
Depreciation and Amortisation	8,208.51	8,223.83
Impairment of Land	-	14,082.00
Provision for Doubtful Debts / Advances	1,833.17	1,316.77
Finance Cost	36,892.78	34,779.28
Imparment of CWIP	429.80	758.00
Deferred government grant	(347.91)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	(0.56)	593.17
Operating Profit before working capital changes	(23,048.00)	(5,903.81)
Movements in working capital:		
Increase/(decrease) in trade payables	55,186.31	(87,520.03)
Increase/(decrease) in long term provisions	19.63	162.73
Increase/(decrease) in short term provisions	298.26	(173.64)
Increase/(decrease) in other current liabilities	392.61	(849.09)
Increase/(decrease) in other current financial liabilities	36.69	(456.23)
Increase/(decrease) in other long term liabilities	(530.69)	(185.63)
Decrease/(increase) in trade receivables	(30,441.89)	101,446.59
Decrease/(increase) in inventories	187.91	5,696.46
Decrease/(increase) in Non-current - Other Financial Assets	233.79	437.97
Decrease/(increase) in other current assets	3,388.71	(5,155.18)
Decrease/(increase) in other Current financial assets	1,013.27	4,339.45
Cash generated from/(used) in operations	**6,736.60**	**11,839.59**
(Direct Taxes Paid -net of refunds)	(251.46)	569.16
Net cash flow from / (used) in operating activities	**6,485.14**	**12,408.75**
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(54.44)	(226.43)
Proceeds from Margin Money Deposits	1,979.68	4,783.66
Proceeds from Sale of fixed assets	3.42	1.26
Net cash flow from / (used) in investing activities	**1,928.66**	**4,558.49**
C. Cash flow from Financing activities		
Repayment of long term borrowings	(519.54)	(604.25)
Finance Costs paid	(17,799.58)	(13,258.44)
Net cash flow from / (used) in financing activities	**(18,319.12)**	**(13,862.69)**
Net Increase/(decrease) in Cash and Cash Equivalents	**(9,905.32)**	**3,104.55**
Cash and Cash Equivalents as at beginning of the year	**(111,916.31)**	**(115,020.86)**
Cash and Cash Equivalents as at end of the period	**(121,821.63)**	**(111,916.31)**

Notes:

Rs.in Lakhs

	Year ended March 31, 2022	Year ended March 31, 2021
Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	2,096.94	6,880.52
Cheques, drafts on hand	-	2.30
Cash on hand	14.57	21.62
Cash and Cash Equivalents	2,111.51	6,904.44
Less: Cash Credit	123,933.14	118,820.75
Cash and Cash Equivalents in Cash Flow Statement	**(121,821.63)**	**(111,916.31)**

Accompanying Notes 1 to 47 form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

1. Corporate Information

Nagarjuna Fertilizers & Chemicals Limited (The company/NFCL) is a public listed company domiciled in India, incorporated under the provisions of the Companies Act 1956. Its shares are listed on The Bombay Stock Exchange and The National Stock Exchange Of India. The registered office of the company is situated at D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082.

The Company is principally engaged in the business of manufacturing and marketing of Fertilizers, Micro Irrigation Equipments and Agri Informatic Services.

2. Significant Accounting Policies

2.1. Basis of preparation:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended, on accrual basis under the historical cost convention, except for Derivative financial instruments and certain financial instruments, which are measured at fair value.

The Financial Statements are presented in INR and all values are rounded to two decimals to the nearest lakhs, except when otherwise indicated.

The financial statements have been approved for issue by the Board of Directors of the Company in its meeting held on June 14, 2022.

2.2. Use of estimates:

The preparation of Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of defined benefit obligations - Note 25.1
ii. Recognition of deferred tax asset/Liability- Note 17
iii. Fair Value Measurement of financial Instruments - Note 35
iv. Recognition of subsidy income - Note 20
v. Provision for doubtful trade receivables - Note 7

2.3. Current versus non-current classificatio

An asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Company has decided its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.4. Property, Plant and Equipment (PPE)

Property, plant and equipment is stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on pro-rata basis under the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the following exception:

- Continuous Process Plants' are depreciated for 37 years based on the technical evaluation of useful life done by the management.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial

measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Trademarks and Services:10 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

2.6. Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date for any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date for any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, in which case, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss account.

2.7. Inventories

Inventories are valued at the lower of cost and net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs for different categories of inventories are as follows:

- Raw materials and Traded Products: Cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- .Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value in the case of Urea is –

- the Group Concession Price notified by the Government of India in respect of finished goods lying at the factory, and
- the net sale price in respect of finished goods lying in the warehouses outside the factory.

Raw materials,work-in-progress, , stores, spares, packing material and loose tools are valued at weighted average cost, less provision for depletion in value, if any.

2.8. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.9. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

A. Financial assets

(i) Initial recognition
On initial recognition, financial assets are recognised at fair value. Transaction cost that are directly attributable to acquisition of financial assets that are not at fair value through profit and loss (FVTPL) are added to fair value on initial recognition.

(ii) Subsequent measurement:
Financial assets which are debt instruments are subsequently measured on the following basis, depending on their classification

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(iii) When financial assets are Equity Instruments:
All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI.

Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified

to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(iv) De-recognition:
The Company derecognizes a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the financial asset and at the transfer qualifies for de-recognition under IND AS 109.

(v) Trade Receivables and Loans:
Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(vi) Impairment:
Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities:
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost, net of directly attributable transaction costs.

(ii) Subsequent measurement:
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition:

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

C. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate risk of changes in exchange rates on foreign currency exposure.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any gains or losses arising from re-measurement are dealt in Statement of profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS109, Financial Instruments, and hence categorized as financial assets or liability at fair value through profit or loss.

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant

The Company has no further obligation beyond monthly contribution. The obligations under the said policy are accounted for on accrual.

The Company makes monthly contribution to the Provident Fund scheme and recognizes it as an expense, in the year in which employee renders the related service. The Company's Contribution towards Provident Fund is administered and managed by an approved trust. The Company has no obligation, other than the contribution payable to the Fund.

(iii) Compensated absences:

Liability for compensated absence is treated as a long term liability and is covered by a policy with Life Insurance Corporation (LIC). The estimated liability at each Balance Sheet date is determined by an independent actuary using the projected unit credit method and is recognised in the accounts accordingly.

2.14. Taxes

(i)Current income tax:
Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income (OCI), in which case the tax is also recognized in equity or Other Comprehensive Income (OCI).

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax asset/liability is measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) Deferred tax:
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent there is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

In the case of a loan or assistance provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The Grant is initially recognised and measured at fair value and subsequently measured in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments (financial liabilities). The government grant is measured as the difference between the initial carrying value of the loan and the proceeds received and recognised as income on a systematic basis over the periods the related costs, for which it is intended to compensate, are expensed.

2.16. Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise rightof-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

2.17. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset in the period in which they are incurred, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest earned on temporary investments out of specific borrowings made for qualifying assets is deducted from the borrowing costs eligible for capitalisation to those assets.

2.18. Research and development costs

Expenditure relating to capital items is treated as fixed assets and depreciated at applicable rates. Revenue expenditure during research period is charged to Statement of Profit and Loss in the year in which it is incurred.

2.19. Foreign currency transactions

The Company's Financial Statements are presented in Indian Rupees, which is its functional currency.

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:
Foreign currency denominated monetary assets and liabilities remaining unsettled at the end of the year are translated into functional currency at exchange rates prevailing at the Balance Sheet date. Exchange differences arising on translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated using exchange rate prevalent on the date of transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.20. Earnings per share

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.21. Investments

Investments are classified as Non Current and Current. Non Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

2.22. Exceptional Items

Exceptional items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.

2.23. Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(i) IND AS 16, Property Plant and equipment
The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any , shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property , plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The company has evaluated the amendment and there is no impact on its financial statements.

(ii) IND AS 37, Provisions, Contingent Liabilities and Contingent Assets
The amendment specifies that the 'cost of fulfilling ' a contract comprises the 'costs that relate directly to the contract`. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour , materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property , plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

Summary of significant Accounting Policies and other explanatory information for the year ended 31 March 2022

3 . Property, Plant and Equipment

Rs.in Lakhs

Particulars	Gross Block (At Cost)				Depreciation / Impairment					Net Block	
	As at March 31, 2021	Additions during the year	Deductions / Adjustments during the year	As at Mar 31, 2022	Upto March 31, 2021	For the year	Deductions / Adjustments during the year	Impairment for the year	Upto Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
Tangible Assets											
Land *	1,16,027.77	-	-	1,16,027.77	14,082.00	-	-	-	14,082.00	1,01,945.77	1,01,945.77
Buildings	12,873.46	-	-	12,873.46	4,571.09	762.16	-	-	5,333.25	7,540.21	8,302.37
Plant & Equipment	1,49,899.45	8.72	4.43	1,49,903.74	41,866.21	7,319.44	1.84	-	49,183.81	1,00,719.93	1,08,033.24
Furniture & Fixtures	108.54	-	0.21	108.33	73.79	8.36	0.19	-	81.96	26.37	34.75
2 I À F H Equipment	1,280.55	34.25	4.03	1,310.77	957.60	109.08	3.78	-	1,062.90	247.87	322.95
Vehicles	89.41	-	-	89.41	60.81	4.69	-	-	65.50	23.91	28.60
Roads, Drains & Culverts	132.14	-	-	132.14	59.29	4.78	-	-	64.07	68.07	72.85
Railway Siding	46.63	-	-	46.63	-	-	-	-	-	46.63	46.63
Total	280,457.95	42.97	8.67	280,492.25	61,670.79	8,208.51	5.81	-	69,873.49	210,618.76	218,787.16
Previous Year	279,335.65	1,853.58	731.28	280,457.95	39,501.80	8,223.83	136.84	14,082.00	61,670.79	218,787.16	239,833.85

* Land:

a) Includes cost of 5 acres - Rs.100 lakhs , situated at Wargal village,Telangana State, the possession of which is yet to be taken, as the title of seller is under dispute. Cost of this land has been impaired in FY 2020- 21.

b) Does not include cost of 33.35 acres situated at Kakinada plant site, cost not ascertainable, , which is in the possession and use of the Company, pending fixation of compensation by the State Government, pending registration of title in the name of the Company.

c) Doesnot include cost of 14.06 acres situated at Kakinada Plant site, cost not ascertainable, pending completion of alienation and handing over of possession to the Company by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes land of 1040.28 acres in Kakinada allocated by the Government of AP for settingup Ammonia/ Urea fertilizer plant, in which the company's urea manufacturing plants are situated. These lands were allocated/ awarded to the company by the State Government under its GOs and Agreements.

e) Includes Rs. 4185.39 lakhs, the cost of 340.11 acres (104 cases) situated at Nellore, AP, which is in the possession of the Company but not registered in the name of the company due to defecticve title and has been fully impaired in FY 2020- 21. (Refer Note No. 28(iii)).

Refer Note 14 for details of PPE offered as security for Borrowings.

3A. Capital Work-In-Progress

Rs.in Lakhs

Particulars	Gross (At Cost)				Impairment			Net	
	As at March 31, 2021	Additions during the year	Transfer to Tangible asset / Disposals / Deductions	As at Mar 31, 2022	Upto March 31, 2021	Impairment for the year	Total Upto Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
CWIP - Plant and Equipment	1,200.08	11.47	429.80	781.75	758.00	-	758.00	23.75	442.08
Total	**1,200.08**	**11.47**	**429.80**	**781.75**	**758.00**	**-**	**758.00**	**23.75**	**442.08**
Previous Year	**2,827.23**	**170.18**	**1,797.33**	**1,200.08**	**-**	**758.00**	**758.00**	**442.08**	**2,827.23**

'Refer Note No. 45(vi) for Ageing and completion schedules of CWIP

4. Investments - Unquoted, At Cost, Non-current

Rs.in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	No. of shares	Cost	No. of shares	Cost
In Subsidiaries, Equity Shares of Rs. 10/- each fully paid up				
Jaiprakash Engineering and Steel Company Limited (JESCO)	22,561,693	2,256.17	22,561,693	2,256.17
(Refer Note 4.1 and 4.2)				
Total - (A)		**2,256.17**		**2,256.17**
In Associates, In Equity Shares of RS.10/- each fully paid up				
Nagarjuna Agricultural Research and Development Institute Private Limited	25,020	2.50	25,020	2.50
KVK Raju International Leadership Limited	150,000	15.00	150,000	15.00
Total - (B)		**17.50**		**17.50**
Total - (A+B)		**2,273.67**		**2,273.67**
Less: Provision for diminution				
- Subsidiaries		2,256.17		2,256.17
- Associates		17.50		17.50
		0.00		**0.00**
Aggregate amount of Quoted Investments		-		-
Aggregate amount of Un-Quoted Investments		2,273.67		2,273.67
Aggregate amount of diminution in value of Investments		2,273.67		2,273.67

4.1. JESCO went into Voluntary Liquidation under IBC with effect from April 25, 2022, and the liquidation is in progress.

4.2. These shares were pledged in favour of Banks / Financial Institutions for the term loans availed by the Company. The loans have been repaid in full, awaiting release of pledge of shares.

5. Other Financial Assets

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Margin money deposit	-	2.73	-	-
Interest Accrued on Deposits and advances	-	-	81.69	265.18
Unbilled Revenue	-	-	625.68	1,455.69
Security Deposit	475.04	708.83	52.67	52.34
Other Receivables	-	-	0.90	1.00
	475.04	**711.56**	**760.94**	**1,774.21**

6. Inventories

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Raw materials *	453.91	625.21
Work in progress	445.77	290.32
Finished Goods - Manufactured goods	909.25	1,340.00
Stock In Transit - Manufactured goods	934.61	741.81
Traded goods	989.71	984.37
Stock In Transit - Traded goods	-	4.03
Packing materials	177.66	201.25
Stores and Spares	726.64	633.96
Loose tools	2.67	7.18
Total	**4,640.22**	**4,828.13**

* Raw materials include Rs. 317.68 lakhs(Previous year Rs. 490.96 lakhs) being the value of material received from a vendor, for converting into CFG and return to the same vendor.

7. Trade Receivables

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Unsecured -Considered good	45,910.15	19,180.94
Which have significant increase in Credit Risk	4,181.27	2,853.54
Credit Impaired	6,276.63	3,891.68
	56,368.05	**25,926.16**
Less: Provision for doubtful debts	7,874.83	6,041.67
Total	**48,493.22**	**19,884.49**

7.1. Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

7.2. Trade Receivables includes subsidy and other dues of Rs. 44335.54Lakhs (Previous Year Rs. 11995.51 Lakhs) receivable from Government of India and Rs. 7029.43 Lakhs (Previous Year Rs. 8785.66 Lakhs) from State Governments. Includes Rs.56.18 lakhs due from SFAC on account of implementation of eNAM project. The company had closed the iKisan division operations due to severe financial constraints. As the Company is unable to perform the contractual obligations with SFAC for eNAM Project due to closure of iKisan division , the remaining contract work had been outsourced to a vendor who invested their resources to fulfil the contractual obligations of NFCL. As agreed, the entire amount receivable from eNAM project is payable to the vendor.

7.3. The subsidy due from GOI is being credited to an Escrow Account maintained with IDBI Bank. GAIL has a first preference as per Escrow Agreement entered among GAIL, NFCL & IDBI.

Department of Fertilizers (DOF) has revised the Office Memorandum on subsidy sharing mechanism vide No 12012/30/2013-FPP dated 25.11.2021, to transfer 40% of subsidy to Gas Pool Fund Account and 60% to NFCL for its operations. Out of the company's share, GAIL has a first preference as per Escrow Agreement which was extended on 30.12.2021 till 30.06.2022.

7. 4 Trade Receivables ageing schedule — Amount Rs. Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at Mar 31, 2022						
(i) Undisputed Trade receivables – considered good	44,659.51	42.53	1,001.78	2,121.90	8,542.33	56,368.05
Less: Provision for Doubtful Debts			13.92	589.27	7,271.64	7,874.83
Net Receivables	44,659.51	42.53	987.86	1,532.63	1,270.69	48,493.22
As at Mar 31, 2021						
(i) Undisputed Trade receivables – considered good	8,838.07	4,484.87	3,095.48	3,635.54	5,872.21	25,926.17
Less: Provision for Doubtful Debts			50.25	794.39	5,197.04	6,041.68
Net Receivables	8,838.07	4,484.87	3,045.23	2,841.15	675.17	19,884.49

8. Cash and Cash Equivalents

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Balances with Banks		
Current Accounts	2,096.94	6,880.52
Cheques, drafts on hand	-	2.30
Cash on hand	14.57	21.62
Total	**2,111.51**	**6,904.44**

9. Bank Balances (Other than the items reported at Note No.8)

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Margin Money Deposits *	229.44	2,206.39
Amount in earmarked account for payment to a creditor as per High Court Orders	2,017.30	2,017.30
Total	**2,246.74**	**4,223.69**

*The 100% cash margin Rs. 8,550.00 lakhs deposited for providing Bank Guarantee for gas supplies, has been adjusted by the lenders unilaterally without informing or taking approval from the company Rs 1,723.78 lakhs and Rs 6,826.22 lakhs against outstanding loans during FY 2021-22 and FY 2020-21 respectively along with interest on the said deposit. While the company has reduced the amount from the outstanding, the adjustment and the outstanding have been disputed by the company. Details of appropriation of the margin money adjusted Bank wise were also not made available to the Company.

10. Current Tax Assets (Net)

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Advance Income Tax	363.18	111.72
Total (net)	**363.18**	**111.72**

11. Other Assets

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
i) Capital Advances				
Unsecured - considered doubtful	70.85	70.85	-	-
Less: Provision for Doubtful advances	70.85	70.85	-	-
Total	**-**	**-**	**-**	**-**
ii) Other Advances				
- Unsecured, considered good	-	-	5,189.79	5,761.58
- Unsecured, considered doubtful	-	-	362.11	362.11
	-	-	5,551.90	6,123.69
Less: Provision for Doubtful advances	-	-	362.11	362.11
Total	**-**	**-**	**5,189.79**	**5,761.58**
iii) Advances to directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-	-	-
iv) Prepaid Expenses	-	-	759.34	311.24
v) Gratuity fund - excess of plan assets over liability	-	-	-	19.17
vi) Balance with Government Authorities	-	-	10.00	-
vi) Deposit - Electricity Duty (Refer Note 11.1)			-	3,255.85
Total	**-**	**-**	**769.34**	**3,586.26**
Total - (A+B+C)	**-**	**-**	**5,959.13**	**9,347.84**

11.1 The Company received a demand for an amount of Rs 5,426.41 Lakhs from the Director, Electrical safety and Chief Electrical inspector towards electricity duty on captive power generation @ 25 Paise per unit for the period of March 2003 to May 2013. The company filed a Writ Petition against the Government of Andhra Pradesh and Chief Electrical Officer against the above demand challenging that the very concept of the setting up of Captive Power Plant will be defeated by this additional levy. The High Court of Andhra Pradesh dismissed the appeal filed by the Company. The Company filed an SLP (No.23005 / 2016) in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court in its interim order directed the Company to pay duty @ 6 Paise and @ 9 paise per unit. Accordingly, the Company paid an amount of Rs. 3,255.85 lakhs. Matter is pending for final orders.

As a matter of prudence, the company has provided the entire demand amount of Rs. 5,426.41 lakhs in its books of account during the financial year 2021-22 and adjusted the deposited amount of Rs. 3,255.85 lakhs against the liability and the balance is shown as liability.

12. Share Capital

Rs.in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Authorised				
Equity Shares of Rs. 1/- each	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00
Preference Shares of Rs. 1/- each	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00
Total		**80,100.00**		**80,100.00**
Issued, Subscribed and Paid Up				
Equity Shares of Rs. 1/- each fully paidup	59,80,65,003	5,980.65	59,80,65,003	5,980.65

12.1. Reconciliation of the Number of Equity Shares of Rs. 1 each.

Rs.in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	59,80,65,003	5,980.65	59,80,65,003	5,980.65
Balance at the end of the year	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**

12.2. Rights, Preferences and Restrictions attached to equity shares

The Company's issued, subscribed and paidup capital comprises of equity shares of par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3. Details of shareholders holding more than 5% of the Equity Shares of Rs. 1/- each

Rs.in Lakhs

Name of the shareholder	Mar 31, 2022		Mar 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Amlika Mercantile Private Limited	29,60,72,140	49.51	29,60,72,140	49.51
Zuari Agro Chemicals Limited	3,22,67,741	5.40	3,22,67,741	5.40

Note: The above shareholding is as per the records of the company, including its register of Shareholders/members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownership of shares.

12.4. In the period of Five Years immediately preceeding the date at which the Balancesheet is prepared -

i) Aggregate number and class of shares allotted as fully paid up persuant to contract without payment being received in cash - Nil (P Y: Nil)
ii) Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares - Nil (P Y: Nil)
iii) Aggregate number and class of shares bought back - Nil (P Y: Nil)

12.5. Shareholding of Promoters as defined in the Companies Act, 2013

Sl No.	Name of the shareholder	At the beginning of the year		At the end of the year		% change during the year
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	Amlika Mercantile Private Limited	29,60,72,140	49.51	29,60,72,140	49.51	Nil
2	Governor of Andhra Pradesh	2,14,27,989	3.58	2,14,27,989	3.58	Nil
3	KRIBHCO	1,10,00,000	1.84	1,10,00,000	1.84	Nil
4	Fireseed Limited	88,00,000	1.47	88,00,000	1.47	Nil
5	Saipem SPA	44,00,000	0.73	44,00,000	0.73	Nil
	Total	**34,17,00,129**	**57.13**	**34,17,00,129**	**57.13**	**Nil**

13. Other Equity

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
i) Capital Reserve		
Opening Balance	51,853.85	51,853.85
Changes during the year	-	-
Closing Balance	**51,853.85**	**51,853.85**
ii) Securities Premium		
Opening Balance	1,09,619.35	1,09,619.35
Changes during the year	-	-
Closing Balance	**1,09,619.35**	**1,09,619.35**
iii) General Reserve		
Opening Balance	13,379.72	13,379.72
Changes during the year	-	-
Closing Balance	**13,379.72**	**13,379.72**
iv) Retained Earnings		
Opening Balance	(2,31,657.93)	(1,70,124.84)
Add: Net Profit /(Loss) after tax for the year	(66,990.62)	(61,533.09)
Closing Balance	**(2,98,648.55)**	**(2,31,657.93)**
v) Other Comprehensive Income		
Items of other comprehensive income - which will not be reclassified to P & L :		
Remeasurement of post employement benefit obligations, net of tax		
Opening Balance	601.58	660.72
Add: for the year	86.90	(59.14)
Closing Balance	**688.48**	**601.58**
Total [i to v]	**(1,23,107.14)**	**(56,203.42)**

Nature of Reserves

(a) Capital Reserve: During the composite scheme of arrangement and amalgamation, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.

(b) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(c) General Reserve: The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the provisions of Companies Act 1956.

(d) Retained Earnings: Retained earnings are the profits earned or loss incurred by the Company till date including OCI, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14. Borrowings

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
i) Term Loans - Secured				
Rupee loans from Banks (CAP Loans, WCTL & CRL)	-	-	78,603.72	70,342.30
Rupee Loan from Other Parties - Dept. of Biotechnology, GOI	5.58	15.99	441.87	386.05
ii) Rupee Loans repayable on Demand -Secured - from Banks				
Cash Credit Facilty and Short term Loans	-	-	1,73,471.11	1,57,809.78
iii) Deferred Payment Liabilities - Unsecured				
Sales tax Deferral from Government of AP	2,177.95	2,772.11	1,352.48	1,040.42
Total	**2,183.53**	**2,788.10**	**2,53,869.18**	**2,29,578.55**

14.1. Details of Borrowings

Rs.in Lakhs

Sl. No	Borrowings	Non Current		Current	
		o/s bal. as at 31.03.2022	o/s bal. as at 31.03.2021	o/s bal. as at 31.03.2022	o/s bal. as at 31.03.2021
A	**CAP Loans (WCTL)- from Banks, Secured**				
1	I D B I Bank Limited (Sanctioned - Rs 34,000 lakhs)			21,800.00	21,799.87
2	State Bank of India(Sanctioned - Rs 22,200 lakhs)			16,648.24	16,648.24
3	ICICI Bank Limited(Sanctioned - Rs 8,400 lakhs)			5,460.00	5,460.01
4	UCO Bank(Sanctioned - Rs 1,300 lakhs)			1,007.50	1,007.50
	Total Principal			**44,915.74**	**44,915.62**
5	Interest accrued on the above loans			29,302.33	21,691.05
	Total - (A)			**74,218.07**	**66,606.67**
B	**Corporate Rupee Loans (CRL)-from Banks, Secured**				
6	SBI -Corporate Loan (Sanctioned - Rs 5,000 lakhs)			2,398.24	2,398.24
7	Interest accrued on the above loans			1,987.41	1,337.39
	Total - (B)			**4,385.65**	**3,735.63**
C	**Term Loans -from others, Secured**				
8	Deptt of Bio Technology, GOI (Sanctioned - Rs 1,141.80 lakhs)	5.58	15.99	302.69	286.98
9	Interest accrued on the above loans			139.18	99.07
	Total - (C)	**5.58**	**15.99**	**441.87**	**386.05**
D	**Loans repayable on demand and STL - from Banks,Secured**				
10	Cash Credit			1,23,933.14	1,18,820.75
11	Short Term Loan (STL) from ICICI Bank Ltd (limit Rs 6,895.64)			6,985.64	6,980.09
				1,30,918.78	**1,25,800.84**
12	Interest accrued on the above loans			42,552.33	32,008.94
	Total - (D)			**1,73,471.11**	**1,57,809.78**
E	**Deferred payment liabilities - Unsecured**				
13	Sales tax Deferral from Government of AP - Total - (E)	2,177.95	2,772.11	1,352.48	1,040.42
	Grand Total (A to E)	**2,183.53**	**2,788.10**	**2,53,869.18**	**2,29,578.55**

14.2 CAP Loans - Working Capital Term Loan (Part of CAP loans)

14.2.1 Assessed Working Capital Term Loans (WCTL) - Rs 80,000 lakhs (Sanctioned Rs 65,900 lakhs and disbursed Rs 62,100 lakhs) are secured by first charge on the fixed assets (movable and immovable) of the Company both present and future on pari-passu basis among the lenders; first pari-passu charge on the entire current assets of the Company; pledge of core promoters' shares (26.16 Crores Shares) on pari-passu basis among the lenders and personal guarantees of Shri K S Raju and Shri K Rahul Raju, former Director and Managing Director of the Company respectively to the tune of Rs 80,000 lakhs. (Refer Note No 14.7)

14.2.2 Details of terms of repayment of WCTL

S. No	Bank / Institution	Rate of Interest %	Number of Instalments
a)	IDBI Bank Limited	BBR +3.00	23 Qly instalments commencing from July 2016
b)	State Bank of India	MCLR+4.10	23 Qly instalments commencing from July 2016
c)	ICICI Bank Limited	I-MCLR+4.35	23 Qly instalments commencing from July 2016
d)	UCO Bank	SBI Base rate + 4.50	23 Qly instalments commencing from July 2017

14.2.3 Period and amount of default as on balance sheet date in repayment of WCTL and interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of Default	Amount Rs.in Lakhs
Principal				
IDBI Bank Limited	0-1370 days	21,800.00	0-1005 days	18,700.00
State Bank of India	0-1370 days	16,648.24	0-1005 days	12,210.00
ICICI Bank Limited	0-1186 days	5,460.00	0-821 days	3,780.00
UCO Bank	0-1297 days	1,007.50	0-914 days	552.50
Total		**44,915.74**		**35,242.50**
Interest				
IDBI Bank Limited	0-913 days	11,296.56	0-944 days	9,741.48
State Bank of India	0-1188 days	13,742.91	0-1005 days	9,264.02
ICICI Bank Limited	0-1187 days	3,671.70	0-822 days	2,306.62
UCO Bank	0-1156 days	582.85	0-791 days	370.62
Others		8.31		8.31
Total		**29,302.33**		**21,691.05**

14.3. Corporate Rupee loan

Corporate Rupee loan from State Bank of India carries interest @ 4.60% above base rate with a minimum of 14.60%, is secured by first charge on hypothication of chargeable current assets of the Company ranking pari-passu among lender banks in the consortium and collaterally secured by first / pari-passu on the fixed assets of the Company and personal guarantee of Shri K.S.Raju, former Director of the Company. The loan is repayable in 20 quarterly instalments commencing from December 2014.

14.3.1 Period and amount of default as on balance sheet date in repayment of Corporate Loan to SBI and interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of Default	Amount Rs.in Lakhs
Principal	0-1370 days	2,398.24	0-1005 days	2,398.24
Interest	0-1370 days	1,987.41	0-1005 days	1,337.39
Total		**4,385.65**		**3,735.63**

14.4. The term loans (three loans) from Department of Bio Technology (DBT), Government of India for Process Development Unit carries simple interest of 2.0% per annum is secured by way of hypothecation of all equipment, apparatus, machineries, spares, tools and other accessories and goods and other movable properties of the company acquired for the project. The loans are repayable in 10 equal half-yearly instalments commencing from October 2014, June 2014 and October 2018 respectively.

14.4.1 Period and amount of default as on balance sheet date in repayment of Loans to DBTand interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of Default	Amount Rs.in Lakhs
Principal	0-1401 days	286.98	0-1036 days	271.27
Interest	0-1401 days	139.18	0-1036 days	99.07
Total		**426.16**		**370.34**

14.5. Loans repayable on demand (Cash Credit & Short Term Loan) from Banks (Part of CAP loans) Cash Credit Facility from 7 banks aggregating to Rs 3,05,000 lakhs (Rs 85,000 lakhs of Fund based and Rs 2,20,000 lakhs of Non Fund Based) are secured by hypothecation by way of first charge on current assets (stock in trade, book debts and stores and spares, present and future) of the company ranking pari-passu among the lenders in the consortium; second charge on the company's present and future immovable properties and fixed assets ranking pari-passu among the WC consortium members and personal guarantee of Shri K.S.Raju former Director and Shri. K Rahul Raju Managing Director of the Company for rectification of account with funding (CAP) which have been disputed in view of non implementation of Corrective Action Plan.

14.5.1 Rate of interest, period and amount of default on borrowings and interest thereon under Cash Credit & Short term loan are as under :

S. No	Bank / Institution	Rate of Interest %	Period and amount of default on balance sheet date in repayment of borrowings and interest
a)	IDBI Bank Limited	5.25 + IDBI MCLR	The loans are in default for a period ranging from 5 to 6 years and the amount of default is Rs 1,73,471.11 lakhs, which are calculated as per the terms of CAP. (Previous year, default period ranging from 4 to 5 years and amount Rs 1,57,809.78 lakhs) (Refer Note 14.7)
b)	State Bank of India	4.3+Base rate (14%)	
c)	ICICI Bank Limited (including Short Term Loan)	3.25+Ibase (12.95%)	
d)	UCO Bank	4.5+sbi rate (13.8%)	
e)	Punjab National Bank	3.2+Base rate (13.45%)	
f)	Bank of India	4.3+base rate (14%)	
g)	Indian Overseas Bank	4.5+MCLR (14.2%)	

14.6 Sales Tax Deferral Loan: The Government of Andhra Pradesh sanctioned Sales Tax deferral facility to the Company with a final eligibility of Rs 1,01,746.56 lakhs, subject to the restriction of loan to the actual Sales Tax collected on the sale of the products manufactured by the Company during the period of 14 years from 19.03.1998 to 18.03.2012. The Sales Tax deferred in a year should be repaid at the end of 14th year without interest. Repayment of this loan was commenced on March 19, 2012. The deferred Sales Tax outstanding as on March 31,2022 is Rs.3,869.80 Lakhs (Previous Year Rs.4,394.90 Lakhs). As at the balance sheet date, the Company has defaulted in payment of instalment due on 19.03.2022 amounting to Rs.515.32 Lakhs for a period of 13days (Previous year Rs 525.10 lakhs for a period of 13 days).

14.7 The company is in default of principal and interest during the year on the borrowings from various lenders on account of non implementation of CAP. 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. 3,05,000 lakhs (Rs.85,000 lakhs under Fund Based & Rs.2,20,000 lakhs under Non-Fund Based) and Rs.80,000 lakhs of 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 non sanction / release of assessed funds by the 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. 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 debt in the books (CAP loans) are disputed and are sub-judice. Pending resolution of the CAP loans and disputes (working capital and term loans in the books of the Company), the Company has been accounting for the interest / penal interest during the year on the borrowings as per the rate of interest mentioned in the sanction letters and as per CAP and other loan arrangements. This is not confirmation of dues. Adjustments, if any, for the principal, interest and penal interest accounted will be dealt on the outcome of the Debt Resolution Plan agreed by the company and lenders.

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 the 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.

The 100% cash margin of Rs. 8,550.00 lakhs deposited for providing Bank Guarantee for gas supplies, has been adjusted by the lenders unilaterally without informing or taking approval from the company Rs 1,723.78 lakhs and Rs 6,826.22 lakhs against outstanding during FY 2021-22 and FY 2020-21 respectively along with interest. While the company has reduced the amount from the outstanding loans, the adjustment and the outstanding have been disputed by the company. Details of appropriation of the margin money adjusted Bank-wise were also not made available to the Company.

19. Trade Payables

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
(A) Due to Micro, Small, Medium Enterprises (MSMEs)	100.52	135.68
(B) Due to Other than MSMEs	98,666.78	43,445.31
	98,767.30	**43,580.99**

19.1. Dues to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company. Disclosures under MSMED Act are given below:

Particulars	March 31, 2022	March 31, 2021
A. Principal amount remaining unpaid	100.52	135.68
B. Interest due thereon	26.57	40.40
C. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	0.00	0.00
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.00
E. Interest accrued and remaining unpaid	26.57	40.40
F. Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0.00	0.00

19.2 Trade Payables ageing schedule as on 31-03-2022

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME Creditors	49.03	1.01	9.04	41.44	100.52
Previous Year	19.11	32.84	41.81	41.91	135.68
(ii) Other Creditors	90,173.47	729.48	810.84	6,952.98	98,666.78
Previous Year	32,538.52	1,986.91	7,139.98	1,779.90	43,445.31
Total	**90,222.50**	**730.49**	**819.88**	**6,994.42**	**98,767.30**
(Previous Year)	**32,557.63**	**2,019.75**	**7,181.79**	**1,821.81**	**43,580.99**

20. Revenue from Operations

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Sales, including Subsidy on products & freight		
Manufactured goods		
Urea (Refer Note 20.1) *	2,67,954.33	1,51,284.44
Customised Fertilizers	848.01	2,072.31
Extruded Irrigation systems	186.57	1,513.70
Total - A	**2,68,988.91**	**1,54,870.45**
Traded goods		
Pool Urea $	-	9.42
Specialty Fertilizers	-	67.64
Others	-	65.31
Total - B	**-**	**142.37**
Total Sale of Products (A+B)	**2,68,988.91**	**1,55,012.82**
Sale of Services	214.89	2,433.23
Other Operating revenues (sale of scrap, waste.)	29.45	44.66
Total	**2,69,233.25**	**1,57,490.71**

* including Government Subsidy of Rs. 2,19,878.96 Lakhs (Previous Year Rs.1,11,772.37 Lakhs).

$ including reimbursements from Government Rs. Nil Lakhs (Previous Year Rs. 6.87 Lakhs)

20.1. Group Concession Scheme – (GCS) Subsidy

i. Nitrogenous fertilizers (Urea) are under the Group Concession Subsidy scheme of Government of India (GOI), Department of Fertilizers. GOI has notified New Urea Policy (NUP)-2015 from 1st June, 2015 to 31st March, 2019. GOI vide its notification dated 14th May, 2019 has extended the duration of NUP-2015 from 1st April, 2019 till further orders. Gas Pooling Policy applicable to Fertilizer industry effective from June 1, 2015. Concession rates for Plant-1 and Plant-2 for the period April 1, 2021 to March 31, 2022 have been recognized based on notified rates as per respective policies.

During the year escalations of Rs.29,106.64 Lakhs (Previous year de-escalations Rs.15,551.17 Lakhs) on the input prices have been accounted for as per the gas pool prices and provisions applicable under NPS-III, Modified NPS-III, NUP-2015 and Letter dated March 30, 2020 related to Modified NPS-III policy. Adjustments, if any, required will be considered on notification of final prices.

ii. Government of India, Department of Fertilizers has implemented Direct Benefit Transfer (DBT) in Fertilizer Sector in all the States of the Country from 1st March, 2018. The subsidy for the period April, 2021 to March, 2022, has been recognized for the quantities received in the States under DBT scheme.

21. Other Income

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Interest on Bank Deposits and others	71.61	492.51
Fair value adjustment - Government Grants	347.91	347.91
Other non-operating income	2,611.83	1,594.22
Profit on sale of PPE	0.56	-
Total	**3,031.91**	**2,434.64**

22. Cost of Materials consumed

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Natural Gas	1,28,893.18	68,166.63
Plastic Granules	49.94	200.77
PVC resin	-	68.73
Others	1,390.01	2,295.85
Packing Material	3,654.69	2,509.27
Total	**1,33,987.82**	**73,241.25**

23. Purchases of Stock-in-Trade

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Pool Urea	-	10.96
Specialty Fertilizers	-	44.79
Packing Material	62.70	39.84
Others	118.97	171.53
Total	**181.67**	**267.12**

24. Changes in inventories of finished goods, stock-in-trade and work in progress

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Inventories at the beginning of the year		
Traded goods	988.40	1,232.49
Finished Goods	2,081.82	6,145.46
Work in Progress	290.32	302.71
Total - (A)	**3,360.54**	**7,680.66**
Inventories at the end of the year		
Traded goods	989.71	988.40
Finished Goods	1,843.86	2,081.82
Work in Progress	445.77	290.32
Total - (B)	**3,279.34**	**3,360.54**
Decrease in Inventory (A-B)	**81.20**	**4,320.12**

25. Employee Benefits Expense

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Salaries and Wages	8,299.04	8,504.22
Contribution to Provident and Other Funds	514.23	542.28
Staff Welfare Expenses	626.99	633.02
Total	**9,440.26**	**9,679.52**

25.1 Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees including whole time directors. Under the plans the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall if any, shall be provided for by the Company.

Contributions to these Defined Contribution Plans, charged to Statement of Profit and Loss during the year are as under:

Particulars	Year ended March 2022	Year ended March 2021
Employer's contribution to provident fund	195.56	210.01
Employer's contribution to Superannuation fund	66.22	86.70
Employer's contribution to Pension scheme	127.72	128.09

Defined Benefit Plans

The employees' gratuity fund and leave encashment (PL) schemes managed by Life Insurance Corporation of India are defined benefit plans. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are, as followsv: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Defined benefit obligation at April 1, 2020	1,965.30	862.08
Current service cost	114.89	120.00
Interest expense	123.97	(2.22)
Benefits paid	(229.14)	24.45
Actuarial (gain)/ loss on obligations - OCI	140.62	(165.51)
Defined benefit obligation at March 31, 2021	**2,115.64**	**838.80**
Current service cost	109.00	110.00
Interest expense	132.38	105.08
Benefits paid	(366.28)	(83.83)
Actuarial (gain)/ loss on obligations - OCI	64.37	(194.74)
Defined benefit obligation at March 31, 2022	**2,055.11**	**775.31**

Changes in the fair value of plan assets are, as follows: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Fair value of plan assets as at April 1, 2020	2,197.95	388.44
Contribution by employer	11.93	0.04
Interest income	139.49	19.88
Benefits paid	(229.14)	(129.04)
Return on plan assets (excluding amounts included in net interest expense) - OCI	14.59	2.34
Fair value of plan assets as at March 31, 2021	**2,134.82**	**281.66**
Contribution by employer	6.82	0.06
Interest income	132.69	11.22
Benefits paid	(366.28)	(202.28)
Return on plan assets (excluding amounts included in net interest expense) - OCI	10.27	1.17
Fair value of plan assets as at March 31, 2022	**1,918.32**	**91.83**

Reconciliation of fair value of plan assets and defined benefit obligation: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Fair value of plan assets at March 31, 2021	2,134.82	281.66
Defined benefit obligation at March 31, 2021	2,115.64	838.80
Amount recognised in the Balance Sheet at March 31, 2021	**19.18**	**(557.14)**
Fair value of plan assets at March 31, 2022	1,918.32	91.83
Defined benefit obligation at March 31, 2022	2,055.11	775.31
Amount recognised in the Balance Sheet at March 31, 2022	**(136.79)**	**(683.48)**

Amount recognised in Statement of Profit and Loss: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Current service cost	109.00	110.00
Net interest expense	(0.31)	93.86
Remeasurement of Net Benefit Liability/ Asset	-	-
Amount recognised in Statement of Profit and Loss for year ended March 31, 2022	108.69	203.86
Current service cost	114.89	120.00
Net interest expense	(15.52)	(22.10)
Remeasurement of Net Benefit Liability/ Asset	-	-
Amount recognised in Statement of Profit and Loss for year ended March 31, 2021	99.37	97.90

Amount recognised in Other Comprehensive Income: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Actuarial (gain)/ loss on obligations	64.37	(194.74)
Return on plan assets (excluding amounts included in net interest expense)	(10.27)	(1.17)
Amount recognised in Other Comprehensive Income for year ended March 31, 2022	54.10	(195.91)
Actuarial (gain)/ loss on obligations	140.62	(165.51)
Return on plan assets (excluding amounts included in net interest expense)	(14.59)	(2.34)
Amount recognised in Other Comprehensive Income for year ended March 31, 2021	126.03	(167.85)

The major categories of plan assets of the fair value of the total plan assets are as follows: Rs. in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	Gratuity Funded	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded
Gratuity Fund (LIC)	1,918.32	91.83	2,134.82	281.66

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity Funded	Leave Encashment Funded
Discount rate (in %)		
Gratuity	7.31%	6.85%
Leave Encashment	7.31%	6.85%
Salary Escalation (in %)		
Gratuity	6.00%	6.00%
Leave Encashment	6.00%	6.00%
Rate of return in plan assets (in %)		
Gratuity	7.31%	6.87%
Leave Encashment	6.85%	6.63%
Expected average remaining working lives of employees (in years)		
Gratuity	16.04	16.36
Leave Encashment	16.04	16.39

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Particulars	Gratuity	Leave Encashment
Discount rate		
+1%	92.24	23.40
-1%	(102.41)	(25.24)
Salary growth		
+1%	(114.03)	(30.16)
-1%	104.81	28.51

The following payments are expected contributions to the defined benefit plan in future years: Rs. in Lakhs

Year ending March 31,	Gratuity	Leave Encashment
2023	356.05	206.54
2024	297.66	148.51
2025	309.74	134.57
2026	246.54	99.17
2027	238.18	86.40
2028 - 2032	885.84	238.84
Total expected payments	**2,334.01**	**914.03**

The average duration of the defined benefit plan obligation No. of Years

No of years	Mar 31, 2022	March 31, 2021
- for gratuiy	5.70	8.08
- for leave encashment	4.97	4.94

26. Finance costs

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Interest on Term Loans	11,771.59	10,208.88
Interest on Short term borrowings	20,264.98	20,653.36
Total Interest	**32,036.57**	**30,862.24**
Other borrowing costs - Bank Charges	4,856.21	3,917.04
Total	**36,892.78**	**34,779.28**

26.1 During the year, the company is in default of principal and interest on the borrowings from various lenders on account of financial stress. The lenders have classified the company's loan accounts as NPA in the financial year 2018-19 and continuing the same status in the current year too. Pending receipt of interest demands and confirmation of balances of loans from various lenders, the Company has been accounting the interest / penal interest as per the rates of interest mentioned in the sanction letters, Corrective Action Plan (CAP) and other loan documents. Adjustments, if any, for the interest and penal interest accounted, will be made on getting the information from the lenders.

27. Other Expenses

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Catalysts charge	1,204.42	-
Chemicals and consumables	759.87	625.22
Conversion Charges	77.13	191.13
Rent	336.04	558.56
Rates and Taxes	468.59	217.72
Electricity and Water	75.85	81.78
Stores and Spares Consumed	271.93	1,614.56
Repairs and Maintenance:		
to Buildings	5.08	5.96
to Plant and Machinery	749.47	259.16
to Others	532.41	601.99
Insurance	981.06	982.11
Printing and Stationery	14.39	12.79
Postage, Telephone and Telex	41.90	49.86

Particulars	Year ended March 2022	Year ended March 2021
Travelling and Conveyance	384.40	330.48
Advertisement and Publicity	197.22	167.35
Employee Recruitment and Training	1.32	1.86
Legal, Secretarial and Share Registry Exp	152.59	210.53
Professional and Consultancy	924.98	2,422.03
Directors Sitting Fees	7.65	9.30
Loss on Sale of Assets / Assets discarded	-	593.17
Payment to Auditors (Refer Note 39)	65.20	104.00
Donations - PM Care fund	-	18.17
Transport and Handling	12,160.35	9,991.59
Distribution	20.26	114.09
Sales Commission / discounts / rebates	-	76.09
Provision for doubtful advances	-	78.43
Bad Debts / Advances written off	-	63.61
Provision for doubtful debts	1,833.17	1,316.77
Impairment loss on CWIP	-	758.00
Loss on foreign currency transactions	99.84	(71.81)
Miscellaneous Expenses	442.19	507.90
Total	**21,807.31**	**21,892.40**

28. Exceptional items

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
i) IGST Unrealised amount of previous years	3,617.24	-
ii) Electricity duty of Previous years	5,426.40	-
iii) Impairment of Land	-	14,082.00
Total	**9,043.64**	**14,082.00**

i) Unabosrbed IGST: The company was acting as Fertilizer Market Entity for Government of India, Ministry of Fertilizers for sale and distribution of Imported urea during the earlier years. The company has paid IGST on imports upto 26/07/2018 after which date levy of IGST on such import was withdrawn by Notification No 55/ 2018 -Customs dated 26.07.2018 – issued by Government of India, Ministry of Finance (Dept of Revenue). Since the IGST could not be utilised against the output tax liability on the urea sold, the company had submitted a claim for refund of Rs. 3,617.24 lakhs on 20/3/2019 to Dept of Fertilizers, New Delhi seeking compensation for the aforesaid unabsorbed IGST amount. The Company consequently also reversed the aforesaid unabsorbed amount in its GSTR – 3B return for February 2019. Since the Company has not received any definitive response to its claim despite 2 years having elapsed from Dept of Fertilizers, the Company considered it prudent for accounting purposes, not to carry the claim amount of Rs. 3,617.24 lakhs and has expensed it during the quarter. However, the company will continue to pursue its claim with the Department of Fertilizers.
ii) Electricity Duty Demand : The Company received a demand for an amount of Rs 5,426.40 Lakhs from the Director Electrical safety and Chief Electrical inspectors, Government of AP, towards electricity duty on captive power generation @ 25 Paisa per unit for the period of March 2003 to May 2013. The company filed a Writ Petition against the State Government of Andhra Pradesh and Chief Electrical Officer in relation to payment of Electricity duty @ rate of 25 Paisa per unit stating the very concept of the setting up of Captive Power Plant will be defeated by this additional levy. The High Court of Andhra Pradesh dismissed the appeal filed by the Company. The Company filed an SLP No.23005 / 2016 in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court directed the Company, under different orders to deposit with it, pending disposal of the case, an amount of Rs.3255.85 Lakhs which was deposited under protest by the Company during the financial year 2016-17 . Matter is still pending in Hon'ble Supreme court of India. The Company has been advised that it is prudent for accounting purposes to recognise the entire demand of Rs.5426.40 Lakhs as a liability instead of continuing to disclose it as a contingent liability. Consequently, the said liability has been recognised in the accounts during this yearr and is carried at the net amount after setting off the amount said deposited thereagainst.

iii) Impairment of Land: The Company as part of the ongoing discussions with the lenders on the resolution plan had to create security for the additional parcels of land offered for the Corrective Action Plan (CAP) Loans sought during 2015-16. (197 Acres in Kapavaram, 110 Acres in Wargal & Gowraram,736 Acres in Nellore) These lands are in possession of the Company and vested with the Company through various schemes of amalgamations approved by Honourable High Courts of which some of the lands are yet to be registered in the name of the Company.

As the Company could not create security in the form of mortgage on these lands offered on account of the land being agriculture parcels. Lenders as part of the RP have carried out detailed title investigation study and sought legal opinion on the title to the lands. The legal opinion obtained has stated that the Company is in possession of Agricultural Lands in excess of the ceiling prescribed under the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act 1973.

Based on the legal opinion obtained, Company has obtained approval of the Board of Directors to restate the value of land which is in excess of the ceiling limits.

Pursuant to confirmation of the above legal status and the limitations on the use, sale, disposal of the said land, by an independent legal counsel, the company impaired the carrying amount of Rs.14,082.00 Lakhs in respect of the said excess lands, during FY 2020-21.

However, the company would continue to take all necessary actions as legally allowed and possible to protect titles, possession and obtaining necessary clearances for all the properties.

29. Tax expense Reconciliation

(a) he major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are as follows: **Rs.in Lakhs**

Particulars	Year ended March 2022	Year ended March 2021
(i) Statement of Profit & Loss		
1. Current Tax		
Current tax expense for the current year	-	-
Current tax expense pertaining to prior periods	-	-
Total	**-**	**-**
2. Deferred Tax		
Deferred tax expense for current year	(3,073.17)	(3,775.86)
Total income tax expense recognised in statement of Profit & Loss	**(3,073.17)**	**(3,775.86)**
(ii) OCI Section		
Income tax charged to OCI	(39.41)	31.29

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: **Rs.in Lakhs**

Particulars	Year ended March 2022	Year ended March 2021
Accounting profit before tax from continuing operations	(70,063.79)	(65,308.95)
Accounting profit before tax from discontinuing operations		
Accounting profit before income tax	(70,063.79)	(65,308.95)
Income tax Rate	31.20	34.94
Income tax	(21,859.90)	(22,821.56)
Adjustments in respect of current income tax of previous years	-	-
Current year losses on which deferred tax asset not considered	10,281.41	13,129.00
Previous year losses for which created deferred tax assets	6,398.61	-
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	8,430.51	5,884.41
Deferred tax on account of difference in PPE values between the books and tax record	(6,284.39)	-
Impact of rate difference on deferred tax	-	0.00
Net tax Expense charged to P&L	**(3,033.76)**	**(3,808.15)**

(c) As at the end of the year, the Company has a total unabsorbed loss and depreciation of Rs.87,161.74 Lakhs (March 31, 2021: Rs.87,557.19 Lakhs) based on the assessment orders received and Returns of Income filed. Deferred tax asset in respect of unabsorbed depreciation and carried forward loss under the Tax Laws are recognised only if there is reasonable certainity that there will be sufficient future taxable income available to realise such assets.The Company had recognised deferred tax asset on business loss of Rs 13,997.24 Lakhs for FY 2013-14. After setting off Rs. 3,895.07 lakhs, the balance loss of Rs 10,102.16 lakhs is eligible to be carried forward up to FY 2021-22 only. Hence, while calculating the deferred tax for the year, this balance unabsorbed business loss of Rs. 10,102.16 lakhs has not been considered. No deferred tax asset was recognised for the business losses incurred from FY 2014-15 onwards.

(d) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities as they relate to income taxes levied by the same tax authority.

30. Material Uncertainty on the Company's ability to continue as a going concern and appropriateness of use of going concern basis of accounting in preparation of financial statements:

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 Laons 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 interest of all stakeholders (valid till June 30, 2022). 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, 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. The Hon'ble High Court granted stay against any proceedings that may be initiated by the lenders against the company until further orders and the matter is awaiting final orders. 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.

In view of operating only one plant (out of the two plants) due to lack of working capital, the losses continued, resulting in substantial erosion of net worth and the company faced liquidity issues. As a result of continuous losses, the company's financial position has become very weak, and it is unable to meet its commitments to the financial and other creditors including statutory dues on the due dates. Due to default in paying the instalments and interest, the lenders have declared the loans to the company as Non-Performing Assets in 2018 (instead of 2015) and the status is continuing till date. As a result of treating the loans as NPAs by the lenders, all the borrowings, with a qualification of dispute, have been recorded as current liabilities in the Books / Financial statements of the company, leading to the situation that the current liabilities are in excess of current assets in the last three financial years. As at the year end, the company's current liabilities exceeded current assets by Rs. 2,94,164.54 Lakhs.

All the above events / conditions indicate material uncertainty which cast a significant doubt on the company's ability to continue as a Going Concern.

The company's management assessed the company's ability to continue as a Going Concern in which the company considered the following events / conditions, which individually / collectively have contributed in concluding that use of Going Concern basis of accounting is appropriate for this year.

- The company is continuously pursuing with the lenders for resolution of all the disputes amicably and for an acceptable resolution plan to make the company functional successfully.
- The lenders are seriously considering to resolve the Debt burden of the company and vide their letter dt.30.04.2022 advised the company to submit a fresh resolution plan taking into consideration various developments in the company as on date and the company is working on the same.
- Despite the weak financial condition of the company, the company continued the production and supply of goods and able to restart the second plant in April 2022.
- The lenders, to enable the company to generate the Cash flows, have approved the facility of 'Holding on Operations' (HOO) in December 2018 and have been extending the same from time to time, in the interest of all the stakeholders. The last extension of HOO facility is valid till June 30, 2022, and the company has approached for further extension of the same, which the management is hopeful.
- The management has no intention to close the plants, liquidate the entity, to cease operations or sell any assets of the company.
- There is no change in law, regulation or government policy which is adversely affecting the company.
- All the Key management personnel in all the operating areas are continuing and no loss of personnel at any level in the company.
- The Product of the company is administered under the essential commodities Act 1955. The production, distribution, pricing are controlled by the Department of Fertilizers, Government of India. As such, there is no loss of market / customers for the company's product.
- With such a weak financial position, the company, during F.Y 2021-22 could still produce 9.14 lakh MT and sell 9.18 lakh MT of Urea.
- The major supplier of Gas, which is the Raw Material and Power and Fuel, M/s GAIL (India) Limited continue to supply Gas under the Gas Purchase and Sale Agreement which is effective from 07th July 2021 and is valid till 06th July 2026 under liberal terms of payment.
- The Company maintained good relationship with the personnel at all levels and there are no issues with the Labour.
- The company has been paying all the statutory dues, though with some delay and complying with all the applicable Laws.

- There is no entry of fresh competitors to the product of the company despite the fact that the India's requirement of Urea is about 35 Million Tons which is far in excess of production capacity of the country at 25 Million Tons and the Government of India continue to import Urea at a very high price. Hence, there is no issue of lack of marketability or competition for the product of the company which is covered under the administered pricing mechanism of the Government.
- There is no underinsurance for the assets of the company in the events of major catastrophe.
- The company's industry is a major capital-intensive Industry with highly regulated operations. The Government cannot afford to close the operations of the company as the demand for the product is huge and any shortage would affect the food security of the country.
- The company is exploring various avenues to resolve the financial crisis and sought the help of the Government of India for financial assistance and hoping for positive response from the Government.
- The Government of India has made an arrangement wherein the GAIL would supply the required Gavs for which part payment only will be made by the company and the lenders also would get part payment of their dues.
- During the past four years, only one plant was in operation producing about 5 lakh MT due to working capital shortages. However, in the current year, the company with the support of lenders under holding on operations facility, funded the repair costs of Plant II. Now, both the plants are operating at a reasonable capacity and expected to generate cash flows and make cash profits.
- The company is confident of running the operations as the government has allowed the Gas supply to continue till 31.03.2023 vide their Office Memorandum dated 13th April 2022.

In the light of all the above, the Management concluded that the company is a Going Concern and accordingly use of the Going Concern basis of accounting in the preparation of the financial statements for F.Y 2021-22 is appropriate.

hat the ssooraln. Bute i- BDrementtestoingduroing the

year ast thevaluer'sereport wastnontreceivdedasn

disclosdedinf the 2021.

Dues o Covid sictutions -0.8g and the cmplexity of theassetsd

ssoing

The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company is contesting the enforcement of the Award in the Courts in India and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. Matter yet to be listed for hearing.

(b) The Company entered into two Contracts dated December 15, 2012 on Early Works, Offshore and Onshore towards certain engineering drawings to be utilised towards its plant for third ammonia and urea project on conditions that balance amounts payable only upon (a) the anouncement of a fertilizer policy and (b) that the fertilizer policy being found favorable for the Project of the Company. The Company could not proceed further as the policy was not conducive for the project.

The service provider raised invoices for the balance amounts claiming that the work carried out was per contract. As the amounts were not paid the service provider invoked arbitration. The arbitral Tribunal passed an award on October 23, 2017 for USD 877,500, GBP 52,314, EUR 455,000 and INR 221.39 Lakhs and interest as applicable apart from costs in favour of the claimant. NFCL challenged the Awards by filing two petitions separately for each case under section 34 of Arbitration & Conciliation Act as the tribunal ignored vital evidence such as Govt communication dt 9th May 2013 where in the industries we're asked not to proceed further without necessary approvals from Govt, amongst other grounds. Matter yet to be listed for hearing.

Based on the current legal progress, the management has provided for 25% of the claim made on the Offshore contract and deposited 15% of the onshore contract value with the court . The Company continues to proceed legally and hence the balance claims have been disclosed as contingent liabilities.

32.2 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 current year, 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.

32.3 Cases / Petitions filed against the company in NCLT / Courts / Other Tribunals:

i) 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). Amlika Mercantile Private Ltd ,one of the Promoters of the Company appealed against the said order of NCLT in NCLAT. The NCLAT has since stayed the orders of the NCLT vide its orders dt.14.09.2021 and the stay is in operation as on date (the next hearing date is on 5th July 2022).

ii) Three of the financial creditors have filed petitions against the company before the NCLT under IBC. In view of the stay granted by the Hon'ble NCLAT on the implementation of its orders in CB (IB) No: 524/9 HDB/2019, the NCLT directed for listing of these matters on 05-07-2022.

iii) Few other creditors have filed petitions against the company in various Courts / Tribunals for recovery of dues / claims for compensation for their services / supplies and all these matters are at various stages in the respective courts. The legal counsel confirmed that the cases / petitions filed against the company are not tenable and are of the view that these cases may not have any impact on the financials of the company.

The management is of the view that the pending litigations will not have any adverse impact on the financial position of the company as at the year end.

32.4 Other Contingent Information:

i) Based on the Supreme Court judgement dated February 28,2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. On the basis of legal advice, the management has determined that there is no impact of the aforesaid ruling on the standalone financial statements of the Company.

ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the code on Seocial Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under consideration by the Ministry. The company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statement in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

iii) The commissioner of Customs , customs Preventive commissionerate , Vljayawada filed an appeal on 23/3/2017 in the Hon'ble Highcourt of Judicature at Hyderabad U/s. 35G of The central Excise Act, 1944 against the Final order No A/30792/2016 Dt 1/9/2016 passed by CESTAT, which was in favour of the company . If the Dept wins the appeal in HC, the liability on the company will be Rs 107.51 lakhs . The appeal is pending disposal as on date.

As on date as there is no demand against the company in respect of the matter referred to at (iii) above, no contingent liability has been recongnized in the books.

33. Disclosure under Ind AS 24, Related Party Disclosures

33.1. List of related parties and their relationships

Subsidiaries
(i) Jaiprakash Engineering and Steel Company Limited (under Liquidation w.e.f 25-04-2022) (JESCO)

Associates
(i) Nagarjuna Agricultural Research and Development Institute Private Limited (NARDI)
(ii) KVK Raju International Leadership Limited

Key Management Personnel
(i) Mr.K.Rahul Raju, Managing Director (and CFO wef 30 Nov 2020 to 24th May 2021)
(ii) Mr. M Vijaya Bhasker, Company Secretary
(iii) Mr. Sudhakara Rao Annam, Chief Financial Officer (w.e.f 24th May 2021)

Relatives of Key Management Personnel.
(i) Smt. K Lakshmi Raju (Sister of Shri K Rahul Raju)
(ii) Smt. K. Veda Raju (Wife of Shri K Rahul Raju)

Non - Executive Directors
(i) Mr.Uday Shankar Jha, Chairman
(ii) Mr. Chandra Pal Singh Yadav, Nominee director of KRIBHCO
(iii) Ms.Lalitha Raghuram, Independent Director
(iv) Mr. Rajendra Mohan Gonela, Independent Director
(v) Justice K C Bhanu - Independent Director (upto June 19, 2021)

Enterprises which have significant influence
(i) Amlika Mercantile Private Limited

Enterprises significantly influenced by Key Management personnel or their relatives
(i) Nagarjuna Impex Private Limited
(ii) Nagarjuna Educational Trust
(iii) Nagarjuna Foundation

33.2. Related party transactions during the year are as under:

Related Party	Directors		Associates		Key Mgmt. Personnel		Relatives of Key Mgmt. Personnel		(QWHUSULVHV VLJQL O\ LQÁXHQFHG E\ .H Management personnel or their relatives	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rent Received										
NARDI			-	0.10						
Rent Received										
Nagarjuna Educational Trust									1.75	-
Others- Reimbursement							-	-		
Nagarjuna Educational Trust									4.02	4.60
"Sundry Creditors Nagarjuna Educational Trust"									5.19	7.71
Rent Paid		-				-			-	-
Mrs. Lakshmi Raju							30.00	30.00		
Mrs. K Veda Raju							155.00	372.00		
Sitting Fees to Non Executive & Independent Directors	7.65	8.25								
Remuneration to KMPs									-	-
D 6KRUW WHUP HPSOR\HH EHQHÀWV					118.57	80.18				
E 3RVW HPSOR\PHQW EHQHÀWV					7.70	7.63				

33.3. Remuneration to key management personnel of the Company

The remuneration to KMPs disclosed in the table has been recognised as an expense during the reporting period.

In terms of the provisions of Sections 196, 197,198,203 and any other applicable provisions of the Companies Act, 2013 (""Act"") and the rules made there under, read with Schedule V of the Act and subject to the prior approval of the Financial Institutions, Banks and such other approvals and permissions as may be required in this regard, the Board of Directors and the Members of the Company had approved the appointment and payment of remuneration to Mr. K Rahul Raju as Managing Director (MD) of the Company

with effect from August 01,2017 to July 31,2020 and August 01, 2020 to July 31, 2023, for a period of three years respectively . Pending approval of the Financial Institutions, Banks, the Company has taken on record and paid remuneration to Mr. K Rahul Raju, Managing Director, for the period as per the approval granted by the shareholders for the appointment and remuneration to the Managing Director.

33.4. Balances outstanding as at March 31, 2022

Nature of transaction	Subsidiaries		Associates		Key Mgmt. Personnel		Relatives of Key Mgmt. Personnel		(QWHUSULVHV VLJQL O\ LQÁXHQFHG E\ .H Management personnel or their relatives	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Investments										
Jaiprakash Engineering and Steel Company Limited	2,256.17	2,256.17								
Nagarjuna Agricultural Research and Development Institute Private Limited			2.50	2.50						
KVK Raju International Leadership Limited			15.00	15.00						
Provision for diminution in the value of investment	2,256.17	2,256.17	17.50	17.50						
Other Receivables										
Nagarjuna Agricultural Research and Development Institute Private Limited			0.90	1.00						
Rental and other deposits with										
Smt. K Lakshmi Raju (Sister of Shri K Rahul Raju)							85.00	85.00		
Expenses Payable										
Shri.K Rahul Raju					13.45	695.95				
K Veda Raju					1,209.50	1,054.50				
Nagarjuna Impex Private Limited									8.23	8.23
Smt. K Lakshmi Raju (Sister of Shri K Rahul Raju)							62.50	32.50		
Other Current Financial Liabilities										
Shri K Rahul Raju					5.21	5.80				
Mr.ANNAM SUDHAKARA RAO					7.53					
Mr. M. Vijaya Bhaskar					5.07	3.21				
Nagarjuna Educational Trust									56.03	66.99

33.5. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. Segment Reporting

The financial results comprise the combined operations of the Company relating to the Fertilizer, Micro Irrigation and Agri Services businesses. The financial results of Micro Irrigation and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, are neither disclosed as separate segments nor combined as "all other segments" for the purpose of disclosures under Ind AS 108 - Operating Segments.

Entity - wise disclosures

Geographical information

Rs.in Lakhs

Particulars	Revenue from external customers		Non-current assets*	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	269,205.45	156,748.33	210,642.51	219,229.24
Outside India	27.80	742.38		
	269,233.25	**157,490.71**	**210,642.51**	**219,229.24**

* Non-current assets excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Trade receivables:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients based on ageing.

The ageing analysis of trade receivables as of the reporting date is as follows:

Rs.in Lakhs

Particulars	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of 31st March, 2022						
Government	-	9.73	44,037.85	-	7,908.64	51,956.22
Non Government	112.31	370.23	49.25	26.23	3,853.81	4,411.83
Total	**112.31**	**379.96**	**44,087.10**	**26.23**	**11,762.45**	**56,368.05**
Trade receivables as of 31st March, 2021						
Government	959.77	19.61	13.02	12.04	20,190.42	21,194.86
Non Government	145.13	97.29	28.56	5.25	4,455.08	4,731.31
Total	**1,104.90**	**116.91**	**41.57**	**17.29**	**24,645.50**	**25,926.17**

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Rs.in Lakhs

Particualrs	March 31, 2022	March 31, 2021
Start of the year	6,041.68	4,724.91
Provision for Impairment	1,833.15	1,316.77
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**7,874.83**	**6,041.68**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company was unable to meet the financial obligations during the current year on account of continued losses. The Company is in discussion with the lenders for Resolution Plan. Refer Note 34.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022 **Rs.in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Loans from Banks / Financial institutions	79,045.59	5.58	-	79,051.17
Interest-free sales tax deferral loans from State Government	1,352.48	2,177.95		3,530.43
Deposits payable	-	6,986.73	-	6,986.73
Working capital demand loan from bank	166,485.44	-	-	166,485.44
Short term loan from bank	6,985.64	-	-	6,985.64
Trade payables	98,767.30	-	-	98,767.30
Other financial liabilities	-	-	-	-

Year ended March 31, 2021 **Rs.in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Loans from Banks / Financial institutions	70,728.35	15.99		70,744.34
Interest-free sales tax deferral loans from State Government	1,040.42	2,772.11	-	3,812.53
Deposits payable	-	7,517.42	-	7,517.42
Working capital demand loan from bank	150,829.56	-	-	150,829.56
Short term loan from bank	6,980.09	-	-	6,980.09
Trade payables	43,580.99	-	-	43,580.99
Other financial liabilities	-	-	-	-

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company uses a mix of interest rate sensitive loan facilties from the lenders to manage the liquidity and fund requirement for its day to day operations like working capital, short term loans and suppliers / buyers credit etc.,

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings with floating rate of interest affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
	INR Lacs	
March 31, 2022		
INR	+50	393.02
INR	-50	(393.02)
March 31, 2021		
INR	+50	303.35
INR	-50	(303.35)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency.

Particulars	USD in Miillion	Rs. in Lakhs	Euro in Miillion	Rs. in Lakhs	GBP in Miillion
Foreign currency exposure as at 31st March, 2022					
Trade receivables	-	-	0.44	368.27	-
Loans and other receivables	-	-	-	-	-
Trade payables	1.54	(1,170.13)	0.003	(2.46)	-
Foreign currency exposure as at 31st March, 2021					
Trade receivables	0.09	71.12	-	-	-
Loans and other receivables	-	-	0.44	362.11	-
Trade payables	1.58	(1,192.23)	0.00	(2.41)	-
Foreign exchange forward contracts	-	-	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's

Rs.in Lakhs

	Year ended March 2022		Year ended March 2021	
	5% increase	5% decrease	5% increase	5% decrease
USD	18.54	(18.54)	(56.06)	56.06
Euro	(58.51)	58.51	17.98	(17.98)
GBP	-	-	-	-
Increase/(decrease) in profit	(39.97)	39.97	(38.08)	38.08

38. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Rs.in Lakhs

	At Mar 31, 2022	March 31, 2021
Interest bearing loans and borrowings (Note 14)	252,522.28	228,554.12
Less: Cash and short term deposits (Note 8&9)	2,340.95	9,110.83
Net debts	**250,181.33**	**219,443.29**
Equity share capital (Note 12)	5,980.65	5,980.65
Other Equity (Note 13)	(123,107.14)	(56,203.42)
Total Capital	**(117,126.49)**	**(50,222.77)**
Capital and net debt	133,054.84	169,220.51
Gearing ratio (%)	188.03%	129.68%

There have been breaches in the financial covenants of interest-bearing loans and borrowings in the current period. The gearing ratio as on March 31, 2022 has increased due to the losses during the current year and, earlier years on account of events which are exceptional and due to extraneous factors. (Refer Note 30.)

39. Payment to Auditors

Rs.in Lakhs

Fee towards	Year ended Mar 31, 2022	Year ended March 31, 2021
Statutory Audit	42.00	60.00
Tax Audit	-	7.50
Limited Review	9.70	15.00
Certification and other Services	8.50	16.50
Reimbursement of Expenses	5.00	5.00
Total	**65.20**	**104.00**
Auditor-wise Breakup:		
M Bhaskara Rao & Co (upto the AGM held in 9/2021)	15.20	104.00
M/s JVSL & Associates (From the AGM held in 9/2021)	50.00	-
Total	**65.20**	**104.00**

40. Earnings per Equity Share

Particulars	Year ended Mar 31, 2022	Year ended March 31, 2021
Net Profit / (Loss) after tax (Rs in lakhs)	(66,990.62)	(61,533.09)
Number of Equity shares (fully paid up)	598,065,003	598,065,003
Face value of Equity Share (Rs)	1	1
Earnings per share – Basic & Diluted (Rs)	(11.20)	(10.29)

Note: The Company has no dilutive instruments as at 31st March, 2022 and in the previous year. As such dilutive earnings per share equals to Basic Earnings per share.

41. Particulars of Loans and Advances in the nature of Loans as required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs.in Lakhs

	Name of the company	Balance as at		Maximum Amount outstanding during	
		March 31, 2022	March 31, 2021	Year ended March 2022	Year ended March 2021
A	Subsidiaries				
		Nil	Nil	Nil	Nil
B	Associates	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
C	Advances in the nature of Loans where there is no re-payment schedule	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
D	Advances in the nature of Loans where no interest is charged or interest is below the rate specified in section 186 of the Companies Act, 2013	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
E	Advances in the nature of Loans to firms / companies in which directors are interested:	Nil	Nil	Nil	Nil

42. Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013

Rs.in Lakhs

Name of the entity to whom loan/ investment/guarantee / security was given / made	Relationship, if any, of the entity with the company	Amount of / Investment Rs. in Lakhs	Particulars of Investments made	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient.
Jaipraksh Enngineering and Steel Co Ltd ("JESCO")	Subsidiary	2,256.17	Investment -Equity	Not Applicable

Note: Full provision for diminution in the value of above investment has been made. Further, JESCO has gone into Voluntary liquidation on 25th April 2022.

43. The year-end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below: (as mandated by the Institute of Chartered Accountants of India in its announcement dated 05.12.2005)

Particulars	Currency	March 31, 2022		March 31, 2021	
		In foreign currency	Rs.in Lakhs	In foreign currency	Rs. in Lakhs
Advances receivables	EUR	435,000	368.27	435,000	374.53
Trade Payables	USD	1,543,558	1,170.13	1,523,888	1,120.13
	EUR	2,900	2.46	2,900	2.50

44. (i) In view of rapid spread of virus causing Covid-19 pandemic, Government of India imposed lockdown from 25th March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of the company due to non-availability of labour, transportation and supply chain disruptions. However, the Government classified urea and micro irrigation business of the company as "Essential Commodity" and granted certain relaxations and guidelines so that production and distribution of Urea will not be effected. The Company operated one Urea plant during the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

(ii) The company has not borrowed funds from Banks/Financial Institutions during the year.

(xii) Satisfaction for the following charges is yet to be filed with ROC, which is beyond the statutory period:

Charge Holder Name	Charge Id	Date of charge creation	Amount Rs in lakhs	Reasons
ICICI Bank Limited	10612443	16/12/2015	8400.00	Though a new charge was created in favour of the consortium bankers, satisfaction for the old charge created in favour of individual banks has not been filed.
State Bank of India	10598895	30/09/2015	22200.00	
UCO Bank	100042498	13/07/2016	1300.00	
IDBI Bank Limited	10581869	29/06/2015	34000.00	
CANARA BANK	90124189	20/09/2000	20.00	Bankers / FI s have not issued the Loan closure letters
CANARA BANK	10005518	29/03/2006	86.36	
Canara Bank	10056734	29/03/2006	108.30	
ICICI BANK	80062844	08/05/1996	1500.00	
ICICI BANK	10098019	09/04/2008	1698.13	
ICICI BANK LIMITED	80063337	07/12/1992	195.20	
ICICI BANK LTD	80062790	12/07/1996	2135.00	
ICICI BANK LTD	80062791	20/06/1997	2500.00	
ICICI LIMITED	80062784	28/09/1998	12000.00	
ICICI LIMITED	80062787	17/12/1999	5000.00	
IDBI	80062785	09/04/1999	4500.00	
IDBI Bank Limited	10091935	03/03/2008	5000.00	
IDBI Bank Limited	10194046	30/12/2009	5000.00	
DBI BANK LTD	80063343	29/04/1988	36500.00	
DBI BANK LTD	80062792	25/05/1991	720.72	
DBI BANK LTD	80062841	21/12/1995	17000.00	
DBI BANK LTD	80063340	26/09/1997	3641.00	
IDBI BANK LTD	80062786	16/07/1999	1500.00	
IDBI BANK LTD	80063339	14/01/2000	1500.00	
IDBI TRUSTEESHIP SERVICES LIMITED	80013974	09/09/1998	7500.00	
IDBI TRUSTEESHIP SERVICES LIMITED	80063344	09/10/2000	15330.00	
IDBI TRUSTEESHIP SERVICES LIMITED	80063345	04/11/2000	3000.00	
IDBI TRUSTEESHIP SERVICES LIMITED	80061034	29/05/2003	2500.00	
IDBI TRUSTEESHIP SERVICES LIMITED	10518037	04/08/2014	5876.51	
IDBI TRUSTEESHIP SERVICESS LTD	80062789	19/01/2005	3349.36	
INDUSTRIAL DEVELOPMENT BANK OF INDIA	80011941	19/03/1991	559.76	
INDUSTRIAL DEVELOPMENT BANK OF INDIA	80062842	29/12/1995	23500.00	
Industrial Development Bank of India	10067793	07/09/2007	6000.00	
Industrial Development Bank of India	10127655	31/10/2008	5000.00	
Industrial Development Bank of India Limited	10047529	09/04/2007	6800.00	
INDUSTRIAL DEVELOPMENT BANK OF INDIA	80062845	25/09/1998	10000.00	
KARUR VYSYA BANK LTD	80063341	04/01/2001	2000.00	
KARUR VYSYA BANK LTD	80063342	02/02/2001	1015.74	
Oriental Bank of Commerce	80024916	26/02/2003	1275.00	
PUNJAB NATIONAL BANK	80002483	21/06/1997	1350.00	
SICOM LIMITED	80061035	31/03/2003	3000.00	
STATE BANK OF INDIA	10018792	08/08/2006	1500.00	
State Bank of India	10524118	13/09/2014	5000.00	
THE BANK OF RAJASTHAN LIMITED	80061033	06/05/2002	1200.00	
THE KARNATAKA BANK LTD	80063338	19/01/2002	1600.00	
UCO BANK	90124190	26/09/2000	200.00	
BIOTECHNOLOGY INDUSTRY RESEARCH ASSIST/	10532604	20/10/2014	285.10	

(xiii) The company has complied with the number of layers prescribed under clause 87 of Section 2 of the Act read with the companies (restriction on number of layers) Rules 2017

(xiv) Ratios: **Rs.in Lakhs**

S. No	Name of the Ratio	Numerator	Denominator	Ratio		Variance
		Value Rs in lakhs	Value Rs in lakhs	Year Ended March 2022	Year Ended March 2021	
1	Current Ratio (Current Assets ÷ Current Liabilities)	64,574.94	358,739.48	0.18	0.17	6.51%
2	Debt Equity Ratio (Total Debt ÷ Shareholder's Equity)	256,052.71	-117,126.49	-2.19	-4.63	-52.75%
3	Debt Service Ratio (Profit After Tax,Interest on borrowings, Depreciation & Loss/(Profit) on sale of Fixed Assets ÷ Interest & lease Payments +Principal Repayments)	-26,746.10	80,398.07	-0.33	-0.25	33.11%
4	Return on Equity Ratio (Profit After Tax (PAT) ÷ Avg(Equity + Reserves and Surplus))	-66,990.62	-83,674.63	0.80	2.74	-70.83%
5	Inventory Turnover Ratio (Net Sales ÷ Avg(Total Inventory- loose tools-spares))	269,233.25	2,949.88	91.27	30.18	202.44%
6	Trade Receivables Turnover Ratio (Net Sales ÷ Average Receivables)	269,233.25	41,147.11	6.54	2.05	218.45%
7	Trade Payables Turnover Ratio (Net Credit Purchases ÷ Average Trade Payables)	278,662.56	71,174.15	3.92	1.76	121.84%
8	Net Capital Turnover Ratio (Net Sales ÷ Working Capital)	269,233.25	-294,164.54	-0.92	-0.68	34.51%
9	Net Profit Ratio (Profit After Tax ÷ Net Sales)	-66,990.62	269,233.25	-0.25	-0.39	-36.32%
10	Return on Capital Employed (Profit Before Interest & Tax ÷ Capital Employed)	-33,171.01	162,980.81	-0.20	-0.15	39.49%
11	Return on Investment (Equity)	Nil	Nil	NA	NA	N A
Reasons for Variance in Ratios: Reasons for change in the ratios by more than 25% as compared to the preceeding year are in-						

(xix) The company has not traded or invested in crypto currency or virtual currency during the financial year

46. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

47. The figures of the previous year have been reclassified / regrouped, wherever necessary, to make them comparable with that of Current Year.

Notes 1 to 47 above form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of **Nagarjuna Fertilizers and Chemicals Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Nagarjuna Fertilizers and Chemicals Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the Significant Accounting Policies and other Explanatory Information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of subsidiary, except for the possible effects of the matters described in the Basis for Qualified opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Group as at March 31, 2022, its Loss including other comprehensive income, changes in Equity and its cash flows for the year then ended.

Basis for Qualified Opinion

i. We draw attention to Note No: 31 in the consolidated 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.

   The management explained in the said note that having noticed indications that the PPE may have impaired, it has decided to test its PPE for impairment, but could not complete the impairment testing during the year as the report of the valuer who was appointed for this purpose was not received till date. This is not in compliance with Ind AS-36, Impairment of assets. Pending completion of testing the PPE for impairment and identifying the impairment loss, if any, we have not been able to corroborate the Management's decision of continuing to present the PPE at carrying value and further we are unable to state whether the carrying values of PPE require any adjustments for impairment. Accordingly, we are unable to comment on the appropriateness of the carrying value of PPE and their consequential impact on the financial results and the financial position of the company as at and for the year ended March 31, 2022.

ii. We ddraw attention to Notes No: 14 and 26 in the consolidated 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. As a result, the company filed cases against the lenders in the 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 as 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. 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.

   In the absence of independent audit evidence from the lenders on the date(s) from which the loan accounts have been classified as NPAs, outstanding amount of borrowings at the end of every year, interest accrued thereon, period and amount of default in repayment of loans and payment of interest thereon disclosed in the financial statements, we are unable to form an opinion whether any adjustments are required to be made to the outstanding balance of borrowings as at the year end, interest on the borrowings charged to the profit and loss for the year and the period and amount of default in repayment of principal and payment of interest disclosed in the financial statements for the year.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

We draw attention to Note No.30 in the consolidated financial statements on the disclosure of Material Uncertainty on the holding company's ability to continue as a Going Concern and appropriateness of use of Going Concern basis of accounting in preparation of consolidated financial statements.

The Group has incurred a net loss of Rs.68902.26 lakhs for the year ended March 31, 2022, and the current liabilities exceeded the current assets by Rs.294283.64 lakhs as on March 31, 2022. In the last 3 financial years also the company incurred net loss and its current liabilities exceeded its current assets. The company, during the year under review, continued to default in discharging its obligations for repayment of Loans and settlement of other financial and non-financial liabilities including statutory dues on the due dates. Further, no restructuring / resolution plans are

under consideration of the lenders as on date. The lenders have been treating the loans to the company as Non Performing Assets since last four years and three of the lenders have filed petitions under the Insolvency and Bankruptcy Code,2016 (IBC) before the Hon'ble NCLT for initiating Corporate Insolvency Resolution Process (CIRP). Further, one of the operational creditors obtained an order under IBC from the NCLT for commencing CIRP and the same is under stay of operation by the Hon'ble NCLAT as on date.

The above events and conditions indicate material uncertainty which cast a significant doubt on the company's ability to continue as a going concern, and therefore may be unable to realize its assets and discharge its liabilities including potential liabilities in the normal course of its business. The ability of the company to continue as going concern is solely dependent on the successful restructuring / resolution plans and raising of the required additional funds.

The management of the company assessed various events/ conditions which had a positive impact individually/ collectively on the company's ability to continue as a going concern and concluded that the use of Going Concern basis of accounting is appropriate for the year. Accordingly, the company's management has prepared the financial statements for the year under review on going concern basis of accounting and adequately disclosed the material uncertainty of going concern basis in the financial statements. In view of the above, no adjustments have been made to the carrying value of assets and liabilities and their presentation / classification in the financial statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matters:

Attention is invited to the following notes in the consolidated financial statements:

i) Note No: 20 on recognizing the 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.

ii) Note No: 32.1 on the International Arbitration awards passed against the Company in the previous years for USD 15,275,688, GBP 742,944, EURO 455000 [aggregating to Rs.12704.88 lakhs, approximately] and Rs.3265.70 lakhs; the impact of which has not been recognized in the Financial Statements, for the reasons stated in the said note.

iii) Note No: 32.3 on the petition filed against the company under IBC by some of the operational / financial creditors in the Hon'ble NCLT and their current status.

iv) Note No: 28(i) on expensing of unabsorbed IGST of Rs.3,617.24 lakhs on import of urea for the reasons stated in the note.

v) 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.

vi) 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.

vii) The subsidiary company went into voluntary liquidation vide resolution passed by its members on 25th April 2022. Accordingly, the financial statements of the subsidiary for the year ended 31st March 2022 were prepared on liquidation basis and the same were adopted for consolidation purpose.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the 'Basis for Qualified Opinion' section, we have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No	Key Audit Matter	How the matter was addressed in our audit
i).	Recognition, measurement, presentation and disclosures of revenue from operations. The company's revenue from operations comprises of sale value of Urea and the Subsidy received from Govt of India under various notifications, on the urea sold. Since the sale and the eligible subsidy are interlinked and further the claim for subsidy depends on various government notifications issued from time to time, it is important to verify the correctness of the revenue from operations recognised in the books of account. Refer Note No. 20 in the consolidated financial statements.	Principal Audit procedures performed: • Verified various applicable Govt orders under which the subsidy was notified. • Verified the sales made and related claims for subsidy with the records/ certificates submitted to the Government. • Performed analytical procedures for reasonableness of revenue and subsidy recognised vis a vis the sales made.

S. No	Key Audit Matter	How the matter was addressed in our audit
ii).	Provision for Expected Credit Loss in accounts receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows. [Refer Note No. 7 in the consolidated financial statements]	Our audit procedure in respect of this area included: • Understand and assess the management's estimate and related policies used in the credit loss analysis • Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. • For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtors' credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures thereto, Management discussion and analysis, Corporate Governance report and Shareholders' information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The said other information is expected to be made available to us after the date of this audit report. When the other information is furnished to us, we read the same and if we conclude that there is a material misstatement therein, we are required to communicate the same to those charged with governance and the shareholders.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company and its subsidiary company have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated financial statements. For the other subsidiary included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i) We did not audit the financial statements / financial information of one subsidiary, which went into voluntary liquidation vide resolution passed by its members on 25th April 2022, and, whose financial statements / financial information reflect total assets (before consolidation adjustments) of Rs.14.86 lakhs as at 31st March, 2022, total revenues (before consolidation adjustments) of Rs.1.41 lakhs, total net loss after tax (before consolidation adjustments) of Rs.1911.62 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 0.47 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the aforesaid Subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the said Subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

   Our opinion is not modified in respect of this matter.

ii) The consolidated financial statements of the company for the previous financial year i.e. for the year ended March 31, 2021 were audited by predecessor auditors, M.Bhaskara Rao & Co., Chartered Accountants, who have expressed an unmodified opinion vide their audit report dated June 29, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   (i) We have sought and except for the matters described in the Basis for Qualified Opinion Section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements;

   (ii) Except for the possible effects of the matters described in the Basis for Qualified Opinion Section, in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

   (iii) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account;

   (iv) Except for the possible effects of the matters described in the Basis for Qualified Opinion Section, in our opinion, the consolidated financial statements comply with the Ind AS specified under Section 133 of the Act and the rules made thereunder;

Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 1(viii) under Report on Other Legal and Regulatory Requirements section of our report of even date to the Members of Nagarjuna Fertilizers and Chemicals Limited)

Report on the Internal Financial Controls with reference to the financial statements of the Company under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to the consolidated financial statements of **Nagarjuna Fertilizers and Chemicals Limited** ("the Holding Company") and its Subsidiary company (Holding company and its subsidiary together referred to as "Group") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary company are responsible for establishing and maintaining Internal Financial Controls based on the internal controls with reference to financial statements criteria established by the Holding company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("The Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness has been identified in the group's internal financial controls with reference to financial statements as at 31st March, 2022 as regards impairment testing of its Property, Plant and Equipment and accounting the effect of impairment, if any and disputes with the lenders resulting in not reconciling the interest on borrowings and the outstanding balance of borrowings with lenders' statements and the disclosure of period and amount of default in repayment of principal and payment of interest thereon.

A 'material weakness' is a deficiency, or a combination of

deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion , except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of Internal Financial Controls stated in the Guidance Note.

For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No. 15002S)

J. VENKATESWARLU
Partner
ICAI Ms. No. 022481
UDIN: 22022481AKXZJY5518

Place: Hyderabad
Date: 14-06-2022

Consolidated Balance Sheet as at 31st March 2022

Rs.in Lakhs

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
1	**ASSETS**			
	Non-current assets			
	(a) Property, Plant and Equipment	3	210,618.76	218,787.16
	(b) Capital work-in-progress	3A	23.75	442.08
	(c) Financial Assets			
	(i) Investments	4	-	-
	(ii) Others	5	475.04	2,536.78
	Total of Non-Current Assets		**211,117.55**	**221,766.02**
	Current assets			
	(a) Inventories	6	4,640.22	4,828.13
	(b) Financial Assets			
	(i) Trade receivables	7	48,493.22	19,884.49
	(ii) Cash and cash equivalents	8	2,113.81	6,907.20
	(iii) Bank balances, other than (ii) above	9	2,259.07	4,224.10
	(iv) Others	5	760.94	1,774.21
	(c) Current Tax Assets (Net)	10	363.42	111.90
	(d) Other current assets	11	5,959.13	9,347.84
	Total of Current Assets		64,589.81	47,077.87
	Total Assets		**275,707.36**	**268,843.89**
2	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	12	5,980.65	5,980.65
	(b) Other Equity	13	(123,229.06)	(54,413.75)
	Non Controlling interest		2.82	2.82
	Total		**(117,245.59)**	**(48,430.28)**
	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,183.53	2,788.10
	(ii) Other financial liabilities	15	6,986.73	7,517.42
	(b) Provisions	16	508.86	615.53
	(c) Deferred tax liabilities (Net)	17	24,054.59	27,088.35
	(d) Other non-current liabilities	18	345.79	693.70
	Total Non-Current Liabilities		**34,079.50**	**38,703.10**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	253,869.18	229,578.55
	(ii) Trade payables	19		
	(A) Total outstanding dues of Micro enterprises and Small Enterprises		100.52	135.68
	(B) Total outstanding dues of creditors other than micro and small enterprises.		98,666.78	43,445.31
	(iii) (a) Other financial liabilities (other than those specified in item (c) below)	15	1,580.74	1,473.35
	(b) Other current liabilities	18	4,111.20	3,691.41
	(c) Provisions	16	545.03	246.77
	Total of Current Liabilities		**358,873.45**	**278,571.07**
	Total Equity and Liabilities		**275,707.36**	**268,843.89**
	Corporate Information, Significant Accounting Policies and explanatory notes	1 to 48		

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

Consolidated Statement of Profit and Loss Account for the year ended 31st March 2022

Rs.in Lakhs

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	INCOME			
I	Revenue From Operations	20	269,233.25	157,490.71
II	Other Income	21	3,033.32	2,435.37
III	Total Income (I + II)		**272,266.57**	**159,926.08**
IV	**EXPENSES**			
	Cost of materials consumed	22	133,987.82	73,241.25
	Purchases of Stock-in-Trade	23	181.67	267.12
	Changes in inventories of finished goods, Stock-in-Trade and work-inpro-gress	24	81.20	4,320.12
	Power and Fuel		122,685.76	58,748.78
	Employee benefits expense	25	9,468.18	9,679.52
	Finance costs	26	36,963.49	34,779.29
	Depreciation and amortization expense	3	8,208.51	8,223.83
	Other expenses	27	21,807.87	21,893.32
	Total Expenses		**333,384.50**	**211,153.23**
V	Profit/(loss) before exceptional items and tax (I- IV)		(61,117.93)	(51,227.15)
VI	Exceptional Items	28	10,857.50	14,082.00
VII	Profit/(loss) before tax (V-VI)		(71,975.43)	(65,309.15)
VIII	Tax expense:	29		
	(1) Current tax		-	-
	(2) Deferred tax		(3,073.17)	(3,775.86)
IX	Profit/(loss) for the period (VII-VIII)		**(68,902.26)**	**(61,533.29)**
X	Other Comprehensive Income / (Loss)			
	A (i) Items that will not be reclassified to profit or loss		126.30	(90.43)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		(39.41)	31.29
	B (i) Items that will be reclassified to profit or loss		-	-
	B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income / (Loss) for the period (IX+ X)		**(68,815.37)**	**(61,592.43)**
XII	Earnings per equity share	40		
	(1) Basic (in Rupees)		(11.52)	(10.29)
	(2) Diluted (in Rupees)		(11.52)	(10.29)
	Corporate Information, Significant Accounting Policies and explanatory notes	1 to 48		

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period (31.03.2022)

Rs.in Lakhs

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(2) Previous reporting period (31.03.2021)

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(B) Other equity

(1) Current reporting period (31.03.2022)

Rs.in Lakhs

Particulars	Reserves and surplus					Total
	Capital Reserve	Security premium	Other Reserves (General Reserve)	Retained earnings	Other items of Other Comprehensive Income (Defined Benefit Plans)	
Balance at the beginning of the current reporting period	51,853.85	109,619.35	13,382.57	(229,871.12)	601.60	(54,413.75)
Restated balance at the beginning of the current reporting period	51,853.85	109,619.35	13,382.57	(229,871.12)	601.60	(54,413.75)
Total Comprehensive Income for the current year (Net of Rounding off amount of Rs.0.05 lakhs)	-	-	-	(68,902.21)	86.89	(68,815.31)
Balance at the end of the current reporting period	51,853.85	109,619.35	13,382.57	(298,773.33)	688.49	(123,229.06)
(2) Previous reporting period (31.03.2021)						
Balance at the beginning of the previous reporting period	51,853.85	109,619.35	13,382.57	(168,337.83)	660.74	7,178.68
Restated balance at the beginning of the previous reporting period	51,853.85	109,619.35	13,382.57	(168,337.83)	660.74	7,178.68
Total Comprehen sive Income for the previous year	-	-	-	(61,533.29)	(59.14)	(61,592.43)
Balance at the end of the previous reporting period	51,853.85	109,619.35	13,382.57	(229,871.12)	601.60	(54,413.75)

Accompanying Notes form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2022

Rs.in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from Operating Activities		
Loss before Tax	**(71,975.43)**	**(65,309.15)**
Adjustments:		
Depreciation and Amortisation	8,208.51	8,223.83
Impairment of Land	-	14,082.00
Provision for Doubtful Debts / Advances	3,647.03	1,316.77
Reversal of provision	0.80	-
Finance Cost	36,963.48	34,779.29
Imparment of CWIP	429.80	758.00
Deferred government grant	(347.91)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	(0.56)	593.17
Operating Profit before working capital changes	(23,074.28)	(5,904.00)
Movements in working capital:		
Increase/(decrease) in trade payables	55,186.31	(87,520.03)
Increase/(decrease) in long term provisions	19.63	162.73
Increase/(decrease) in short term provisions	298.26	(173.64)
Increase/(decrease) in other current liabilities	419.03	(849.13)
Increase/(decrease) in other current financial liabilities	36.69	(456.23)
Increase/(decrease) in other long term liabilities	(530.69)	(185.63)
Decrease/(increase) in trade receivables	(30,441.89)	101,446.59
Decrease/(increase) in inventories	187.91	5,696.46
Decrease/(increase) in Non-current - Other Financial Assets	233.79	437.97
Decrease/(increase) in other current assets	3,388.71	(5,155.18)
Decrease/(increase) in other Current financial assets	1,013.31	4,339.51
Cash generated from/(used) in operations	**6,736.78**	**11,839.42**
(Direct Taxes Paid -net of refunds)	(251.52)	569.27
Net cash flow from / (used) in operating activities	**6,485.26**	**12,408.69**
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(54.44)	(226.43)
Proceeds from Margin Money Deposits	1,979.09	4,785.75
Proceeds from Sale of fixed assets	3.42	1.26
Net cash flow from / (used) in investing activities	**1,928.07**	**4,560.58**
C. Cash flow from Financing activities		
Repayment of long term borrowings	(519.54)	(604.24)
Finance Costs paid	(17,799.57)	(13,258.45)
Net cash flow from / (used) in financing activities	**(18,319.11)**	**(13,862.69)**
Net Increase/(decrease) in Cash and Cash Equivalents	**(9,905.78)**	**3,106.58**
Cash and Cash Equivalents as at beginning of the year	**(111,913.55)**	**(115,020.13)**
Cash and Cash Equivalents as at end of the period	**(121,819.33)**	**(111,913.55)**

Notes:

Rs.in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	2,099.24	6,883.28
Cheques, drafts on hand	-	2.30
Cash on hand	14.57	21.62
Cash and Cash Equivalents	2,113.81	6,907.20
Less: Cash Credit	123,933.14	118,820.75
Cash and Cash Equivalents in Cash Flow Statement	**(121,819.33)**	**(111,913.55)**

Accompanying Notes 1 to 48 form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board

Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary

Summary of significant Accounting Policies and other explanatory information for the year ended 31 March 2022

1. Corporate Information

Nagarjuna Fertilizers and Chemicals Limited (the holding company/NFCL) is a public listed company domiciled in India, incorporated under the provisions of the Companies Act 1956. Its shares are listed on The Bombay Stock Exchange and The National Stock Exchange Of India. The registered office of the company is situated at D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082.

The holding company is principally engaged in the business of manufacturing and marketing of Fertilizers, Micro Irrigation Equipments and Agri Informatic Services.

2. Significant Accounting Policies

Consolidated Accounts:

(a)The subsidiaries considered in the preparation of these consolidated financial statements are:

	Country of Incorporation	Percentage of voting power	
		31st March, 2022	31st March, 2021
(i) Jaiprakash Engineering and Steel Company Limited (JESCO)	India	99.84%	99.84%

(b) The details of associates of the holding company as defined in Indian Accounting Standard 28 "Investments in Associates and Joint Ventures" .

	Country of Incorporation	Percentage of voting power	
		31st March, 2022	31st March, 2021
(i) Nagarjuna Agricultural Research and Development Institute	India	25.00%	25.00%
(ii) K.V.K.Raju International Leadership Academy	India	42.85%	42.85%

The investments in associates are not considered for consolidation as the Companies by law are not allowed to transfer any funds to the investing company. These investments are accounted for in accordance with Indian Accounting Standard 28 "Investments in Associates and Joint Ventures" . .

Principles of Consolidation:

The Consolidated Financial Statements relate to Nagarjuna Fertilizers and Chemicals Limited and its subsidiary companies (together referred to herein as "the Group"), and have been prepared on the following :

a) The Financial Statements of the holding company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and unrealised profits or losses on intra group transactions as per Indian Accounting Standard (Ind AS) 110 – "Consolidated Financial Statements" notified by the Companies (Accounts) Rules, 2014.

b) In case of associates where the holding company directly or indirectly through its subsidiaries holds more than 20% of Equity, Investments in Associates are accounted under the equity method as per Indian Accounting Standard (Ind AS) 110 – "Consolidated Financial Statements" notified by the Companies (Accounts) Rules, 2016.

c) The Financial Statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the holding company, i.e., March 31, 2022.

d) The excess of the cost to the holding company of its investment in the subsidiaries over the Company's share of equity is recognized in the Financial Statements as Goodwill and tested for impairment annually.

e) The excess of the holding company's share of equity of the subsidiaries on the acquisition date, over its cost of investment is treated as Capital Reserve.

f) Non-controlling interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Group.

Non-controlling Minority interest in the net assets of consolidated subsidiaries consists of:

i) The amount of equity attributable to non-controlling interest at the date on which investment in a subsidiary is made; and

ii) The non-controlling interest's share of movements in the equity since the date the parent subsidiary relationship came into existence.

g) Non-controlling interest in the net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

h) Intra-group balances and intra-group transactions and resulting unrealized profits / losses have been eliminated.

i) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in "Foreign Currency Translation Reserve".

j) The consolidated Financial Statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's separate Financial Statements.

Voluntary Liquidation of subsidiary:

The Subsidiary went into voluntary liquidation vide resolution passed by its Members on 25th April 2022.

The Financial Statement of the subsiduiary for the year ended March 31, 2022 were prepared on Liquidation Basis. Value of

Assets and liabilities are stated at Liquidation Value and these statements have been consolidated.

2.1. Basis of preparation:

The Financial Statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended, on accrual basis under the historical cost convention, except for Derivative financial instruments and certain financial instruments, which are measured at fair value.

The Financial Statements are presented in INR and all values are rounded to two decimals to the nearest lakhs, except when otherwise indicated.

The financial statements have been approved for issue by the Board of Directors of the holding company in its meeting held on June 14, 2022.

2.2. Use of estimates:

The preparation of Conolidated Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of defined benefit obligations - Note 25.1

ii. Recognition of deferred tax asset/Liability- Note 17

iii. Fair Value Measurement of financial Instruments - Note 35

iv. Recognition of subsidy income - Note 20

v. Provision for doubtful trade receivables - Note 7

2.3. Current versus non-current classification

An asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Group's does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has decided its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.4. Property, Plant and Equipment (PPE)

Property, plant and equipment is stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on pro-rata basis under the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the following exception:

- Continuous Process Plants' are depreciated for 37 years based on the technical evaluation of useful life done by the management.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Group has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

2.5. Intangible assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Trademarks and Services:10 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Group has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

2.6. Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date for any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date for any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, in which case, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss account.

2.7. Inventories

Inventories are valued at the lower of cost and net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs for different categories of inventories are as follows:

- Raw materials and Traded Products: Cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value in the case of Urea is –

- the Group Concession Price notified by the Government of India in respect of finished goods lying at the factory, and
- the net sale price in respect of finished goods lying in the warehouses outside the factory.

Raw materials,work-in-progress, , stores, spares, packing material and loose tools are valued at weighted average cost, less provision for depletion in value, if any.

2.8. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.9. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A. Financial assets

(i) Initial recognition

On initial recognition, financial assets are recognised at fair value. Transaction cost that are directly attributable to acquisition of financial assets that are not at fair value through profit and loss (FVTPL) are added to fair value on initial recognition.

(ii) Subsequent measurement:

Financial assets which are debt instruments are subsequently measured on the following basis, depending on their classification

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(iii) When financial assets are Equity Instruments:

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI.

Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(iv) De-recognition:

The Group derecognizes a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the financial asset and at the transfer qualifies for de-recognition under IND AS 109.

(v) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(vi) Impairment:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS

109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities:

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost, net of directly attributable transaction costs.

(ii) Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition:

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

C. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate risk of changes in exchange rates on foreign currency exposure.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any gains or losses arising from re-measurement are dealt in Statement of profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS109, Financial Instruments, and hence categorized as financial assets or liability at fair value through profit or loss.

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11.Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

f the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised. They are disclosed only when an inflow of economic benefit is probable from such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue is net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf third parties.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
In case of goods which are shipped subject to installation and inspection, revenue is normally recognized when the buyer accepts delivery, and installation and inspection are complete.

Subsidy:

Subsidy on Group Concession Price under Group Concession Scheme (GCS) and Freight are recognized in accordance with the norms prescribed by the Government of India – Fertiliser Industry Co-ordination Committee, with adjustments for escalation / de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with known policy parameters in this regard.

Rendering of services:

Revenue from sale of services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable using effective interest method.

Dividends:

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.13. Employee benefits

(i) Gratuity:

In accordance with the Payment of Gratuity Act, 1972 the Group provides gratuity as a defined benefit plan, to eligible Employees. Liability with regard to gratuity is determined by an independent actuary at every Balance Sheet date using the projected unit credit method.

The Group recognizes the net obligation of a defined benefit plan in the Balance Sheet as asset or liability. Gains or losses on re-measurements are recognized in Other Comprehensive Income (OCI). Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

(ii) Superannuation fund and provident fund:

Superannuation and Provident Fund are in the nature of defined contribution plans.
The Group makes monthly contribution to approved superannuation fund covered by a policy with LIC of India. The Group has no further obligation beyond monthly contribution. The obligations under the said policy are accounted for on accrual.

The Group makes monthly contribution to the Provident Fund scheme and recognizes it as an expense, in the year in which employee renders the related service. The Group's Contribution towards Provident Fund is administered and managed by an approved trust. The Group has no obligation, other than the contribution payable to the Fund.

(iii) Compensated absences:

Liability for compensated absence is treated as a long term liability and is covered by a policy with Life Insurance Corporation ('LIC'). The estimated liability at each Balance Sheet date is determined by an independent actuary using the projected unit credit method and is recognised in the accounts accordingly.

2.14. Taxes

(i)Current income tax:
Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income (OCI), in which case the tax is also recognized in equity or Other Comprehensive Income (OCI).

on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:
Foreign currency denominated monetary assets and liabilities remaining unsettled at the end of the year are translated into functional currency at exchange rates prevailing at the Balance Sheet date. Exchange differences arising on translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated using exchange rate prevalent on the date of transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.20. Earnings per share

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.21. Investments

Investments are classified as Non Current and Current. Non Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

2.22. Exceptional Items

Exceptional items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.

2.23. Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(i) IND AS 16, Property Plant and equipment
The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any , shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property , plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its financial statements .

(ii) IND AS 37, Provisions, Contingent Liabilities and Contingent Assets
The amendment specifies that the 'cost of fulfilling ' a contract comprises the 'costs that relate directly to the contract`. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour , materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property , plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Summary of significant Accounting Policies and other explanatory information for the year ended 31 March 2022

3 . Property, Plant and Equipment

Rs.in Lakhs

Particulars	Gross Block (At Cost)				Depreciation / Impairment					Net Block	
	As at March 31, 2021	Additions during the year	Deductions / Adjustments during the year	As at March 31, 2022	Upto March 31, 2021	For the year	Deductions / Adjustments during the year	Impairment for the year	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible Assets											
Land *	116,027.77	-	-	116,027.77	14,082.00	-	-	-	14,082.00	101,945.77	101,945.77
Buildings	12,873.46	-	-	12,873.46	4,571.09	762.16	-	-	5,333.25	7,540.21	8,302.37
Plant & Equipment	149,899.45	8.72	4.43	149,903.74	41,866.21	7,319.44	1.84	-	49,183.81	100,719.93	108,033.24
Furniture & Fixtures	108.54	-	0.21	108.33	73.79	8.36	0.19	-	81.96	26.37	34.75
2 I À F H Equipment	1,280.55	34.25	4.03	1,310.77	957.60	109.08	3.78	-	1,062.90	247.87	322.95
Vehicles	89.41	-	-	89.41	60.81	4.69	-	-	65.50	23.91	28.60
Roads, Drains & Culverts	132.14	-	-	132.14	59.29	4.78	-	-	64.07	68.07	72.85
Railway Siding	46.63	-	-	46.63	-	-	-	-	-	46.63	46.63
Total	280,457.95	42.97	8.67	280,492.25	61,670.79	8,208.51	5.81	-	69,873.49	210,618.76	218,787.16
Previous Year	279,335.65	1,853.58	731.28	280,457.95	39,501.80	8,223.83	136.84	14,082.00	61,670.79	218,787.16	239,833.85

* Land:

a) Includes cost of 5 acres - Rs.100 lakhs , situated at Wargal village,Telangana State, the possession of which is yet to be taken, as the title of seller is under dispute. Cost of this land has been impaired in FY 2020- 21.

b) Does not include cost of 33.35 acres situated at Kakinada plant site, cost not ascertainable, , which is in the possession and use of the Company, pending fixation of compensation by the State Government, pending registration of title in the name of the Company.

c) Doesnot include cost of 14.06 acres situated at Kakinada Plant site, cost not ascertainable, pending completion of alienation and handing over of possession to the Company by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes land of 1040.28 acres in Kakinada allocated by the Government of AP for settingup Ammonia/ Urea fertilizer plant, in which the company's urea manufacturing plants are situated. These lands were allocated/ awarded to the company by the State Government under its GOs and Agreements.

e) Includes Rs. 4185.39 lakhs, the cost of 340.11 acres (104 cases) situated at Nellore, AP, which is in the possession of the Company but not registered in the name of the company due to defecticve title and has been fully impaired in FY 2020- 21. (Refer Note No. 28(iii)).

Refer Note 14 for details of PPE offered as security for Borrowings.

3A. Capital Work-In-Progress

Rs.in Lakhs

Particulars	Gross (At Cost)				Impairment			Net	
	As at March 31, 2021	Additions during the year	Transfer to Tangible asset / Disposals / Deductions	As at March 31, 2022	Upto March 31, 2021	Impairment for the year	Total Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
CWIP - Plant and Equipment	1,200.08	11.47	429.80	781.75	758.00	-	758.00	23.75	442.08
Total	**1,200.08**	**11.47**	**429.80**	**781.75**	**758.00**	**-**	**758.00**	**23.75**	**442.08**
Previous Year	**2,827.23**	**170.18**	**1,797.33**	**1,200.08**	**-**	**758.00**	**758.00**	**442.08**	**2,827.23**

Refer Note No. 46(vi) for Ageing and completion schedules of CWIP

4. Investments - Unquoted, At Cost, Non-current

Rs.in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	No. of shares	Cost	No. of shares	Cost
In Associates, In Equity Shares of RS.10/- each fully paid up				
Nagarjuna Agricultural Research and Development Institute Private Limited	25,020	2.50	25,020	2.50
KVK Raju International Leadership Limited	150,000	15.00	150,000	15.00
Total - (B)		**17.50**		**17.50**
Total - (A+B)		**17.50**		**17.50**
Less: Provision for diminution				
- Associates		17.50		17.50
		0.00		**0.00**
Aggregate amount of Quoted Investments		-		-
Aggregate amount of Un-Quoted Investments		17.50		17.50
Aggregate amount of diminution in value of Investments		17.50		17.50

5. Other Financial Assets

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Margin money deposit	-	14.09	-	-
Interest Accrued on Deposits and advances	-	-	81.69	265.18
Unbilled Revenue	-	-	625.68	1,455.69
Security Deposit	475.04	2,522.69	52.67	52.34
Other Receivables	-	-	0.90	1.00
	475.04	**2,536.78**	**760.94**	**1,774.21**

6. Inventories

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Raw materials *	453.91	625.21
Work in progress	445.77	290.32
Finished Goods - Manufactured goods	909.25	1,340.00
Stock In Transit - Manufactured goods	934.61	741.81
Traded goods	989.71	984.37
Stock In Transit - Traded goods	-	4.03
Packing materials	177.66	201.25
Stores and Spares	726.64	633.96
Loose tools	2.67	7.18
Total	**4,640.22**	**4,828.13**

* Raw materials include Rs. 317.68 lakhs(Previous year Rs. 490.96 lakhs) being the value of material received from a vendor, for converting into CFG and return to the same vendor.

7. Trade Receivables

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Unsecured -Considered good	45,910.15	19,180.94
Which have significant increase in Credit Risk	4,181.27	2,853.54
Credit Impaired	6,276.63	3,891.68
	56,368.05	**25,926.16**
Less: Provision for doubtful debts	7,874.83	6,041.67
Total	**48,493.22**	**19,884.49**

7.1. Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

7.2. Trade Receivables includes subsidy and other dues of Rs. 44,335.54Lakhs (Previous Year Rs. 11995.51 Lakhs) receivable from Government of India and Rs. 7029.43 Lakhs (Previous Year Rs. 8785.66 Lakhs) from State Governments.

Includes Rs.56.18 lakhs due from SFAC on account of implementation of eNAM project. The company had closed the iKisan division operations due to severe financial constraints. As the Company is unable to perform the contractual obligations with SFAC for eNAM Project due to closure of iKisan division , the remaining contract work had been outsourced to a vendor who invested their resources to fulfil the contractual obligations of NFCL. As agreed, the entire amount receivable from eNAM project is payable to the vendor.

7.3. The subsidy due from GOI is being credited to an Escrow Account maintained with IDBI Bank. GAIL has a first preference as per Escrow Agreement entered among GAIL, NFCL & IDBI.

Department of Fertilizers (DOF) has revised the Office Memorandum on subsidy sharing mechanism vide No 12012/30/2013-FPP dated 25.11.2021, to transfer 40% of subsidy to Gas Pool Fund Account and 60% to NFCL for its operations. Out of the company's share, GAIL has a first preference as per Escrow Agreement which was extended on 30.12.2021 till 30.06.2022.

7.4 Trade Receivables ageing schedule

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at Mar 31, 2022						
(i) Undisputed Trade receivables – considered good	44,659.51	42.53	1,001.78	2,121.90	8,542.33	**56,368.05**
Less: Provision for Doubtful Debts			13.92	589.27	7,271.64	**7,874.83**
Net Receivables	44,659.51	42.53	987.86	1,532.63	1,270.69	**48,493.21**
As at Mar 31, 2021						
(i) Undisputed Trade receivables – considered good	8,838.07	4,484.87	3,095.48	3,635.54	5,872.21	**25,926.17**
Less: Provision for Doubtful Debts			50.25	794.39	5,197.04	**6,041.68**
Net Receivables	8,838.07	4,484.87	3,045.23	2,841.15	675.17	**19,884.49**

8. Cash and Cash Equivalents

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Balances with Banks		
Current Accounts	2,099.24	6,883.28
Cheques, drafts on hand	-	2.30
Cash on hand	14.57	21.62
Total	**2,113.81**	**6,907.20**

9. Bank Balances (Other than the items reported at Note No.8)

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Margin Money Deposits *	241.77	2,206.80
Amount in earmarked account for payment to a creditor as per High Court Orders	2,017.30	2,017.30
Total	**2,259.07**	**4,224.10**

*The 100% cash margin Rs. 8,550.00 lakhs deposited for providing Bank Guarantee for gas supplies, has been adjusted by the lenders unilaterally without informing or taking approval from the company Rs 1,723.78 lakhs and Rs 6,826.22 lakhs against outstanding loans during FY 2021-22 and FY 2020-21 respectively along with interest on the said deposit. While the company has reduced the amount from the outstanding, the adjustment and the outstanding have been disputed by the company. Details of appropriation of the margin money adjusted Bank wise were also not made available to the Company.

10. Current Tax Assets (Net)

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
Advance Income Tax	363.42	111.90
Total (net)	**363.42**	**111.90**

11. Other Assets

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
i) Capital Advances				
Unsecured - considered doubtful	70.85	70.85	-	-
Less: Provision for Doubtful advances	70.85	70.85	-	-
Total	**-**	**-**	**-**	**-**
ii) Other Advances				
- Unsecured, considered good	-	-	5,189.79	5,761.58
- Unsecured, considered doubtful	-	-	362.11	362.11
	-	-	5,551.90	6,123.69
Less: Provision for Doubtful advances	-	-	362.11	362.11
Total	**-**	**-**	**5,189.79**	**5,761.58**
iii) Advances to directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-	-	-
iv) Prepaid Expenses	-	-	759.34	311.24
v) Gratuity fund - excess of plan assets over liability	-	-	-	19.17
vi) Balance with Government Authorities	-	-	10.00	-
vi) Deposit - Electricity Duty (Refer Note 11.1)			-	3,255.85
Total	**-**	**-**	**769.34**	**3,586.26**
Total - (A+B+C)	**-**	**-**	**5,959.13**	**9,347.84**

11.1 The Company received a demand for an amount of Rs 5,426.41 Lakhs from the Director, Electrical safety and Chief Electrical inspector towards electricity duty on captive power generation @ 25 Paise per unit for the period of March 2003 to May 2013 . The company filed a Writ Petition against the Government of Andhra Pradesh and Chief Electrical Officer against the above demand challenging that the very concept of the setting up of Captive Power Plant will be defeated by this additional levy. The High Court of Andhra Pradesh dismissed the appeal filed by the Company. The Company filed an SLP (No.23005 / 2016) in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court in its interim order directed the Company to pay duty @ 6 Paise and @ 9 paise per unit. Accordingly, the Company paid an amount of Rs. 3,255.85 lakhs. Matter is pending for final orders.

As a matter of prudence, the company has provided the entire demand amount of Rs. 5,426.41 lakhs in its books of account during the financial year 2021-22 and adjusted the deposited amount of Rs. 3,255.85 lakhs against the liability and the balance is shown as liability.

12. Share Capital

Rs.in Lakhs

Particulars	Mar 31, 2022		March 31, 2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Authorised				
Equity Shares of Rs. 1/- each	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00
Preference Shares of Rs. 1/- each	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00
Total		**80,100.00**		**80,100.00**
Issued, Subscribed and Paid Up				
Equity Shares of Rs. 1/- each fully paidup	59,80,65,003	5,980.65	59,80,65,003	5,980.65

12.1. Reconciliation of the Number of Equity Shares of Rs. 1 each.

Rs.in Lakhs

Particulars	Mar 31, 2022		Mar 31, 2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the year	59,80,65,003	5,980.65	59,80,65,003	5,980.65
Balance at the end of the year	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**

12.2. Rights, Preferences and Restrictions attached to equity shares

The Company's issued, subscribed and paidup capital comprises of equity shares of par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company,

after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3. Details of shareholders holding more than 5% of the Equity Shares of Rs. 1/- each

Rs.in Lakhs

Name of the shareholder	Mar 31, 2022		Mar 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Amlika Mercantile Private Limited	29,60,72,140	49.51	29,60,72,140	49.51
Zuari Agro Chemicals Limited	3,22,67,741	5.40	3,22,67,741	5.40

Note: The above shareholding is as per the records of the company, including its register of Shareholders/members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownership of shares.

12.4. In the period of Five Years immediately preceeding the date at which the Balancesheet is prepared -

i) Aggregate number and class of shares allotted as fully paid up persuant to contract without payment being received in cash - Nil (P Y: Nil)

ii) Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares - Nil (P Y: Nil)

iii) Aggregate number and class of shares bought back - Nil (P Y: Nil)

12.5. Shareholding of Promoters as defined in the Companies Act, 2013

Rs.in Lakhs

Sl No.	Name of the shareholder	At the beginning of the year		At the end of the year		% change during the year
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	Amlika Mercantile Private Limited	296,072,140	49.51	296,072,140	49.51	Nil
2	Governor of Andhra Pradesh	21,427,989	3.58	21,427,989	3.58	Nil
3	KRIBHCO	11,000,000	1.84	11,000,000	1.84	Nil
4	Fireseed Limited	8,800,000	1.47	8,800,000	1.47	Nil
5	Saipem SPA	4,400,000	0.73	4,400,000	0.73	Nil
	Total	**341,700,129**	**57.13**	**341,700,129**	**57.13**	**Nil**

13. Other Equity

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
i) Capital Reserve		
Opening Balance	51,853.85	51,853.85
Changes during the year	-	-
Closing Balance	**51,853.85**	**51,853.85**
ii) Securities Premium		
Opening Balance	109,619.35	109,619.35
Changes during the year	-	-
Closing Balance	**109,619.35**	**109,619.35**
iii) General Reserve		
Opening Balance	13,382.57	13,382.57
Changes during the year	-	-
Closing Balance	**13,382.57**	**13,382.57**
iv) Retained Earnings		
Opening Balance (Including opening balance of OCI)	(229,871.12)	(168,337.78)
Add: Net Profit /(Loss) after tax for the year	(68,902.21)	(61,533.34)
Closing Balance	**(298,773.33)**	**(229,871.12)**
v) Other Comprehensive Income		
Items of other comprehensive income - which will not be reclassified to P & L :		
Remeasurement of post employement benefit obligations, net of tax		
Opening Balance	601.60	660.74
Add: for the year	86.90	(59.14)
Closing Balance	**688.50**	**601.60**
Total [i to v]	**(123,229.06)**	**(54,413.75)**

Nature of Reserves

(a) Capital Reserve: During the composite scheme of arrangement and amalgamation, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.

(b) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(c) General Reserve: The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the provisions of Companies Act 1956.

(d) Retained Earnings: Retained earnings are the profits earned or loss incurred by the Company till date including OCI, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14. Borrowings

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
i) Term Loans - Secured				
Rupee loans from Banks (CAP Loans, WCTL & CRL)	-	-	78,603.72	70,342.30
Rupee Loan from Other Parties - Dept. of Biotechnology, GOI	5.58	15.99	441.87	386.05
ii) Rupee Loans repayable on Demand -Secured - from Banks				
Cash Credit Facilty and Short term Loans	-	-	1,73,471.11	1,57,809.78
iii) Deferred Payment Liabilities - Unsecured				
Sales tax Deferral from Government of AP	2,177.95	2,772.11	1,352.48	1,040.42
Total	**2,183.53**	**2,788.10**	**2,53,869.18**	**2,29,578.55**

14.1. Details of Borrowings

Rs.in Lakhs

Sl. No	Borrowings	Non Current		Current	
		o/s bal. as at 31.03.2022	o/s bal. as at 31.03.2021	o/s bal. as at 31.03.2022	o/s bal. as at 31.03.2021
A	**CAP Loans (WCTL)- from Banks, Secured**				
1	I D B I Bank Limited (Sanctioned - Rs 34,000 lakhs)			21,800.00	21,799.87
2	State Bank of India(Sanctioned - Rs 22,200 lakhs)			16,648.24	16,648.24
3	ICICI Bank Limited(Sanctioned - Rs 8,400 lakhs)			5,460.00	5,460.01
4	UCO Bank(Sanctioned - Rs 1,300 lakhs)			1,007.50	1,007.50
	Total Principal			**44,915.74**	**44,915.62**
5	Interest accrued on the above loans			29,302.33	21,691.05
	Total - (A)			**74,218.07**	**66,606.67**
B	**Corporate Rupee Loans (CRL)-from Banks, Secured**				
6	SBI -Corporate Loan (Sanctioned - Rs 5,000 lakhs)			2,398.24	2,398.24
7	Interest accrued on the above loans			1,987.41	1,337.39
	Total - (B)			**4,385.65**	**3,735.63**
C	**Term Loans -from others, Secured**				
8	Deptt of Bio Technology, GOI (Sanctioned - Rs 1,141.80 lakhs)	5.58	15.99	302.69	286.98
9	Interest accrued on the above loans			139.18	99.07
	Total - (C)	**5.58**	**15.99**	**441.87**	**386.05**
D	**Loans repayable on demand and STL - from Banks,Secured**				
10	Cash Credit			123,933.14	118,820.75
11	Short Term Loan (STL) from ICICI Bank Ltd (limit Rs 6,895.64)			6,985.64	6,980.09
				130,918.78	**125,800.84**
12	Interest accrued on the above loans			42,552.33	32,008.94
	Total - (D)			**173,471.11**	**157,809.78**
E	**Deferred payment liabilities - Unsecured**				
13	Sales tax Deferral from Government of AP - Total - (E)	2,177.95	2,772.11	1,352.48	1,040.42
	Grand Total (A to E)	**2,183.53**	**2,788.10**	**253,869.18**	**229,578.55**

14.2 CAP Loans - Working Capital Term Loan (Part of CAP loans) - Holding company

14.2.1 Assessed Working Capital Term Loans (WCTL) - Rs 80,000 lakhs (Sanctioned Rs 65,900 lakhs and disbursed Rs 62,100 lakhs) are secured by first charge on the fixed assets (movable and immovable) of the holding company both present and future on pari-passu basis among the lenders; first pari-passu charge on the entire current assets of the holding company; pledge of core promoters' shares (26.16 Crores Shares) on pari-passu basis among the lenders and personal guarantees of Shri K S Raju and Shri K Rahul Raju, former Director and Managing Director of the holding company respectively to the tune of Rs 80,000 lakhs. (Refer Note No 14.7)

14.2.2 Details of terms of repayment of WCTL

S. No	Bank / Institution	Rate of Interest %	Number of Instalments
a)	IDBI Bank Limited	BBR +3.00	23 Qly instalments commencing from July 2016
b)	State Bank of India	MCLR+4.10	23 Qly instalments commencing from July 2016
c)	ICICI Bank Limited	I-MCLR+4.35	23 Qly instalments commencing from July 2016
d)	UCO Bank	SBI Base rate + 4.50	23 Qly instalments commencing from July 2017

14.2.3 Period and amount of default as on balance sheet date in repayment of WCTL and interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of De-fault	Amount Rs.in Lakhs
Principal				
IDBI Bank Limited	0-1370 days	21,800.00	0-1005 days	18,700.00
State Bank of India	0-1370 days	16,648.24	0-1005 days	12,210.00
ICICI Bank Limited	0-1186 days	5,460.00	0-821 days	3,780.00
UCO Bank	0-1297 days	1,007.50	0-914 days	552.50
Total		**44,915.74**		**35,242.50**
Interest				
IDBI Bank Limited	0-913 days	11,296.56	0-944 days	9,741.48
State Bank of India	0-1188 days	13,742.91	0-1005 days	9,264.02
ICICI Bank Limited	0-1187 days	3,671.70	0-822 days	2,306.62
UCO Bank	0-1156 days	582.85	0-791 days	370.62
Others		8.31		8.31
Total		**29,302.33**		**21,691.05**

14.3. Corporate Rupee loan - Holding Company

Corporate Rupee loan from State Bank of India carries interest @ 4.60% above base rate with a minimum of 14.60%, is secured by first charge on hypothication of chargeable current assets of the Company ranking pari-passu among lender banks in the consortium and collaterally secured by first / pari-passu on the fixed assets of the Company and personal guarantee of Shri K.S.Raju, former Director of the Company. The loan is repayable in 20 quarterly instalments commencing from December 2014.

14.3.1 Period and amount of default as on balance sheet date in repayment of Corporate Loan from SBI and interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of Default	Amount Rs.in Lakhs
Principal	0-1370 days	2,398.24	0-1005 days	2,398.24
Interest	0-1370 days	1,987.41	0-1005 days	1,337.39
Total		**4,385.65**		**3,735.63**

14.4. Term Loan from DBT - Holding Company

The term loans (three loans) from Department of Bio Technology (DBT), Government of India for Process Development Unit carries simple interest of 2.0% per annum is secured by way of hypothecation of all equipment, apparatus, machineries, spares, tools and other accessories and goods and other movable properties of the holding company acquired for the project. The loans are repayable in 10 equal half-yearly instalments commencing from October 2014, June 2014 and October 2018 respectively.

14.4.1 Period and amount of default as on balance sheet date in repayment of Loans to DBTand interest thereon.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Period of Default	Amount Rs.in Lakhs	Period of Default	Amount Rs.in Lakhs
Principal	0-1401 days	286.98	0-1036 days	271.27
Interest	0-1401 days	139.18	0-1036 days	99.07
Total		**426.16**		**370.34**

14.5. Loans repayable on demand (Cash Credit & Short Term Loan) from Banks (Part of CAP loans) - Holding Company

Cash Credit Facility from 7 banks aggregating to Rs 3,05,000 lakhs (Rs 85,000 lakhs of Fund based and Rs 2,20,000 lakhs of Non Fund Based) are secured by hypothecation by way of first charge on current assets (stock in trade, book debts and stores and spares, present and future) of the company ranking pari-passu among the lenders in the consortium; second charge on the company's present and future immovable properties and fixed assets ranking pari-passu among the WC consortium members and personal guarantee of Shri K.S.Raju former Director and Shri. K Rahul Raju Managing Director of the Company for rectification of account with funding (CAP) which have been disputed in view of non implementation of Corrective Action Plan.

14.5.1 Rate of interest, period and amount of default on borrowings and interest thereon under Cash Credit facility are as under :

S. No	Bank / Institution	Rate of Interest %	Period and amount of default on balance sheet date in repayment of borrowings and interest
a)	IDBI Bank Limited	5.25 + IDBI MCLR	The loans are in default for a period ranging from 5 to 6 years and the amount of default is Rs 1,73,471.11 lakhs, which are calculated as per the terms of CAP. (Previous year, default period ranging from 4 to 5 years and amount Rs 1,57,809.78 lakhs) (Refer Note 14.7)
b)	State Bank of India	4.3+Base rate (14%)	
c)	ICICI Bank Limited (including Short Term Loan)	3.25+Ibase (12.95%)	
d)	UCO Bank	4.5+sbi rate (13.8%)	
e)	Punjab National Bank	3.2+Base rate (13.45%)	
f)	Bank of India	4.3+base rate (14%)	
g)	Indian Overseas Bank	4.5+MCLR (14.2%)	

14.6 Sales Tax Deferral Loan - Holding Company

The Government of Andhra Pradesh sanctioned Sales Tax deferral facility to the holding company with a final eligibility of Rs 1,01,746.56 lakhs, subject to the restriction of loan to the actual Sales Tax collected on the sale of the products manufactured by the holding company for a period of 14 years from 19.03.1998 to 18.03.2012. The Sales Tax deferred in a year should be repaid at the end of 14th year without interest. Repayment of this loan was commenced on March 19, 2012. The deferred Sales Tax outstanding as on March 31,2022 is Rs.3,869.80 Lakhs (Previous Year Rs.4,394.90 Lakhs).

As at the balance sheet date, the Company has defaulted in payment of instalment due on 19.03.2022 amounting to Rs.515.32 Lakhs for a period of 13days (Previous year Rs 525.10 lakhs for a period of 13 days).

14.7 The holding company is in default of principal and interest during the year on the borrowings from various lenders on account of non implementation of CAP. 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. 3,05,000 lakhs (Rs.85,000 lakhs under Fund Based & Rs.2,20,000 lakhs under Non-Fund Based) and Rs.80,000 lakhs of 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 non sanction / release of assessed funds by the 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. 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 debt in the books (CAP loans) are disputed and are sub-judice. Pending resolution of the CAP loans and disputes (working capital and term loans in the books of the Company), the Company has been accounting for the interest / penal interest during the year on the borrowings as per the rate of interest mentioned in the sanction letters and as per CAP and other loan arrangements. This is not confirmation of dues. Adjustments, if any, for the principal, interest and penal interest accounted will be dealt on the outcome of the Debt Resolution Plan agreed by the company and lenders.

The lenders (Banks) of the holding 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 the 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.

The 100% cash margin of Rs. 8,550.00 lakhs deposited for providing Bank Guarantee for gas supplies, has been adjusted by the lenders unilaterally without informing or taking approval from the company Rs 1,723.78 lakhs and Rs 6,826.22 lakhs against outstanding during FY 2021-22 and FY 2020-21 respectively along with interest. While the company has reduced the amount from the outstanding loans, the adjustment and the outstanding have been disputed by the company. Details of appropriation of the margin money adjusted Bank-wise were also not made available to the Company.

15. Other Financial Liabilities

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Deposits from dealers			105.75	35.05
Deposits from dealers	6,767.38	7,292.79	405.52	327.80
Other Deposits - (Retention Money, EMD etc.)	219.35	224.63	-	-
Creditors for purchase of fixed assets	-	-	1,069.47	1,110.50
Total	**6,986.73**	**7,517.42**	**1,580.74**	**1,473.35**

16. Provisions

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Provision for employee benefits (Refer Note 25.1)				
- for Leave Benefit (net of plan assets)	508.86	615.53	408.23	246.77
- Gratuity	-	-	136.80	-
Total	**508.86**	**615.53**	**545.03**	**246.77**

17. Deferred Tax Liabilities (Net):

Rs.in Lakhs

17.1 Deferred Tax Liability comprises of the following:

Particulars	Nature	March 31, 2022	March 31, 2021
Depreciation / amortization	Liability	31,226.17	37,344.16
Land	Liability	-	166.39
Employee benefit provision	Asset	328.82	301.32
Unabsorbed Loss and Depreciation under tax laws	Asset	6,842.76	9,963.05
Government grant	Asset	-	157.83
	Net Liability	**24,054.59**	**27,088.35**

17.2. Reconciliation of Defered Tax

Rs.in Lakhs

Particulars	As at 31-Mar-20	Recognized during the Year	As at 31-Mar-22	Recognized during the Year	As at 31-Mar-22
Deferred tax liability:					
Related to Fixed Assets (Depreciation/ Amortisation)	42,671.63	(5,161.07)	37,510.56	(6,284.39)	31,226.17
Total deferred tax liability (A)	42,671.63	(5,161.07)	37,510.56	(6,284.39)	31,226.17
Deferred tax asets:					
Carry forward Business Loss / Unabsorbed Depreciation	11,322.02	(1,358.97)	9,963.05	(3,120.29)	6,842.76
Employee Benefit Provisions (charged to OCI)	273.54	27.79	301.33	27.49	328.82
(OCI Amount Rs. 39.41 Lakhs (PY: Rs. 31.29 Lakhs))					
Others	180.57	(22.74)	157.83	(157.83)	-
Total deferred tax assets (B)	11,776.13	(1,353.92)	10,422.21	(3,250.63)	7,171.58
Deferred Tax liability (Net) (A-B)	30,895.50	(3,807.15)	27,088.35	(3,033.76)	24,054.59

18. Other Liabilities

Rs.in Lakhs

Particulars	Non Current		Current	
	Mar 31, 2022	March 31, 2021	Mar 31, 2022	March 31, 2021
Fair value adjustment - Government Grants				
- Sales tax deferral	343.67	687.33	343.67	343.67
- Loan from Dept. Bio-Technology (Refer Note 14)	2.12	6.37	4.24	4.24
Others				
Employee costs payable	-	-	2,804.97	2,051.58
Insurance Claim received pending final settlement	-	-	35.00	35.00
Statutory dues Payable	-	-	895.14	1,255.92
Others			28.18	1.00
Total	**345.79**	**693.70**	**4111.20**	**3,691.41**

19. Trade Payables

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
(A) Due to Micro, Small, Medium Enterprises (MSMEs)	100.52	135.68
(B) Due to Other than MSMEs	98,666.78	43,445.31
	98,767.30	**43,580.99**

19.1. Dues to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the company. Disclosures under MSMED Act are given below: **Rs.in Lakhs**

Particulars	March 31, 2022	March 31, 2021
A. Principal amount remaining unpaid	100.52	135.68
B. Interest due thereon	26.57	40.40
C. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	0.00	0.00
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	0.00	0.00
E. Interest accrued and remaining unpaid	26.57	40.40
F. Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0.00	0.00

19.2 Trade Payables ageing schedule as on 31-03-2022

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME Creditors	49.03	1.01	9.04	41.44	100.52
Previous Year	19.11	32.84	41.82	41.91	135.68
(ii) Other Creditors	90,173.48	729.48	810.84	6,952.98	98,666.78
Previous Year	32,538.52	1,986.91	7,139.97	1,779.90	43,445.31
Total	**90,222.51**	**730.49**	**819.88**	**6,994.42**	**98,767.30**
(Previous Year)	**32,557.63**	**2,019.75**	**7,181.79**	**1,821.81**	**43,580.99**

20. Revenue from Operations

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Sales, including Subsidy on products & freight		
Manufactured goods		
Urea (Refer Note 20.1) *	267,954.33	151,284.44
Customised Fertilizers	848.01	2,072.31
Extruded Irrigation systems	186.57	1,513.70
Total - A	**268,988.91**	**154,870.45**
Traded goods		
Pool Urea $	-	9.42
Specialty Fertilizers	-	67.64
Others	-	65.31
Total - B	**-**	**142.37**
Total Sale of Products (A+B)	**268,988.91**	**155,012.82**
Sale of Services	214.89	2,433.23
Other Operating revenues (sale of scrap, waste.)	29.45	44.66
Total	**269,233.25**	**157,490.71**

* including Government Subsidy of Rs. 2,19,878.96 Lakhs (Previous Year Rs.1,11,772.37 Lakhs).
$ including reimbursements from Government Rs. Nil Lakhs (Previous Year Rs. 6.87 Lakhs)

20.1. Group Concession Scheme – (GCS) Subsidy

i. Nitrogenous fertilizers (Urea) are under the Group Concession Subsidy scheme of Government of India (GOI), Department of Fertilizers. GOI has notified New Urea Policy (NUP)-2015 from 1st June, 2015 to 31st March, 2019. GOI vide its notification dated 14th May, 2019 has extended the duration of NUP-2015 from 1st April, 2019 till further orders. Gas Pooling Policy applicable to Fertilizer industry effective from June 1, 2015. Concession rates for Plant-1 and Plant-2 for the period April 1, 2021 to March 31, 2022 have been recognized based on notified rates as per respective policies.

During the year escalations of Rs.29,106.64 Lakhs (Previous year de-escalations Rs.15,551.17 Lakhs) on the input prices have been accounted for as per the gas pool prices and provisions applicable under NPS-III, Modified NPS-III, NUP-2015 and Letter dated March 30, 2020 related to Modified NPS-III policy. Adjustments, if any, required will be considered on notification of final prices.

ii. Government of India, Department of Fertilizers has implemented Direct Benefit Transfer (DBT) in Fertilizer Sector in all the States of the Country from 1st March, 2018. The subsidy for the period April, 2021 to March, 2022, has been recognized for the quantities received in the States under DBT scheme.

21. Other Income

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Interest on Bank Deposits and others	72.22	493.24
Dividend from Current Investments (Liquid Mutual Fund Units)	-	-
Fair value adjustment - Government Grants	347.91	347.91
Grants in Aid	-	-
Other non-operating income	2,612.63	1,594.22
Profit on sale of PPE	0.56	-
Total	**3,033.32**	**2,435.37**

22. Cost of Materials consumed

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Natural Gas	128,893.18	68,166.63
Plastic Granules	49.94	200.77
PVC resin	-	68.73
Others	1,390.01	2,295.85
Packing Material	3,654.69	2,509.27
Total	**133,987.82**	**73,241.25**

23. Purchases of Stock-in-Trade

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Pool Urea	-	10.96
Specialty Fertilizers	-	44.79
Packing Material	62.70	39.84
Others	118.97	171.53
Total	**181.67**	**267.12**

24. Changes in inventories of finished goods, stock-in-trade and work in progress

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Inventories at the beginning of the year		
Traded goods	988.40	1,232.49
Finished Goods	2,081.82	6,145.46
Work in Progress	290.32	302.71
Total - (A)	**3,360.54**	**7,680.66**
Inventories at the end of the year		
Traded goods	989.71	988.40
Finished Goods	1,843.86	2,081.82
Work in Progress	445.77	290.32
Total - (B)	**3,279.34**	**3,360.54**
Decrease in Inventory (A-B)	**81.20**	**4,320.12**

25. Employee Benefits Expense

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Salaries and Wages	8,326.96	8,504.22
Contribution to Provident and Other Funds	514.23	542.28
Staff Welfare Expenses	626.99	633.02
Total	**9,468.18**	**9,679.52**

25.1 Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees including whole time directors. Under the plans the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall if any, shall be provided for by the Company.

Contributions tto these Defined Contribution Plans, charged to Statement of Profit and Loss during the year are as under:

Particulars	Year ended March 2022	Year ended March 2021
Employer's contribution to provident fund	195.56	210.01
Employer's contribution to Superannuation fund	66.22	86.70
Employer's contribution to Pension scheme	127.72	128.09

Defined Benefit Plans

The employees' gratuity fund and leave encashment (PL) schemes managed by Life Insurance Corporation of India are defined benefit plans. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are, as follows: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Defined benefit obligation at April 1, 2020	1,965.30	862.08
Current service cost	114.89	120.00
Interest expense	123.97	(2.22)
Benefits paid	(229.14)	24.45
Actuarial (gain)/ loss on obligations - OCI	140.62	(165.51)
Defined benefit obligation at March 31, 2021	**2,115.64**	**838.80**
Current service cost	109.00	110.00
Interest expense	132.38	105.08
Benefits paid	(366.28)	(83.83)
Actuarial (gain)/ loss on obligations - OCI	64.37	(194.74)
Defined benefit obligation at March 31, 2022	**2,055.11**	**775.31**

Changes in the fair value of plan assets are, as follows: Rs. in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Fair value of plan assets as at April 1, 2020	2,197.95	388.44
Contribution by employer	11.93	0.04
Interest income	139.49	19.88
Benefits paid	(229.14)	(129.04)
Return on plan assets (excluding amounts included in net interest expense) - OCI	14.59	2.34
Fair value of plan assets as at March 31, 2021	**2,134.82**	**281.66**
Contribution by employer	6.82	0.06
Interest income	132.69	11.22
Benefits paid	(366.28)	(202.28)
Return on plan assets (excluding amounts included in net interest expense) - OCI	10.27	1.17
Fair value of plan assets as at March 31, 2022	**1,918.32**	**91.83**

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:
The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Rs. in Lakhs

Particulars	Gratuity	Leave Encashment
Discount rate		
+1%	92.24	23.40
-1%	(102.41)	(25.24)
Salary growth		
+1%	(114.03)	(30.16)
-1%	104.81	28.51

The following payments are expected contributions to the defined benefit plan in future years: Rs. in Lakhs

Year ending March 31,	Gratuity 2022	Leave Encashment 2022
2023	356.05	206.54
2024	297.66	148.51
2025	309.74	134.57
2026	246.54	99.17
2027	238.18	86.40
2028 - 2032	885.84	238.84
Total expected payments	**2,334.01**	**914.03**

The average duration of the defined benefit plan obligation No of years

Particulars	Mar 31, 2022	March 31, 2021
- for gratuiy	5.70	8.08
- for leave encashment	4.97	4.94

26. Finance costs

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Interest on Term Loans	11,771.59	10,208.88
Interest on Short term borrowings	20,264.98	20,653.36
Total Interest	**32,036.57**	**30,862.24**
Other borrowing costs - Bank Charges	4,926.92	3,917.05
Total	**36,963.49**	**34,779.29**

26.1 During the year, the company is in default of principal and interest on the borrowings from various lenders on account of financial stress. The lenders have classified the company's loan accounts as NPA in the financial year 2018-19 and continuing the same status in the current year too. Pending receipt of interest demands and confirmation of balances of loans from various lenders, the Company has been accounting the interest / penal interest as per the rates of interest mentioned in the sanction letters, Corrective Action Plan (CAP) and other loan documents. Adjustments, if any, for the interest and penal interest accounted, will be made on getting the information from the lenders.

27. Other Expenses

Rs.in Lakhs

Particulars	Year ended March 2022	Year ended March 2021
Catalysts charge	1,204.42	-
Chemicals and consumables	759.87	625.22
Conversion Charges	77.13	191.13
Rent	336.04	558.56
Rates and Taxes	468.59	217.72
Electricity and Water	75.85	81.78
Stores and Spares Consumed	271.93	1,614.56
Repairs and Maintenance:		
to Buildings	5.08	5.96
to Plant and Machinery	749.47	259.16
to Others	532.41	601.99
Insurance	981.06	982.11

Particulars	Year ended March 2022	Year ended March 2021
Printing and Stationery	14.39	12.79
Postage, Telephone and Telex	41.90	49.86
Travelling and Conveyance	384.40	330.48
Advertisement and Publicity	197.22	167.35
Employee Recruitment and Training	1.32	1.86
Legal, Secretarial and Share Registry Exp	152.59	210.53
Professional and Consultancy	924.98	2,422.52
Directors Sitting Fees	7.65	9.30
Loss on Sale of Assets / Assets discarded	-	593.17
Payment to Auditors (Refer Note 39)	65.66	104.43
Donations - PM Care fund	-	18.17
Transport and Handling	12,160.35	9,991.59
Distribution	20.26	114.09
Sales Commission / discounts / rebates	-	76.09
Provision for doubtful advances	-	78.43
Bad Debts / Advances written off	-	63.61
Provision for doubtful debts	1,833.17	1,316.77
Impairment loss on CWIP	-	758.00
Loss on foreign currency transactions	99.84	(71.81)
Miscellaneous Expenses	442.29	507.90
Total	**21,807.87**	**21,893.32**

28. Exceptional items

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
i) IGST Unrealised amount of previous years	3,617.25	-
ii) Electricity duty of Previous years	5,426.40	-
iv) Provision for Doubtful Advance	1,813.85	-
iii) Impairment of Land	-	14,082.00
Total	**10,857.50**	**14,082.00**

i) Unabosrbed IGST : The company was acting as Fertilizer Market Entity for Government of India, Ministry of Fertilizers for sale and distribution of Imported urea during the earlier years. The company has paid IGST on imports upto 26/07/2018 after which date levy of IGST on such import was withdrawn by Notification No 55/ 2018 -Customs dated 26.07.2018 – issued by Government of India, Ministry of Finance (Dept of Revenue). Since the IGST could not be utilised against the output tax liability on the urea sold, the company had submitted a claim for refund of Rs. 3,617.24 lakhs on 20/3/2019 to Dept of Fertilizers, New Delhi seeking compensation for the aforesaid unabsorbed IGST amount. The Company consequently also reversed the aforesaid unabsorbed amount in its GSTR – 3B return for February 2019. Since the Company has not received any definitive response to its claim despite 2 years having elapsed from Dept of Fertilizers, the Company considered it prudent for accounting purposes, not to carry the claim amount of Rs. 3,617.24 lakhs and has expensed it during the quarter. However, the company will continue to pursue its claim with the Department of Fertilizers.

ii) Electricity Duty Demand : The Company received a demand for an amount of Rs 5,426.40 Lakhs from the Director Electrical safety and Chief Electrical inspectors, Government of AP, towards electricity duty on captive power generation @ 25 Paisa per unit for the period of March 2003 to May 2013. The company filed a Writ Petition against the State Government of Andhra Pradesh and Chief Electrical Officer in relation to payment of Electricity duty @ rate of 25 Paisa per unit stating the very concept of the setting up of Captive Power Plant will be defeated by this additional levy. The High Court of Andhra Pradesh dismissed the appeal filed by the Company. The Company filed an SLP No.23005 / 2016 in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court directed the Company, under different orders to deposit with it, pending disposal of the case, an amount of Rs.3255.85 Lakhs which was deposited under protest by the Company during the financial year 2016-17 . Matter is still pending in Hon'ble Supreme court of India. The Company has been advised that it is prudent for accounting purposes to recognise the entire demand of Rs.5426.40 Lakhs as a liability instead of continuing to disclose it as a contingent liability. Consequently, the said liability has been recognised in the accounts during this year and is carried at the net amount after setting off the amount said deposited there against.

iii) Impairment of Land: The Company as part of the ongoing discussions with the lenders on the resolution plan had to create security for the additional parcels of land offered for the Corrective Action Plan (CAP) Loans sought during 2015-16. (197 Acres in Kapavaram, 110 Acres in Wargal & Gowraram,736 Acres in Nellore) These lands are in possession of the Company and vested with the Company through various schemes of amalgamations approved by Honourable High Courts of which some of the lands are yet to be registered in the name of the Company.

As the Company could not create security in the form of mortgage on these lands offered on account of the land being agriculture parcels. Lenders as part of the RP have carried out detailed title investigation study and sought legal opinion on the title to the lands. The legal opinion obtained has stated that the Company is in possession of Agricultural Lands in excess of the ceiling prescribed under the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act 1973.

Based on the legal opinion obtained, Company has obtained approval of the Board of Directors to restate the value of land which is in excess of the ceiling limits.

Pursuant to confirmation of the above legal status and the limitations on the use, sale, disposal of the said land, by an independent legal counsel, the company impaired the carrying amount of Rs.14,082.00 Lakhs in respect of the said excess lands, during FY 2020-21.

However, the company would continue to take all necessary actions as legally allowed and possible to protect titles, possession and obtaining necessary clearances for all the properties.

29. Tax expense Reconciliation

(a) The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are as follows:

Rs.in Lakhs

Particulars	**Year ended March 2022**	**Year ended March 2021**
(i) Statement of Profit & Loss		
1. Current Tax		
Current tax expense for the current year	-	-
Current tax expense pertaining to prior periods	-	-
Total	**-**	**-**
2. Deferred Tax		
Deferred tax expense for current year	(3,073.17)	(3,775.86)
Total income tax expense recognised in statement of Profit & Loss	**(3,073.17)**	**(3,775.86)**
(ii) OCI Section		
Income tax charged to OCI	(39.41)	31.29

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: **Rs.in Lakhs**

Particulars	**Year ended March 2022**	**Year ended March 2021**
Accounting profit before tax from continuing operations	(71,975.43)	(65,309.15)
Accounting profit before tax from discontinuing operations		
Accounting profit before income tax	(71,975.43)	(65,309.15)
Income tax Rate %	31.20	34.94
Income tax	(22,456.33)	(22,821.63)
Adjustments in respect of current income tax of previous years	-	-
Current year losses on which deferred tax asset not considered	10,877.84	13,129.00
Previous year losses for which created deferred tax assets	6,398.61	-
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	8,430.51	5,885.48
Deferred tax on account of difference in PPE values between the books and tax record	(6,284.39)	-
Impact of rate difference on deferred tax		0.00
Net tax Expense charged to P&L	**(3,033.76)**	**(3,807.15)**

(c) As at the end of the year, the Company has a total unabsorbed loss and depreciation of Rs.87,161.74 Lakhs (March 31, 2021: Rs.87,557.19 Lakhs) based on the assessment orders received and Returns of Income filed. Deferred tax asset in respect of unabsorbed depreciation and carried forward loss under the Tax Laws are recognised only if there is reasonable certainity that there will be sufficient future taxable income available to realise such assets.The Company had recognised deferred tax asset on business loss of Rs 13,997.24 Lakhs for FY 2013-14. After setting off Rs. 3,895.07 lakhs, the balance loss of Rs 10,102.16 lakhs is eligible to be carried forward up/TP a4800air7asTj5ee5aualText4<004400560056004/ActualText<FEFF0020>>> BDC 3<0003>Tj5MoalText<FEFF00047

30. Material Uncertainty on the Holding Company's ability to continue as a going concern and appropriateness of use of going concern basis of accounting in preparation of financial statements:

The holding 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 it self 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 interest of all stakeholders (valid till June 30, 2022). 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, 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. The Hon'ble High Court granted stay against any proceedings that may be initiated by the lenders against the company until further orders and the matter is awaiting final orders. 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.

In view of operating only one plant (out of the two plants) due to lack of working capital, the losses continued, resulting in substantial erosion of net worth and the company faced liquidity issues. As a result of continuous losses, the company's financial position has become very weak, and it is unable to meet its commitments to the financial and other creditors including statutory dues on the due dates. Due to default in paying the instalments and interest, the lenders have declared the loans to the company as Non-Performing Assets in 2018 (instead of 2015) and the status is continuing till date. As a result of treating the loans as NPAs by the lenders, all the borrowings with, a qualification of dispute, have been recorded as current liabilities in the Books / Financial statements of the company, leading to the situation that the current liabilities are in excess of current assets in the last three financial years. As at the year end, the company's current liabilities exceeded current assets by Rs. 2,94,164.54 Lakhs.

All the above events / conditions indicate material uncertainty which cast a significant doubt on the company's ability to continue as a Going Concern.

The company's management assessed the company's ability to continue as a Going Concern in which the company considered the following events / conditions, which individually / collectively have contributed in concluding that use of Going Concern basis of accounting is appropriate for this year.

- The company is continuously pursuing with the lenders for resolution of all the disputes amicably and for an acceptable resolution plan to make the company functional successfully.
- The lenders are seriously considering to resolve the Debt burden of the company and vide their letter dt.30.04.2022 advised the company to submit a fresh resolution plan taking into consideration various developments in the company as on date and the company is working on the same.
- Despite the weak financial condition of the company, the company continued the production and supply of goods and able to restart the second plant in April 2022.
- The lenders, to enable the company to generate the Cash flows, have approved the facility of 'Holding on Operations' (HOO) in December 2018 and have been extending the same from time to time, in the interest of all the stakeholders. The last extension of HOO facility is valid till June 30, 2022, and the company has approached for further extension of the same, which the management is hopeful.
- The management has no intention to close the plants, liquidate the entity, to cease operations or sell any assets of the company.
- There is no change in law, regulation or government policy which is adversely affecting the company.
- All the Key management personnel in all the operating areas are continuing and no loss of personnel at any level in the company.
- The Product of the company is administered under the essential commodities Act 1955. The production, distribution, pricing are controlled by the Department of Fertilizers, Government of India. As such, there is no loss of market / customers for the company's product.

- With such a weak financial position, the company, during F.Y 2021-22 could still produce 9.14 lakh MT and sell 9.18 lakh MT of Urea.
- The major supplier of Gas, which is the Raw Material and Power and Fuel, M/s GAIL (India) Limited continue to supply Gas under the Gas Purchase and Sale Agreement which is effective from 07th July 2021 and is valid till 06th July 2026 under liberal terms of payment.
- The Company maintained good relationship with the personnel at all levels and there are no issues with the Labour.
- The company has been paying all the statutory dues, though with some delay and complying with all the applicable Laws.
- There is no entry of fresh competitors to the product of the company despite the fact that the India's requirement of Urea is about 35 Million Tons which is far in excess of production capacity of the country at 25 Million Tons and the Government of India continue to import Urea at a very high price. Hence, there is no issue of lack of marketability or competition for the product of the company which is covered under the administered pricing mechanism of the Government.
- There is no underinsurance for the assets of the company in the events of major catastrophe.
- The company's industry is a major capital-intensive Industry with highly regulated operations. The Government cannot afford to close the operations of the company as the demand for the product is huge and any shortage would affect the food security of the country.
- The company is exploring various avenues to resolve the financial crisis and sought the help of the Government of India for financial assistance and hoping for positive response from the Government.
- The Government of India has made an arrangement wherein the GAIL would supply the required Gas for which part payment only will be made by the company and the lenders also would get part payment of their dues.
- During the past four years, only one plant was in operation producing about 5 lakh MT due to working capital shortages. However, in the current year, the company with the support of lenders under holding on operations facility, funded the repair costs of Plant II. Now, both the plants are operating at a reasonable capacity and expected to generate cash flows and make cash profits.
- The company is confident of running the operations as the government has allowed the Gas supply to continue till 31.03.2023 vide their Office Memorandum dated 13th April 2022.

In the light of all the above, the Management concluded that the company is a Going Concern and accordingly use of the Going Concern basis of accounting in the preparation of the financial statements for F.Y 2021-22 is appropriate.

31. Impairment of Property Plant & Equipment

The Management of the Holding Company, while assessing whether there is any indication that an asset is impaired, considered the relevant external and internal sources of information and decided to test its Property Plant & Equipments for impairment as at the year end, by an independent professional valuer. But could not complete the impairment testing during the year as the valuer's report was not received as on date. The decision to test the PPE for impairment has been duly disclosed in the notes to the Financial Results for the quarter ended 30th September and 31st December 2021.

Due to Covid situation and the complexity of the assets to be tested for impairment, the independent valuer could not complete the impairment testing and submit his report to the company till date.

As the independent valuer's report on impairment has not been received, the company could not account the impairment, if any, on the PPE for the year ended 31st March 2022 and hence the carried value of Fixed Assets have been continued in the financial statements. The impairment, if any, will be recognized in the financial year in which the valuer's report is received.

32. Contingent Liabilities and Commitments (to the extent not provided for)

Rs.in Lakhs

Particulars	March 31, 2022	March 31, 2021
A. Contingent Liabilities:		
i) Claims against the Group not acknowledged as debt:		
a) Tax matters in appeal:		
- Income Tax	141.99	36.31
- Customs Duty and Indirect taxes	1,718.80	2,883.38
b) Matters under arbitration (Refer Note 32.1)	19,394.57	17,761.16
c) Other claims against the Group(Water cess, NALA tax and others)	27,386.44	26,760.87
ii) Guarantees excluding financial guarantees :		
- Counter guarantees given to Bankers in respect of Bank guarantees issued by them	8,613.09	7,348.40
iii) Other money for which the Group is contingently liable:		
- Compensation for 33.35 acres (Previous year 33.35 acres) of land in Holding Company's possession - amount not ascertainable	-	-
- Claim for using the "Nagarjuna Brand/ Trade mark" - amount not ascertainable (Refer note 32.2)	-	-
- Claims from various creditors who have filed petitions before court/ tribunals - amount not quantified (Refer No.32.3.iii)	-	-
	57,254.89	**54,790.12**

Particulars	March 31, 2022	March 31, 2021
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,427.52	1,484.73

32.1. (a) In relation to some of the contracts for purchase of fertilisers, an international Arbitration Award has been passed against the Holding Company in September 2016 for USD 14,398,188 and GBP 690,630 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 mis-representations of facts by said supplier. The Company is contesting the enforcement of the Award in the Courts in India and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. Matter yet to be listed for hearing.

(b) The Company entered into two Contracts dated December 15, 2012 on Early Works, Offshore and Onshore towards certain engineering drawings to be utilised towards its plant for third ammonia and urea project on conditions that balance amounts payable only upon (a) the anouncement of a fertilizer policy and (b) that the fertilizer policy being found favorable for the Project of the Company. The Company could not proceed further as the policy was not conducive for the project.

The service provider raised invoices for the balance amounts claiming that the work carried out was per contract. As the amounts were not paid the service provider invoked arbitration. The arbitral Tribunal passed an award on October 23, 2017 for USD 877,500, GBP 52,314, EUR 455,000 and INR 221.39 Lakhs and interest as applicable apart from costs in favour of the claimant. NFCL challenged the Awards by filing two petitions separately for each case under section 34 of Arbitration & Conciliation Act as the tribunal ignored vital evidence such as Govt communication dt 9th May 2013 where in the industries we're asked not to proceed further without necessary approvals from Govt, amongst other grounds. Matter yet to be listed for hearing.

Based on the current legal progress, the management has provided for 25% of the claim made on the Offshore contract and deposited 15% of the onshore contract value with the court . The Company continues to proceed legally and hence the balance claims have been disclosed as contingent liabilities.

32.2 The Holding 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 current year, 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.

32.3 Cases / Petitions filed against the company in NCLT / Courts / Other Tribunals:

i) Based on an execution petition filed by one of the operational creditors with the Honourable High Court of Telangana, the Court had directed the Holding 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). Amlika Mercantile Private Ltd ,one of the Promoters of the Company appealed against the said order of NCLT in NCLAT. The NCLAT has since stayed the orders of the NCLT vide its orders dt.14.09.2021 and the stay is in operation as on date (the next hearing date is on 5th July 2022).

ii) Three of the financial creditors have filed petitions against the holding company before the NCLT under IBC. In view of the stay granted by the Hon'ble NCLAT on the implementation of its orders in CB (IB) No: 524/9 HDB/2019, the NCLT directed for listing of these matters on 05-07-2022.

iii) Few other creditors have filed petitions against the company in various Courts / Tribunals for recovery of dues / claims for compensation for their services / supplies and all these matters are at various stages in the respective courts. The legal counsel confirmed that the cases / petitions filed against the company are not tenable and are of the view that these cases may not have any impact on the financials of the company.

The management is of the view that the pending litigations will not have any adverse impact on the financial position of the company as at the year end.

32.4 Other Contingent Information:

i) Based on the Supreme Court judgement dated February 28,2019, the Group was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. On the basis of legal advice, the management has determined that there is no impact of the aforesaid ruling on the standalone financial statements of the Company.

ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the code on Seocial Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under consideration by the Ministry. The company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statement in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

iii) The commissioner of Customs , customs Preventive commissionerate , Vljayawada filed an appeal on 23/3/2017 in the Hon'ble Highcourt of Judicature at Hyderabad U/s. 35G of The central Excise Act, 1944 against the Final order No A/30792/2016 Dt 1/9/2016 passed by CESTAT, which was in favour of the company . If the Dept wins the appeal in HC, the liability on the company will be Rs 107.51 lakhs . The appeal is pending disposal as on date.

As on date as there is no demand against the company in respect of the matter referred to at (iii) above, no contingent liability has been recongnized in the books.

33. Disclosure under Ind AS 24, Related Party Disclosures

33.1. List of related parties and their relationships

Subsidiaries

(i) Jaiprakash Engineering and Steel Company Limited (under Liquidation w.e.f 25-04-2022) (JESCO)

Associates

(i) Nagarjuna Agricultural Research and Development Institute Private Limited (NARDI)
(ii) KVK Raju International Leadership Limited

Key Management Personnel

(i) Mr.K.Rahul Raju, Managing Director (and CFO wef 30 Nov 2020 to 24th May 2021)
(ii) Mr. M Vijaya Bhasker, Company Secretary
(iii) Mr. Sudhakara Rao Annam, Chief Financial Officer (w.e.f 24th May 2021)

Relatives of Key Management Personnel.

(i) Smt. K Lakshmi Raju (Sister of Shri K Rahul Raju)
(ii) Smt. K. Veda Raju (Wife of Shri K Rahul Raju)

Non - Executive Directors

(i) Mr.Uday Shankar Jha, Chairman
(ii) Mr. Chandra Pal Singh Yadav, Nominee director of KRIBHCO
(iii) Ms.Lalitha Raghuram, Independent Director
(iv) Mr. Rajendra Mohan Gonela, Independent Director
(v) Justice K C Bhanu - Independent Director (upto June 19, 2021)

Enterprises which have significant influence

(i) Amlika Mercantile Private Limited

Enterprises significantly influenced by Key Management personnel or their relatives

(i) Nagarjuna Impex Private Limited
(ii) Nagarjuna Educational Trust
(iii) Nagarjuna Foundation

33.2. Related party transactions during the year are as under:

Related Party	Directors		Associates		Key Mgmt. Personnel		Relatives of Key Mgmt. Personnel		(QWHUSUŁVHV VLJ FDQWO\ LQÁXHQFH Key Management personnel or their relatives	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rent Received NARDI			-	0.10						
Rent Received Nagarjuna Educational Trust									1.75	-
Others- Reimbursement							-	-		
Nagarjuna Educational Trust									4.02	4.60
Sundry Creditors Nagarjuna Educational Trust									5.19	7.71
Rent Paid		-				-			-	-
Mrs. Lakshmi Raju							30.00	30.00		
Mrs. K Veda Raju							155.00	372.00		
Sitting Fees to Non Executive & Independent Directors	7.65	8.25								
Remuneration to KMPs									-	-
(a) Short-term employee benefits					118.57	80.18				
(b) Post-employment benefits					7.70	7.63				

33.3. Remuneration to key management personnel of the Company

The remuneration to KMPs disclosed in the table has been recognised as an expense during the reporting period.

In terms of the provisions of Sections 196, 197,198,203 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, read with Schedule V of the Act and subject to the prior approval of the Financial Institutions, Banks and such other approvals and permissions as may be required in this regard, the Board of Directors and the Members of the Company had approved the appointment and payment of remuneration to Mr. K Rahul Raju as Managing Director (MD) of the Company with effect from August 01,2017 to July 31,2020 and August 01, 2020 to July 31, 2023, for a period of three years respectively .

Pending approval of the Financial Institutions, Banks, the Company has taken on record and paid remuneration to Mr. K Rahul Raju, Managing Director, for the period as per the approval granted by the shareholders for the appointment and remuneration to the Managing Director.

33.4. Balances outstanding as at March 31, 2022

Nature of transaction	Subsidiaries		Associates		Key Mgmt. Personnel		Relatives of Key Mgmt. Personnel		Enterprises over which Key Management personnel or their relatives	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Investments										
JESCO		**2,256.17**								
NARDI			**2.50**	**2.50**						
KVK Raju International Leadership Limited			**15.00**	**15.00**						
Provision for diminution in the value of investment		**2,256.17**	**17.50**	**17.50**						
Other Receivables										
NARDI			**0.90**	**1.00**						
Rental and other deposits with										
Smt. K Lakshmi Raju							**85.00**	**85.00**		
Expenses Payable										
Shri.K Rahul Raju					**13.45**	**695.95**				
K Veda Raju					**1,209.50**	**1,054.50**				
Nagarjuna Impex Private Limited									**8.23**	**8.23**
Smt. K Lakshmi Raju							**62.50**	**32.50**		
Other Current Financial Liabilities										
Shri K Rahul Raju					**5.21**	**5.80**				
Mr.ANNAM SUDHAKARA RAO					**7.53**					
Mr. M. Vijaya Bhaskar					**5.07**	**3.21**				
Nagarjuna Educational Trust									**56.03**	**66.99**

33.5. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. Segment Reporting

The financial results comprise the combined operations of the Group relating to the Fertilizer, Micro Irrigation and Agri Services businesses. The financial results of Micro Irrigation and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, are neither disclosed as separate segments nor combined as "all other segments" for the purpose of disclosures under Ind AS 108 - Operating Segments.

Entity - wise disclosures

Geographical information

Rs.in Lakhs

Particulars	Revenue from external customers		Non-current assets*	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	2,69,205.45	1,56,748.33	2,10,642.51	2,19,229.24
Outside India	27.80	742.38		
	2,69,233.25	**1,57,490.71**	**2,10,642.51**	**2,19,229.24**

* Non-current assets excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Information about revenue from major customers which is included in revenue

Rs.in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Subsidy claims on Government of India pursuant to its Fertilizer subsidy policies	2,19,878.96	1,11,772.37
	2,19,878.96	**1,11,772.37**

35. Fair Value

Category-wise classification of Financial Instruments

Rs.in Lakhs

Particulars	Refer Note	Non-current		Current	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at amortised cost					
Security deposits	5	475.04	2,522.69	52.67	52.34
Loans and advances to related parties	5	-	-	0.90	1.00
Loans to employees		-	-	-	-
Non current margin money deposit	5	-	14.09	-	-
Interest accrued on deposit and advances	5	-	-	81.69	265.18
Unbilled revenue	5	-	-	625.68	1,455.69
Claims receivable		-	-	-	-
Trade receivables	7	-	-	48,493.22	19,884.49
Cash and cash equivalents	8	-	-	2,113.81	6,907.20
Other Bank balances	9	-	-	2,259.07	4,224.10
Financial liabilities measured at amortised cost					
Term loans from banks	14	-	-	78,603.72	70,342.30
Term loans from others	14	5.58	15.99	441.87	386.05
Corporate loan from banks	14	-	-	173,471.11	157,809.78
Deferred Payment Liabilities	14	2,177.95	2,772.11	1,352.48	1,040.42
Trade payables	19	-	-	98,767.30	43,580.99
Payables towards deposits	15	6,767.38	7,292.79	405.52	327.80
Payables towards other Deposits	15	219.35	224.63	-	-
Payables towards purchase of fixed assets	15	-	-	1,069.47	1,110.50

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables and short term loans approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities : **Rs.in Lakhs**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value through profit or loss					
Foreign exchange forward contracts	March 31, 2022	-	-	-	-
Foreign exchange forward contracts	March 31, 2021	-	-	-	-

The fair values of the foreign exchange forward contracts have been determined based in the valuation report obtained from the bank. Significant observable inputs used in the valuation report are quoted forward exchange rates.

37. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company's senior management oversees the management of these risks. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company based on the policies agreed by the Company's senior management. The same are summarised below:

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk except trade receivables where more than 50% is due from Governemnt of India and various State Governments. The same are realisable in due course.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(ii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

Rs.in Lakhs

Particualrs	March 31, 2022	March 31, 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Long-term loans and advances	-	-
Other long term financial assets	-	-
Short-term loans and advances	-	-
Other financial assets	475.04	2,522.69
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	56,368.05	25,926.16

Balances with bank subject to low credit risk due to good credit rating assigned to this bank.

Trade receivables:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients based on ageing.

The ageing analysis of trade receivables as of the reporting date is as follows:

Rs.in Lakhs

Particulars	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of 31st March, 2022						
Government	-	9.73	44,037.85	-	7,908.64	51,956.22
Non Government	112.31	370.23	49.25	26.23	3,853.81	4,411.83
Total	**112.31**	**379.96**	**44,087.10**	**26.23**	**11,762.45**	**56,368.05**
Trade receivables as of 31st March, 2021						
Government	959.77	19.61	13.02	12.04	20,190.42	21,194.86
Non Government	145.13	97.29	28.56	5.25	4,455.07	4,731.30
Total	**1,104.90**	**116.90**	**41.58**	**17.29**	**24,645.49**	**25,926.16**

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Rs.in Lakhs

Particualrs	March 31, 2022	March 31, 2021
Start of the year	6,041.67	4,724.91
Provision for Impairment	1,833.16	1,316.76
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**7,874.83**	**6,041.67**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company was unable to meet the financial obligations during the current year on account of continued losses. The Company is in discussion with the lenders for Resolution Plan. Refer Note 34.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2022 **Rs.in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Loans from Banks / Financial institutions	79,045.59	5.58	-	79,051.17
Interest-free sales tax deferral loans from State Government	1,352.48	2,177.95		3,530.43
Deposits payable	-	6,986.73	-	6,986.73
Working capital demand loan from bank	166,485.44	-	-	166,485.44
Short term loan from bank	6,985.64	-	-	6,985.64
Trade payables	98,767.30	-	-	98,767.30
Other financial liabilities	-	-	-	-

Year ended March 31, 2021 **Rs.in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Loans from Banks / Financial institutions	70,728.35	15.99		70,744.34
Interest-free sales tax deferral loans from State Government	1,040.42	2,772.11	-	3,812.53
Deposits payable	-	7,517.42	-	7,517.42
Working capital demand loan from bank	150,829.56	-	-	150,829.56
Short term loan from bank	6,980.09	-	-	6,980.09
Trade payables	43,580.99	-	-	43,580.99
Other financial liabilities	-	-	-	-

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company uses a mix of interest rate sensitive loan facilties from the lenders to manage the liquidity and fund requirement for its day to day operations like working capital, short term loans and suppliers / buyers credit etc.,

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings with floating rate of interest affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
	INR Lacs	
March 31, 2022		
INR	+50	393.02
INR	-50	(393.02)
March 31, 2021		
INR	+50	303.35
INR	-50	(303.35)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency.

Particulars	USD in Miillion	Rs. in Lakhs	Euro in Miillion	Rs. in Lakhs	GBP in Miillion
Foreign currency exposure as at 31st March, 2022					
Trade receivables	-	-	0.44	368.27	-
Loans and other receivables	-	-	-	-	-
Trade payables	1.54	(1,170.13)	0.003	(2.46)	-
Foreign currency exposure as at 31st March, 2021					
Trade receivables	0.09	71.12	-	-	-
Loans and other receivables	-	-	0.44	362.11	-
Trade payables	1.58	(1,192.23)	0.00	(2.41)	-
Foreign exchange forward contracts	-	-	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs.in Lakhs

Particulars	Year ended March 2022		Year ended March 2021	
	5% increase	5% decrease	5% increase	5% decrease
USD	18.54	(18.54)	(56.06)	56.06
Euro	(58.51)	58.51	17.98	(17.98)
GBP	-	-	-	-
Increase/(decrease) in profit	(39.97)	39.97	(38.08)	38.08

38. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Rs.in Lakhs

Particulars	At Mar 31, 2022	March 31, 2021
Interest bearing loans and borrowings (Note 14)	252,522.28	228,554.12
Less: Cash and short term deposits (Note 8&9)	2,355.58	9,114.00
Net debts	**250,166.70**	**219,440.12**
Equity share capital (Note 12)	5,980.65	5,980.65
Other Equity (Note 13)	(123,229.06)	(54,413.75)
Total Capital	**(117,248.41)**	**(48,433.10)**
Capital and net debt	132,918.29	171,007.02
Gearing ratio (%)	188.21%	128.32%

There have been breaches in the financial covenants of interest-bearing loans and borrowings in the current period. The gearing ratio as on March 31, 2022 has increased due to the losses during the current year and, earlier years on account of events which are exceptional and due to extraneous factors. (Refer Note 30.)

39. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013:

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of total Consolidated Net assets	Rs. in Lakhs	As % of total Consolidated Profit or loss	Rs. in Lakhs	As % of total Consolidated other comprehensive income	Rs. in Lakhs	As % of total Consolidated total comprehensive income	Rs. in Lakhs
Parent								
Nagarjuna Fertilizers and Chemicals Limited	99.90%	-117,126.49	97.23%	(66,990.61)	100.00%	86.89	97.22%	(66,903.72)
Subsidiaries								
a) Indian								
Jaiprakash Engineering and Steel Company Limited	0.10%	-121.92	2.77%	(1,911.65)	0.00%	-	2.78%	(1,911.65)
Non-controlling interests in all subsidiaries								
a) Indian								
Jaiprakash Engineering and Steel Company Limited	**0.00%**	**2.82**	**0.00%**	**(0.00)**	**0.00%**	**-**	**0.00%**	**(0.00)**
	100.00%	**-117,245.59**	**100.00%**	**(68,902.26)**	**100.00%**	**86.89**	**100.00%**	**(68,815.37)**

40. Payment to Auditors

Rs.in Lakhs

Fee towards	Year ended Mar 31, 2022	Year ended March 31, 2021
Statutory Audit	42.00	60.00
Tax Audit	-	7.50
Limited Review	9.70	15.00
Certification and other Services	8.50	16.50
Reimbursement of Expenses	5.00	5.00
Total	**65.20**	**104.00**
Auditor-wise Breakup:		
M Bhaskara Rao & Co (upto the AGM held in 9/2021)	15.20	104.00
M/s JVSL & Associates (From the AGM held in 9/2021)	50.00	-
Total	**65.20**	**104.00**

41. Earnings per Equity Share

Rs.in Lakhs

Particulars	Year ended Mar 31, 2022	Year ended March 31, 2021
Net Profit / (Loss) after tax (Rs in lakhs)	(68,902.26)	(61,533.29)
Number of Equity shares (fully paid up)	598,065,003	598,065,003
Face value of Equity Share (Rs)	1	1
Earnings per share – Basic & Diluted (Rs)	(11.52)	(10.29)

Note: The Company has no dilutive instruments as at 31st March, 2022 and in the previous year. As such dilutive earnings per share equals to Basic Earnings per share.

42. Particulars of Loans and Advances in the nature of Loans as required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs.in Lakhs

	Name of the company	Balance as at		Maximum Amount outstanding during	
		March 31, 2022	March 31, 2021	Year ended March 2022	Year ended March 2021
A	Subsidiaries				
		Nil	Nil	Nil	Nil
B	Associates	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
C	Advances in the nature of Loans where there is no re-payment schedule	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
D	Advances in the nature of Loans where no interest is charged or interest is below the rate specified in section 186 of the Companies Act, 2013	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
E	Advances in the nature of Loans to firms / companies in which directors are interested:	Nil	Nil	Nil	Nil

43. Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013

Rs.in Lakhs

Name of the entity to whom loan/ investment/guarantee / security was given / made	Relationship, if any, of the entity with the company	Amount of / Investment Rs. in Lakhs	Particulars of Investments made	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient.
Nil	NIL	NIL	NIL	NIL

Previous Year - Nil

44. The year-end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below: (as mandated by the Institute of Chartered Accountants of India in its announcement dated 05.12.2005)

Rs.in Lakhs

Particulars	Currency	March 31, 2022		March 31, 2021	
		In foreign currency	Rs.in Lakhs	In foreign currency	Rs. in Lakhs
Advances receivables	EUR	435,000	368.27	435,000	374.53
Trade Payables	USD	1,543,558	1,170.13	1,523,888	1,120.13
	EUR	2,900	2.46	2,900	2.50

45. (i) In view of rapid spread of virus causing Covid-19 pandemic, Government of India imposed lockdown from 25th March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of the company due to non-availability of labour, transportation and supply chain disruptions. However, the Government classified urea and micro irrigation business of the company as "Essential Commodity" and granted certain relaxations and guidelines so that production and distribution of Urea will not be effected. The Company operated one Urea plant during the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

(ii) The company has not borrowed funds from Banks/Financial Institutions during the year.

46. Additional Regulatory information

(i) Details of Immovable Properties (Other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company:

Under the Composite Scheme of Arrangement and Amalgamation approved by the Hon'ble High Courts at Bombay and Andhra Pradesh in FY 2011-12, the Company was vested with the land of 736.13 acres situated in Nellore, AP together with buildings constructed therein, which was actually purchased from Nagarjuna Aqua Exports Limited (NAEL) way back in 2001 for a consideration of Rs. 317 Lakhs (towards land). Of these lands, 340.11 acres were not registered in the name of the company as the same were found to be defective titles.

Despite the Company's continuous persuasion, these lands could not be registered in the name of the company as title of all these lands is defective and the original owners who sold the land are not traceable.

Based on the legal opinion wherein it was opined that as these lands are in excess of the limit specified under the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act 1973, it was concluded that these lands are not transferable on to the name of the Company. Accordingly, considering the restriction under the applicable Law to hold these lands, the passage of over two decades of time since original acquisition, non-traceability of original owners who sold these lands and defective titles, the Company has impaired the entire carried value of these lands during FY 2020-21, along with some other lands, aggregating to Rs 14,082 lakhs. (Refer Note no: 3 and 28 (iii)).

a) Details of lands which are not held in the name of the company are as under.

Rs.in Lakhs

Relevant line item in the Balance sheet	Description of item of property	Gross carryi ng value (Rs in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE (Note No 3)	LAND of (Ac 340.11 in Nellore District, AP) Refer above note	Rs 4185.39 Lakhs (original cost of acquisition in 2001 aquired from Nagarjuna Aqua Exports Limited,value per acre Rs 42,859/- per acre (Rs 145.77 lakhs).	Original owners, who sold the lands to Nagarjuna Aqua Exports Ltd (details not available)	No	From the date of vesting the lands on the company under the Composite Scheme of Arrangement and Amalgamation in F.Y 2011-12	Defective Title of the original title holder
b) Properties in Dispute						
PPE (Note No. 3)	LAND of Ac 5 in Wargal, Telangana State	100.00	Own Name, i.e., Nagarjuna Fertilizers and Chemicals Limited (pre composite scheme of arrngements and amalgamation)	No		Title of seller is under dispute

(ii) The Group has no investment property

(iii) The Group has not revalued its Property Plant and Equipment including Right of use assets

(iv) The Group has not revalued its intangible assets.

(v) The Group has not granted loans or advances in the nature of Loans to promoters, Directors , KMPs and the related parties (As defined under The Companies Act,2013) either severally or jointly with any other person, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

.

(vi). a. Capital Work in Progress ageing schedule as on March 31, 2022

Rs.in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.22	0.67	0.00	7.86	**13.75**
Projects temporarily suspended	0.00	10.00	7.00	751.00	**768.00**
Less Impairment	0.00	0.00	0.00	758.00	**758.00**
Projects temporarily suspended	5.22	10.67	7.00	0.86	**23.75**

(vi). b. CWIP completion schedule as on March 31, 2022 is as under

Rs.in Lakhs

CWIP	to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Contract workmen Mgt System & CC Cameras	-	0.67	-	-
Upgradation of Analyzers	-	-	-	7.86
Development of Mobile/Web Application for Field Team from Visionnet Systems Pvt Limited - SIGNING OFF S/W	-	-	-	10.00
RAILWAY SIDING EQUIPMENTS	5.22	-	-	-
Total	5.22	0.67	0.00	17.86

(vii) The Group has no intangible assets under development

(viii) No proceeding has been initiated or pending against the Group under the Benami Transactions (Prohibition) Act 1988.

(ix) In respect of the borrowings from bank or financial institutions on the basis of security of current assets, quarterly returns, or statements of current assets are not being filed by the Group.

(x) The Group is not a declared wilful defaulter by any bank or financial institution (as defined in the Companies Act 2013), or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(xi) The Group has no transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956

(xiv) Ratios: **Rs.in Lakhs**

S. No	Name of the Ratio	Numerator	Denominator	Ratio		Variance
		Value Rs in lakhs	Value Rs in lakhs	Year Ended March 2022	Year Ended March 2021	
1	Current Ratio (Current Assets ÷ Current Liabilities)	64,589.81	358,873.45	0.18	0.17	6.50%
2	Debt Equity Ratio (Total Debt ÷ Shareholder's Equity)	256,052.71	-117,245.59	-2.18	-4.80	-54.48%
3	Debt Service Ratio (Profit After Tax,Interest on borrowings, Depreciation & Loss/(Profit) on sale of Fixed Assets ÷ Interest & lease Payments +Principal Repayments)	-23,730.82	80,398.07	-0.30	-0.25	18.10%
4	Return on Equity Ratio (Profit After Tax (PAT) ÷ Avg(Equity + Reserves and Surplus))	-68,902.26	-82,837.93	0.83	3.49	-76.16%
5	Inventory Turnover Ratio (Net Sales ÷ Avg(Total Inventory- loose tools-spares))	269,233.25	2,949.88	91.27	30.18	202.44%
6	Trade Receivables Turnover Ratio (Net Sales ÷ Average Receivables)	269,233.25	41,147.11	6.54	2.05	218.45%
7	Trade Payables Turnover Ratio (Net Credit Purchases ÷ Average Trade Payables)	278,663.12	71,174.15	3.92	1.76	121.84%
8	Net Capital Turnover Ratio (Net Sales ÷ Working Capital)	269,233.25	-294,283.64	-0.91	-0.68	34.48%
9	Net Profit Ratio (Profit After Tax ÷ Net Sales)	-68,902.26	269,233.25	-0.26	-0.39	-34.50%
10	Return on Capital Employed (Profit Before Interest & Tax ÷ Capital Employed)	-35,011.94	162,861.71	-0.21	-0.14	48.60%
11	Return on Investment (Equity)	Nil	Nil	NA	NA	N A
Reasons for Variance in Ratios: Reasons for change in the ratios by more than 25% as compared to the preceeding year are increase in - cost of production, interest costs, debt due to non-repayment of loans and the resulting increase in loss.						

(xv) The Group has not undertaken any scheme of arrangements in terms of section 230 to 237 of the Companies Act 2013 during the year

(xvi) (A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvii) During the year, the Group has not surrendered or disclosed any transaction in the Income tax assessments under the Income Tax Act 1961, which was not recorded in the books of account.

(xviii) The Group is not covered under section 135 of the Companies Act 2013

(xix) The Group has not traded or invested in crypto currency or virtual currency during the financial year

47. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

48. The figures of the previous year have been reclassified / regrouped, wherever necessary, to make them comparable with that of Current Year.

Accompanying Notes 1 to 48 form an integral part of the Financial Statements

As per our report of even date attached
For J V S L & ASSOCIATES
Chartered Accountants
Firm Registration No.: 015002S

J. Venkateswarlu
Partner
Membership No: 022481

Place: Hyderabad
Date: June 14, 2022

For and on behalf of the Board
Uday Shankar Jha
Chairman
DIN: 00056510

A. Sudhakara Rao
Chief Finacial Officer

K. Rahul Raju
Managing Director
DIN: 00015990

Vijaya Bhasker M
Company Secretary