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

February 14, 2022

To
BSE Limited
P J Towers, Dalal Street, Fort
Mumbai 400001

Scrip Code: **539917**

To
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Symbol: **NAGAFERT**

Dear Madam / Sir,

Sub: Outcome of Board Meeting

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have to inform that the Board of Directors of the Company at their meeting held today i.e., February 14, 2022, had, inter alia, approved the unaudited Standalone and Consolidated Financial Results for the quarter ended December 31, 2021, in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the approved unaudited Financial Results along with limited review report is enclosed.

The Meeting of the Board of Directors concluded at 03:30 P.M.

Request you to take the same on record and oblige.

Thanking you,

Yours Truly,
For Nagarjuna Fertilizers and Chemicals Limited

Vijaya Bhasker M
Company Secretary

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

Standalone Unaudited Financial Results for the Quarter / Nine Months Ended December 31, 2021

Rs. In Lakhs

Sl No	PARTICULARS	Standalone					
		Quarter ended			Nine months ended		Year ended
		31-12-2021 (Unaudited)	30-09-2021 (Unaudited)	31-12-2020 (Unaudited)	31-12-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2021 (Audited)
I	Revenue from Operations	57,475.71	69,529.76	42,966.89	1,91,424.13	1,17,383.83	1,57,490.71
II	Other Income	152.52	161.23	425.33	458.44	1,455.82	2,434.64
III	Total income (I+II)	57,628.23	69,690.99	43,392.22	1,91,882.57	1,18,839.65	1,59,925.35
IV	Expenses						
	a) Cost of materials consumed	28,155.44	32,248.90	20,411.43	91,965.17	51,893.29	73,241.25
	b) Purchase of Stock-in-Trade	37.33	10.92	31.13	49.63	142.33	267.12
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	1,743.84	2,084.87	(204.52)	820.11	3,930.82	4,320.12
	d) Power and Fuel	25,676.29	30,533.51	14,395.82	88,388.57	40,662.55	58,748.78
	e) Employee Benefits Expense	2,301.17	2,519.67	2,147.20	7,097.86	6,705.32	9,679.52
	f) Finance cost	9,540.97	9,377.26	8,881.41	27,642.89	26,382.30	34,779.28
	g) Depreciation and Amortization Expense	2,066.13	2,071.30	2,080.78	6,190.11	6,192.05	8,223.83
	h) Other Expenses	4,981.81	5,663.84	4,998.85	16,066.82	14,207.65	21,892.40
	Total expenses	74,502.98	84,510.27	52,742.10	2,38,221.16	1,50,116.31	2,11,152.30
V	Profit / (Loss) before exceptional items and tax (III-IV)	(16,874.75)	(14,819.28)	(9,349.88)	(46,338.59)	(31,276.66)	(51,226.95)
VI	Exceptional Items		-	-	9,043.64	14,082.00	14,082.00
VII	Profit / (Loss) before Tax (V-VI)	(16,874.75)	(14,819.28)	(9,349.88)	(55,382.23)	(45,358.66)	(65,308.95)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	-	-
	(c) Deferred Tax	(1,831.54)	(582.74)	(743.99)	(2,948.40)	(5,725.12)	(3,775.86)
		(1,831.54)	(582.74)	(743.99)	(2,948.40)	(5,725.12)	(3,775.86)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(15,043.21)	(14,236.54)	(8,605.89)	(52,433.83)	(39,633.54)	(61,533.09)
X	Other Comprehensive Income (net of tax)						
	A Items that will not be reclassified to profit or loss						
	(i)Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	(90.43)
	(ii) Income tax relating to these items	-	-	-	-	-	31.29
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-	-
	Total Other Comprehensive income, net of tax	-	-	-	-	-	(59.14)

XI	Total Comprehensive Income (IX+X)	(15,043.21)	(14,236.54)	(8,605.89)	(52,433.83)	(39,633.54)	(61,592.23)
XII	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XIII	Other Equity						(56,203.42)
XIV	Earning Per Share (of Rs.1/- each) - Basic and Diluted	(2.52) (Not Annualised)	(2.38) (Not Annualised)	(1.44) (Not Annualised)	(8.77) (Not Annualised)	(6.63) (Not Annualised)	(10.29)

Notes:

1) The above statement of unaudited standalone financial results for the quarter ended 31st December 2021 and the year to date for the period 01st April 2021 to 31st December 2021 was reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 14th February 2022.

2) The Statutory Auditors have carried out Limited Review of the same and issued Limited Review Report.

3) The financial results comprise the combined operations of the company of its Fertilizer, Micro Irrigation and Agri. Services businesses. For the purposes of disclosures under Ind AS 108, Operating Segments, as the financial results of Micro Irrigation and Agri. Services are below the reportable segment threshold limit, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, the same are neither disclosed as separate segments nor are combined as "all other segments".

4) Exceptional Items :

i) Unabsorbed 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 up to 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 input tax credit of 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 ended June 30,2021. However, the company will continue to pursue its claim with the Department of Fertilizers, GOI.

ii) Electricity Duty Demand: The Company received a demand for an amount of Rs 5,426.41 Lakhs from the Director Electrical safety and Chief Electrical inspectors 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.3,255.85 Lakhs which was deposited under protest by the Company accordingly during the financial year 2016-17. Matter is still pending in Hon'ble Supreme court of India. The Company following prudence recognised the entire demand of Rs.5,426.41 Lakhs as an expense during quarter ended June 30,2021.

5) The Company is operating in a regulated environment under the Essential Commodities Act and supported by Government Subsidy. The company suffered losses on account of accident in GAIL Pipeline during 2014 and disrupting the production. The company approached its bankers for a corrective action and the lenders formed a JLF in 2015, approved rectification of account with funding as a Corrective Action Plan and assessed the funding required for CAP as Rs. 3050 Crs (850 Crores Fund Based + 2200 Crores Non-Fund Based) and Rs 800 Crs Working Capital Term Loan to shore up networking capital. The company did not receive such funding as assessed for rectification and suffered further losses which eventually led to stoppage of production in 2018. 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 company to amicably settle the CAP debt disputes had approached the lenders for debt resolution.

The lenders approved 'Holding on Operations' (HOO) from December 2018 to amicably resolve the debt issues with the company in the interests of all stakeholders (valid till June 30, 2022). Lenders entered into an inter creditor agreement and approved a debt resolution plan in March 2020, amongst other things with infusion of fresh equity and additional debt. Post conclusion of the Resolution Plan, the lenders made arbitrary changes to the proposal of 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. The Hon'ble High Court granted stay on any proceedings against the company until further orders and the case is currently under disposal with the Court. The company had filed contempt cases against 2 lenders who have invoked IBC in violation of High Court orders and the case is currently under disposal of the Court.

Notwithstanding the legal proceedings, the Company is actively working amicably to resolve the disputes with lenders and for completion of resolution plan. The Company is hopeful of a positive outcome and approval of resolution plan. Accordingly, the financial results for the Quarter / 9 months ended December 31, 2021, are drawn on a going concern basis.

In view of operating one plant in the quarter due to lack of working capital and plant breakdowns, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the quarter / 9 months end, the Company's current liabilities exceeded current assets by Rs. 2,80,078.22 Lakhs (net current liabilities excluding contingent liabilities).

6) 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 quarter / 9 months based on the prevailing rate of interest and as per CAP and other loan arrangements. This is not confirmation of dues. Adjustments, if any, for the principal, interest and accounted will be dealt on the outcome of the Debt Resolution Plan agreed by the company and lenders.

7) The lenders are yet to approve managerial remuneration approved by the shareholders.

8) In relation to some of the contracts, international Arbitration Awards have been passed against the Company

(i) in September 2016 for USD 14,398,188 (Rs 10,698.21 Lakhs) and GBP 690,630 (Rs. 692.71 Lakhs) and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and misrepresentation of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. In view of the current pandemic Covid-19, the Matter is yet to be listed for hearing.

(ii) in October 2017, for USD 877,500 (Rs. 652.00 Lakhs), EUR 455,000 (Rs. 382.40 Lakhs), GBP 52,314 (Rs. 52.47 Lakhs) and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, hence the Company could not proceed further, and the said award is not maintainable.

In view of the current pandemic Covid-19, the Matter is yet to be listed for hearing.
While the Company is contesting the enforcement of the Awards in the Courts in India a sum of Rs. 557 lakhs have been provided for in the books in FY 2018-19 in respect of matter stated in para (ii) above. Further, since the matter being sub-judice, the said claims have continued to be treated as contingent liability.

These are contingent liabilities/claims stated above, are not confirmation of dues, are recoding of disputes.

9) Based on an execution petition filed by one of the operational creditors with the Honourable High Court of Telangana, the Court had directed the company to earmark an amount of Rs 20 Crs. Accordingly, the company complied with the said order. However, despite compliance of the High Court Order, the operational creditor filed a petition before the Hon'ble NCLT Hyderabad Bench, to initiate the CIRP against the company and the same has been admitted by the Hon'ble NCLT (putting the company in CIRP under the provisions of the I&BC, 2016 vide its order dt.27.08.2021). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed the order of NCLT. The NCLAT, has since stayed the orders of the NCLT (vide its orders dt.14.09.2021 and the same is being continued).

10) Government of India announced New Urea Policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector which are effective from 1st June 2015 to 31st Mar 2019. Government of India extended the NUP -2015 from 1st April 2019 until further orders. Income from Urea Operations has been recognised in accordance with the said policies. Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation / de-escalation, have been recognised during the quarter/ half year in terms of the said policies. Adjustments, if any, required will be considered on notification of final prices.

11) The Company has assessed the impact of COVID – 19 and concluded that there is no material impact on the operations of the company and no material adjustment is required at this stage for the results of the company for the quarter/9 months ended December 31, 2021. However, the company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact if any, different from the estimates, will be considered while preparing the annual accounts.

12) The company could not spend the budgeted funds on energy and maintenance capex for the last several years on account of financial constraints. The company is currently operating plant 1 and will be switching production to plant 2 (which is currently undergoing repair) in order to undertake temporary repair of Plant 1. 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) has appointed a valuer during the current quarter to assess the 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 plant land that is to be maintained as green belt (which cannot be utilised for industrial purposes as per APPCB latest norms and guidelines) basis which the company would make necessary adjustments if any to the book value of land at Kakinada. Due to increase in COVID 19 cases during the period, the valuation report submission by valuer got delayed. The impairment loss, if any, will be accounted for upon receiving the report.

13) The Company has been using the "Nagarjuna Brand / Trademarks" for its urea and other products under a license agreement Dt 29/01/1998 with the grantor, a related party. The company, during the period under report, received a claim from the grantor asserting its right for royalty for the period from 29/01/1998 to 31/12/2021. The said claim is under review by the Company for appropriate action and consequent recognition in the books will be made.

14) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable with that of the current periods.

HYDERABAD
14th February, 2022

K. RAHUL RAJU
MANAGING DIRECTOR

J V S L & ASSOCIATES
CHARTERED ACCOUNTANTS

Plot No : 443-A-22,
Road No. 86, Jubilee Hills,
Hyderabad - 500 096.
Phone : 040-23552336
Email : jv9009@gmail.com

Limited Review Report on the Standalone Unaudited Quarterly and year to date Financial Results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Nagarjuna Fertilizers and Chemicals Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results (*'the Statement'*) of M/s Nagarjuna Fertilizers and Chemicals Limited (*'the Company'*), for the quarter ended 31 December 2021 and the year to date results for the period 01 April 2021 to 31 December 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial reporting (*'Ind AS 34'*), prescribed under Section 133 of the Companies Act, 2013 (*'the Act'*), and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

JVSL & ASSOCIATES * Chartered Accountants, Hyderabad
Firm Regn. No. 15002S

4. **Material Uncertainty relating to Going Concern**

We draw attention to Note 5 to the Statement regarding preparation of the financial results on a going concern basis by the company, considering its understanding of status of approval process by consortium of lenders as at the date of approval of financial results. As stated in the said note, in view of the reduced operations caused due to strained financial conditions, the company has incurred continuous losses which had substantially eroded its net worth and current liabilities as at the end of the quarter has exceeded the current assets by Rs.2,80,078.22 Lakhs. These adverse circumstances have affected the Company's ability to meet its obligations to repay its loans, other financial and non-financial liabilities including statutory liabilities. The company's management is currently in discussion with the lenders with a resolution plan and are hopeful of a positive outcome on the resolution plan. These 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 business. The ability of the company to continue as a going concern is solely dependent on the acceptance of resolution plan, which is not wholly within the control of the Company.

Our conclusion is not modified in respect of this matter.

5. **Emphasis of Matter**

We draw attention to the following notes attached to the statement

a) Note No. 4(i) on expensing of unabsorbed IGST of Rs.3,617.24 lakhs on import of urea for the reasons stated in the note.

b) Note No. 4(ii) on the expensing of demand for electricity duty of Rs.5,426.41 lakhs for the reasons stated in the note.

c) Note No: 6 on accounting of interest and penal interest on the borrowings as per the terms of sanction due to non-receipt of interest demands and confirmation of balances from lenders and its proposal to make adjustments, if any, in respect of these items upon the final outcome of resolution plan. Amount of short accounting of interest / penal interest / charges, if any, is not ascertainable.

d) Note No: 7 on the accounting of managerial remuneration as approved by the shareholders, pending receipt of approval from the lenders for the reasons stated in the note.

JVSL & ASSOCIATES * Chartered ... Hyderabad * Firm Regn. No. 015002S

e) Note No: 8 on the non-accounting of liability as per the International Arbitration awards passed against the company aggregating to USD 15,275,688; GBP 742,944; EUR 455,000 and INR 221.39 Lakhs (equivalent aggregate amount of Rs.12,699.18 Lakhs approximately) and interest thereon as applicable in relation to contracts; the impact of which has not been recognized in the Financial Results, for the reasons stated in the said note;

f) Note No: 9 on admission of a petition filed under I&BC 2016 and putting the company in CIRP, against which the company obtained stay.

g) Note No:10 on the recognition and accounting of Income from Urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, freight subsidy from the Government as per the New Urea Policy 2015, duly extended and to make the consequential adjustments, if any, at appropriate time on receipt of fresh notification / prices.

h) Note No.12 on the Company's proposal to test the impairment of its Property, Plant and Equipment and to recognize such impairment loss, if any, thereafter in its books of account.

i) Note No.13 on the claim for royalty, received from a related party for the period referred to therein, which is under review of the company.

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

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

For J V S L & Associates
Chartered Accountants
(Firm Regn. No: 015002S)

J.V.S.L & ASSOCIATES * Hyderabad * Chartered Accountants
Firm Regn. No. 015002S

J. VENKATESWARLU
Partner
Ms. No: 022481
UDIN: 22022481ABZOGA8712

Place: Hyderabad
Date: 14-02-2022

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

Consolidated Unaudited Financial Results for the Quarter / Nine Months Ended December 31, 2021

Rs. In Lakhs

Sl No	PARTICULARS	Consolidated					
		Quarter ended			Nine months ended		Year ended
		31-12-2021 (Unaudited)	30-09-2021 (Unaudited)	31-12-2020 (Unaudited)	31-12-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2021 (Audited)
I	Revenue from Operations	57,475.71	69,529.76	42,966.89	1,91,424.13	1,17,383.83	1,57,490.71
II	Other Income	152.67	161.38	425.52	458.90	1,456.39	2,435.37
III	Total income (I+II)	57,628.38	69,691.14	43,392.41	1,91,883.03	1,18,840.22	1,59,926.08
IV	Expenses						
	a) Cost of materials consumed	28,155.44	32,248.90	20,411.43	91,965.17	51,893.29	73,241.25
	b) Purchase of Stock-in-Trade	37.33	10.92	31.13	49.63	142.33	267.12
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	1,743.84	2,084.87	(204.52)	820.11	3,930.82	4,320.12
	d) Power and Fuel	25,676.29	30,533.51	14,395.82	88,388.57	40,662.55	58,748.78
	e) Employee Benefits Expense	2,301.17	2,519.67	2,147.20	7,097.86	6,705.32	9,679.52
	f) Finance cost	9,608.27	9,377.26	8,881.41	27,710.19	26,382.31	34,779.29
	g) Depreciation and Amortization Expense	2,066.13	2,071.30	2,080.78	6,190.11	6,192.05	8,223.83
	h) Other Expenses	6,820.51	5,663.92	4,998.92	17,905.72	14,208.28	21,893.33
	Total expenses	76,408.98	84,510.35	52,742.17	2,40,127.36	1,50,116.95	2,11,153.24
V	Profit / (Loss) before exceptional items and tax (III-IV)	(18,780.60)	(14,819.21)	(9,349.76)	(48,244.33)	(31,276.73)	(51,227.16)
VI	Exceptional Items		-	-	9,043.64	14,082.00	14,082.00
VII	Profit / (Loss) before Tax (V-VI)	(18,780.60)	(14,819.21)	(9,349.76)	(57,287.97)	(45,358.73)	(65,309.16)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-		-	-
	(b) Adjustments relating to earlier years	-	-	-		-	-
	(c) Deferred Tax	(1,831.54)	(582.74)	(743.99)	(2,948.40)	(5,725.12)	(3,775.86)
		(1,831.54)	(582.74)	(743.99)	(2,948.40)	(5,725.12)	(3,775.86)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(16,949.06)	(14,236.47)	(8,605.77)	(54,339.57)	(39,633.61)	(61,533.30)
X	Other Comprehensive Income (net of tax)						
	A Items that will not be reclassified to profit or loss						
	(i)Re-measurement gains / (losses) on defined benefit plans	-	-	-		-	(90.43)
	(ii) Income tax relating to these items	-	-	-		-	31.29
	B (i) Items that will be reclassified to profit or loss	-	-	-		-	-
	(ii) Income tax relating to these items	-	-	-		-	-
	Total Other Comprehensive income, net of tax	-	-	-	-	-	(59.14)

XI	Total Comprehensive Income (IX+X)	(16,949.06)	(14,236.47)	(8,605.77)	(54,339.57)	(39,633.61)	(61,592.44)
XII	Paid-up Equity Share Capital (Face Value of Rs. 1/- per share)	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65	5,980.65
XIII	Other Equity	-	-		-		(54,413.72)
XIV	Earning Per Share (of Rs.1/- each) - Basic and Diluted	(2.83) (Not Annualised)	(2.38) (Not Annualised)	(1.44) (Not Annualised)	(9.09) (Not Annualised)	(6.63) (Not Annualised)	(10.29)

Notes:

1) The above statement of unaudited consolidated financial results for the quarter ended 31st December 2021 and the year to date for the period 01st April 2021 to 31st December 2021 was reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 14th February 2022.

2) The Statutory Auditors have carried out Limited Review of the same and issued Limited Review Report.

3) The financial results comprise the combined operations of the holding company's Fertilizer, Micro Irrigation and Agri. Services businesses. For the purposes of disclosures under Ind AS 108, Operating Segments, as the financial results of Micro Irrigation and Agri. Services are below the reportable segment threshold limit, and since they do not have similar economic characteristics and do not share any of the aggregation criteria, the same are neither disclosed as separate segments nor are combined as "all other segments".

4) Exceptional Items relating to holding company:

i) Unabsorbed 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 input tax credit of 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 ended June 30,2021. However, the company will continue to pursue its claim with the Department of Fertilizers,GOI.

ii) Electricity Duty Demand : The Company received a demand for an amount of Rs 5,426.41 Lakhs from the Director Electrical safety and Chief Electrical inspectors 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.3,255.85 Lakhs which was deposited under protest by the Company accordingly 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.5,426.41 Lakhs as an expense during quarter ended June 30,2021.

5) The holding Company is operating in a regulated environment under the Essential Commodities Act and supported by Government Subsidy. The company suffered losses on account of accident in GAIL Pipeline during 2014 and disrupting the production. The company approached its bankers for a corrective action and the lenders formed a JLF in 2015, approved rectification of account with funding as a Corrective Action Plan and assessed the funding required for CAP as Rs. 3050 Crs (850 Crores Fund Based + 2200 Crores Non-Fund Based) and Rs 800 Crs Working Capital Term Loan to shore up networking capital. The company did not receive such funding as assessed for rectification and suffered further losses which eventually led to stoppage of production in 2018. 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 company to amicably settle the CAP debt disputes had approached the lenders for debt resolution.

The lenders approved 'Holding on Operations' (HOO) from December 2018 to amicably resolve the debt issues with the company in the interests of all stakeholders (valid till June 30, 2022). Lenders entered into an inter creditor agreement and approved a debt resolution plan in March 2020, amongst other things with infusion of fresh equity and additional debt. Post conclusion of the Resolution Plan, the lenders made arbitrary changes to the proposal of 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. The Hon'ble High Court granted stay on any proceedings against the company until further orders and the case is currently under disposal with the Court. The company had filed contempt cases against 2 lenders who have invoked IBC in violation of High Court orders and the case is currently under disposal of the Court.

Notwithstanding the legal proceedings, the Company is actively working amicably to resolve the disputes with lenders and for completion of resolution plan. The Company is hopeful of a positive outcome and approval of resolution plan. Accordingly, the financial results for the Quarter / 9 months ended December 31, 2021, are drawn on a going concern basis.

In view of operating one plant in the quarter due to lack of working capital and plant breakdowns, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the quarter / 9 months end, the Company's current liabilities exceeded current assets by Rs. 2,80,191.44 Lakhs (net current liabilities excluding contingent liabilities).

6) Pending resolution of the CAP loans and disputes (working capital and term loans in the books of the Company), the holding Company has been accounting for the interest / penal interest during the quarter / 9 months based on the prevailing rate of interest and as per CAP and other loan arrangements. This is not confirmation of dues. Adjustments, if any, for the principal, interest and accounted will be dealt on the outcome of the Debt Resolution Plan agreed by the company and lenders.

7) The lenders are yet to approve managerial remuneration approved by the shareholders of holding company.

8) In relation to some of the contracts, the following international Arbitration Awards have been passed against the holding Company

(i) in September 2016 for USD 14,398,188 (Rs 10,698.21 Lakhs) and GBP 690,630 (Rs. 692.71 Lakhs) and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company. The Company is of the view that the Award has been obtained based on documents tampered with and misrepresentation of facts by said supplier. The Company has been legally advised that the award is not maintainable and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials. In view of the current pandemic Covid-19, the Matter is yet to be listed for hearing.

(ii) in October 2017, for USD 877,500 (Rs. 652.00 Lakhs), EUR 455,000 (Rs. 382.40 Lakhs), GBP 52,314 (Rs. 52.47 Lakhs) and INR 221.39 Lakhs and interest as applicable apart from costs based on a claim filed by one of the Vendors based on the work orders issued for proposed Project -Plant 3. The Company is of the view that as per the contract entered, the amounts are payable only upon (a) the announcement of a fertilizer policy and (b) that the fertilizer policy being found favourable for the Project of the Company. Since the policy announced by the Government of India was not favourable / conducive for the project, hence the Company could not proceed further, and the said award is not maintainable.

In view of the current pandemic Covid-19, the Matter is yet to be listed for hearing.
While the Company is contesting the enforcement of the Awards in the Courts in India a sum of Rs. 557 lakhs have been provided for in the books in FY 2018-19 in respect of matter stated in para (ii) above. Further, since the matter being sub-judice, the said claims have continued to be treated as contingent liability.

These are contingent liabilities/claims stated above, are not confirmation of dues, are recoding of disputes.

9) 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). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed the order of NCLT. The NCLAT, has since stayed the orders of the NCLT (vide its orders dt.14.09.2021 and the same is being continued).

10) Government of India announced New Urea Policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector which are effective from 1st June 2015 to 31st Mar 2019. Government of India extended the NUP -2015 from 1st April 2019 until further orders. Income from Urea Operations in the holding company has been recognised in accordance with the said policies. Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation / de-escalation, have been recognised during the quarter/ half year in terms of the said policies. Adjustments, if any, required will be considered on notification of final prices.

11) The holding Company has assessed the impact of COVID – 19 and concluded that there is no material impact on the operations of the company and no material adjustment is required at this stage for the results of the company for the quarter/9 months ended December 31, 2021. However, the company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact if any, different from the estimates, will be considered while preparing the annual accounts.

12) The holding company could not spend the budgeted funds on energy and maintenance capex for the last several years on account of financial constraints. The company is currently operating plant 1 and will be switching production to plant 2 (which is currently undergoing repair) in order to undertake temporary repair of Plant 1. 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) has appointed a valuer during the current quarter to assess the 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 plant land that is to be maintained as green belt (which cannot be utilised for industrial purposes as per APPCB latest norms and guidelines) basis which the company would make necessary adjustments if any to the book value of land at Kakinada. Due to increase in COVID 19 cases during the period, the valuation report submission by valuer got delayed. The impairment loss, if any, will be accounted for upon receiving the report.

13) 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 period under report, received a claim from the grantor asserting its right for royalty for the period from 29/01/1998 to 31/12/2021. The said claim is under review by the Company for appropriate action and consequent recognition in the books will be made.

14) The consolidated results include results of subsidiary, i.e Jaiprakash Engineering and Steel Company Ltd and excludes associates, (i)Nagarjuna Agricultural and Research Development Insititute Pvt Ltd and (ii) KVK Raju International Leadership Ltd. The associates are excluded as there are no operations in the said Companies.

15) The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable with that of the current periods.

HYDERABAD
14th February, 2022

K. RAHUL RAJU
MANAGING DIRECTOR

J V S L & ASSOCIATES
CHARTERED ACCOUNTANTS

Plot No : 443-A-22,
Road No. 86, Jubilee Hills,
Hyderabad - 500 096.
Phone : 040-23552336
Email : jv9009@gmail.com

Limited Review Report on the Unaudited Consolidated Quarterly and year to date Financial Results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Nagarjuna Fertilizers and Chemicals Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (*'the Statement'*) of M/s Nagarjuna Fertilizers and Chemicals Limited (*'the Holding Company'*) and its subsidiary, Jaiprakash Engineering and Steel Company Limited *(the Holding Company and its subsidiary together are referred to as 'the Group'*), for the quarter ended 31 December 2021 and the year to date results for the period 01 April 2021 to 31 December 2021, being submitted by the holding company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial reporting (*'Ind AS 34'*), prescribed under Section 133 of the Companies Act, 2013 (*'the Act'*), and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

JVSL & ASSOCIATES Firm Regn. No. 015002S Chartered Accountants, Hyderabad

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

4. Material Uncertainty relating to Going Concern

We draw attention to Note 5 to the Statement regarding preparation of the financial results on a going concern basis by the Group, considering its understanding of status of approval process by consortium of lenders as at the date of approval of financial results. As stated in the said note, in view of the reduced operations caused due to strained financial conditions, the Group has incurred continuous losses which had substantially eroded its net worth and current liabilities as at the end of the quarter has exceeded the current assets by Rs.2,80,191.44 Lakhs. These adverse circumstances have affected the Group's ability to meet its obligations to repay its loans, other financial and non-financial liabilities including statutory liabilities. The holding company's management is currently in discussion with the lenders with a resolution plan and are hopeful of a positive outcome on the resolution plan. These events and conditions indicate material uncertainty which cast a significant doubt on the holding 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 business. The ability of the Group to continue as a going concern is solely dependent on the acceptance of resolution plan, which is not wholly within the control of the Group.

Our conclusion is not modified in respect of this matter.

5. **Emphasis of Matter**

We draw attention to the following notes attached to the statement

a) Note No. 4(i) on expensing of unabsorbed IGST of Rs.3,617.24 lakhs on import of urea for the reasons stated in the note.

b) Note No. 4(ii) on the expensing of demand for electricity duty of Rs.5,426.41 lakhs for the reasons stated in the note.

JVSL & ASSOCIATES * Chartered Accountants, Hyderabad * Firm Regn. No. 01[illegible]

c) Note No: 6 on accounting of interest and penal interest on the borrowings as per the terms of sanction due to non-receipt of interest demands and confirmation of balances from lenders and its proposal to make adjustments, if any, in respect of these items upon the final outcome of resolution plan. Amount of short accounting of interest / penal interest / charges, if any, is not ascertainable.

d) Note No: 7 the accounting of managerial remuneration as approved by the shareholders, pending receipt of approval from the lenders for the reasons stated in the note.

e) Note No: 8 on the non-accounting of liability as per the International Arbitration awards passed against the company aggregating to USD 15,275,688; GBP 742,944; EUR 455,000 and INR 221.39 Lakhs (equivalent aggregate amount of Rs.12,699.18 Lakhs approximately) and interest thereon as applicable in relation to contracts; the impact of which has not been recognized in the Financial Results, for the reasons stated in the said note;

f) Note No: 9 on admission of a petition filed under I & BC 2016 and putting the company in CIRP, against which the company obtained stay.

g) Note No: 10 on the recognition and accounting of Income from Urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, freight subsidy from the Government as per the New Urea Policy 2015, duly extended and to make the consequential adjustments, if any, at appropriate time on receipt of fresh notification / prices.

h) Note No.12 on the Holding Company's proposal to test the impairment of its Property, Plant and Equipment and to recognize such impairment loss, if any, thereafter in its books of account.

i) Note No.13 on the claim for royalty, received from a related party for the period referred to therein, which is under review of the holding company.

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

6. We did not review, the interim financial results and other financial information of the Subsidiary of the company, included in this Statement whose interim financial results reflect a total revenue of Rs.0.15 Lakhs and Rs.0.46 Lakhs, total net profit/(loss) after tax of Rs (1,905.85) Lakhs and Rs (1,905.74) Lakhs, total comprehensive income of Rs (1,905.85) Lakhs and Rs (1,905.74) Lakhs for the quarter and period ended 31st December 2021, respectively, as considered in the Statement. These interim financial

JVSL & ASSOCIATES
Firm Regn. No. 015002S
Chartered Accountants

results of the Subsidiary have been reviewed by another auditor, whose report has been furnished to us by the management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

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

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

For J V S L & Associates
Chartered Accountants
(Firm Regn. No: 015002S)

J VENKATESWARLU
Partner
Ms. No: 022481
UDIN: 22022481ABZPRN3573

Place: Hyderabad
Date: 14-02-2022

J V S L & ASSOCIATES * Chartered Accountants, Hyderabad * Firm Regn. No. 015002S