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 14, 2023

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 Sir / Madam,

Sub: Outcome of Board Meeting

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

We wish to inform that the Board of Directors of the Company at their Meeting held today i.e., November 14, 2023, had, inter alia, approved the Un-audited Standalone and Consolidated Financial Results for the quarter / half year ended September 30, 2023, in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the approved Un-audited Standalone and Consolidated Financial Results along with the Limited Review Report of the Statutory Auditor's for the quarter ended September 30, 2023, is enclosed.

The Meeting of the Board of Directors was concluded at 03:45 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 and Half Year Ended September 30, 2023

Rs. in Lakhs

Sl No	PARTICULARS	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-09-2023 (Unaudited)	30-06-2023 (Unaudited)	30-09-2022 (Unaudited)	30-09-2023 (Unaudited)	30-09-2022 (Unaudited)	31-03-2023 (Audited)
I	Revenue from Operations	1,32,379.61	1,07,362.69	2,07,007.34	2,39,742.30	3,56,283.28	5,64,220.16
II	Other Income	987.07	123.65	562.94	1,110.72	1,777.97	6,344.12
III	Total income (I+II)	1,33,366.68	1,07,486.34	2,07,570.28	2,40,853.02	3,58,061.25	5,70,564.28
IV	Expenses						
	a) Cost of materials consumed	61,856.29	59,489.70	1,07,924.02	1,21,345.99	1,94,370.46	2,84,873.12
	b) Purchase of Stock-in-Trade	41.02	17.55	305.63	58.57	325.03	478.23
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	9,451.13	(8,031.22)	3,063.21	1,419.91	(9,573.71)	(2,468.42)
	d) Power and Fuel	52,833.99	52,018.50	87,810.16	1,04,852.49	1,58,402.16	2,40,368.77
	e) Employee Benefits Expense	2,513.90	2,370.08	2,591.00	4,883.98	4,801.46	9,892.69
	f) Finance cost	12,018.90	11,489.02	15,439.89	23,507.92	25,697.04	52,594.29
	g) Depreciation and Amortization Expense	1,248.53	1,247.72	2,056.74	2,496.25	4,096.68	7,926.99
	h) Impairment losses		63,407.20		63,407.20	-	67,519.40
	i) Other Expenses	6,704.05	6,434.53	7,299.52	13,138.58	13,747.48	23,093.28
	Total expenses	1,46,667.81	1,88,443.08	2,26,490.17	3,35,110.89	3,91,866.60	6,84,278.35
V	Profit / (Loss) before exceptional items and tax (III-IV)	(13,301.13)	(80,956.74)	(18,919.89)	(94,257.87)	(33,805.35)	(1,13,714.07)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	(13,301.13)	(80,956.74)	(18,919.89)	(94,257.87)	(33,805.35)	(1,13,714.07)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-	-	-	-
	(b) Adjustments relating to earlier years	-	-	-	-	-	-
	(c) Deferred Tax	(410.87)	(411.75)	(651.08)	(822.62)	(1,304.89)	(23,705.03)
		(410.87)	(411.75)	(651.08)	(822.62)	(1,304.89)	(23,705.03)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(12,890.26)	(80,544.99)	(18,268.81)	(93,435.25)	(32,500.46)	(90,009.04)
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	-	-	-	-	-	408.87
	(ii) Income tax relating to these items	-	-	-	-	-	(127.57)
	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	-	-	-	-	-	281.30

XI	**Total Comprehensive Income (IX+X)**	**(12,890.26)**	**(80,544.99)**	**(18,268.81)**	**(93,435.25)**	**(32,500.46)**	**(89,727.74)**
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**						**(2,12,834.89)**
XIV	**Earning Per Share (of Rs.1/- each) - Basic and Diluted**	**(2.16)** (Not Annualised)	**(13.47)** (Not Annualised)	**(3.05)** (Not Annualised)	**(15.62)** (Not Annualised)	**(5.43)** (Not Annualised)	**(15.05)**

Notes:

1) The above statement of Unaudited Standalone Financial Results for the Quarter/ Half year ended 30th September 2023 was reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 14th November 2023.

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

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

4) The Company is operating in a regulated environment under the Essential Commodities Act, 1955, supported by Government Subsidy. On account of an accident in the GAIL Pipeline which supplies Gas to the company during 2014, the production of the company was disrupted for long time and as a result the company suffered losses. To overcome the financial stress caused due to disruption of production and losses, the company approached its lenders for a Corrective Action Plan (CAP) and the lenders formed Joint Lenders Forum (JLF) in 2015 and assessed Rs. 3050 Crs (Rs.850 Cr under Fund Based + Rs.2200 Cr. Under Non-Fund Based) and Rs.800 Cr. Working Capital Term Loan under CAP to shore up the working capital and to enable the company to run. This funding for rectification of account is called Corrective Action Plan 2015 (CAP). Due to lack of assessed funds from lenders (non-implementation of CAP) the company's account after the GAIL Pipeline accident could not be rectified in 2015-16 and went into severe financial stress increasing indebtedness and losses resulting in defaults in 2018. Upgrading of account without releasing of the assessed funds for rectification of account (CAP), is in violation of RBI CAP regulations of 2014 and 2015, resulting in the account becoming NPA in 2015 itself as per RBI regulations instead of 2018 after CAP implementation as being claimed by Banks. The company has been reporting the disputes on CAP debt (working capital term loans and working capital loans in the books of the company) to the lenders and in the annual reports. The debt in the books (CAP loans) are disputed and are sub-judice.

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

Notwithstanding the legal proceedings, the Company actively worked amicably to resolve the disputes with lenders and for completion of resolution plan. The company is operating both urea plants from April 2023 and continued operating both the plants during the Quarter/ Half year. Due to lack of working capital, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the Quarter/ Half year ended 30th Sept 2023, the Company's current liabilities exceeded current assets by Rs. 3,61,788.14 Lakhs (net current liabilities excluding contingent liabilities).

The lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015.Though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date. As a result, the company filed cases against the lenders in Hon'ble High Court of Telangana, which has restrained the lenders from taking any coercive action against the company. Currently in this regard writ appeal WP 708/2022, is pending before Telangana High Court. 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 in the last 5 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.

5) The Company received on 3rd April 2023 a letter dated 31st March 2023, copying to all the Lenders, from Assets Care & Reconstruction Enterprise Ltd (ACRE) communicating that the Assignment of Debt by all Consortium Lenders to ACRE (in its capacity as the trustee of the ACRE-112-TRUST) under section 5 of the SARFAESI Act,

There was no communication to the Company from the Lenders about the assignment of their loans / credit facilities / interest etc., as stated above to the ACRE-112-TRUST by 31.03.2023. Consequently, the company has not yet changed from Lenders to ACRE-112-TRUST.

6) The Company has received a demand notice dated 20th May 2023 U/s 13(2) of the SARFAESI Act from Lenders to repay total outstanding dues of Rs 3,344.37 Crs, failing which Lenders will take appropriate action in accordance with the Law. The Company has replied to the said notice on 17th July 2023 explaining the disputes with the lenders and matter is being sub-judice, and sought time for submission of Debt Resolution plan/ OTS. In response to the company reply, the Lenders reverted back on 25th July 2023 disputing objections raised by the company and advised the company to expedite submission of Debt Resolution Plan/ OTS. Thereafter, Lender has taken symbolic possession of the scheduled assets of the Company in its favor on October 12, 2023.

The company has been in discussions with Lenders for one-time settlement (as a debt resolution plan) to amicably resolve the ongoing disputes and will be submitting the debt resolution plan along with conditions precedent for the transaction (as approved by Board and Shareholders). The Company is hopeful of a positive outcome and approval of the One-time settlement (as a resolution plan).

The Board of Directors at their meeting held 14Th August 2023 and members in AGM held on 15th September 2023 approved the proposal of slump sale transaction of Ammonia / Urea and MI businesses along with related assets and liabilities, subject to fulfillment of Conditions Precedents (CP's), Sale of non-core assets of the company and Debt Resolution / OTS along with funding.

The Board of Directors at their Meeting held on October 09, 2023, have noted 1) order of the Hon'ble NCLAT, Chennai, dated October 05, 2023, setting aside the order dated August 27, 2021, passed by Hon'ble NCLT, Hyderabad Bench, 2) the CP's needed for Slump Sale transaction, 3) Sale of non-core assets of the company and 4) Debt Resolution / OTS. Further, the Company is working towards fulfilment of CPs.

The company, given the above background on the efforts for Debt Resolution for the Company to continue as a Going Concern, it concluded that use of the Going Concern basis of accounting is appropriate. Accordingly, the financial results for the Quarter/ Half year ended September 2023, are drawn on Going Concern basis.

7) The following international Arbitration Awards have been passed against the Company. Amounts awarded USD 1,52,75,688 (Rs.12,687.68 lakhs), GBP 7,42,944 (Rs. 755.36 lakhs), EUR 4,55,000 (Rs. 400.12 lakhs) and INR 221.39 lakhs and interest as applicable apart from costs based on claims filed. The company is disputing the claims and the awards. The matter is sub-judice pending for hearing before the courts of Hyderabad, Telangana, India.

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

8) Based on an execution petition filed by one of the operational creditors with the Honorable 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 IBC, 2016 vide its order dt.27.08.2021). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed against the order of NCLT. The NCLAT has set aside the CIRP proceedings under IBC vide order dated 5th October 2023 and the Company is out of CIRP based on the said order.

9) Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against NCLT Order in NCLAT on behalf of NFCL and on the request of NFCL Amlika Mercantile Private Limited arranged a Third-Party buyer M/s. Agri Vestors Private Limited, for the debt of Keytrade and in compliance with the directions of Hon'ble NCLAT, Chennai, made payment to the tune of Rs. 20 crores to acquire the total debt of NFCL from M/s. Keytrade A.G, by way of Deed of Assignment between M/s. Agri Vestors Private Limited and M/s. Keytrade A.G on July 04, 2023, duly acknowledged by NFCL.

Following the payment to M/s Keytrade AG, Switzerland by way of Deed of Assignment, Agri Vestors Private Limited, has been substituted in place of M/s Keytrade AG.

Further, the Company has received approval from its secured creditor Asset Care and Reconstruction Limited (ACRE) to release the sum of Rs. 20 Crores that is under lien before the Hon'ble High Court of Telangana towards full and final settlement of the debt of M/s Keytrade AG.

In view thereof, Amlika Mercantile Private Limited, has submitted that the appeal may be allowed and Agri Vestors Private Limited, the substituted creditor may take necessary steps for withdrawing the sum of Rs. 20 Crores from Hon'ble High Court of Telangana.

Accordingly, Hon'ble NCLAT, Chennai, at their hearing held on October 05, 2023, was pleased to order setting aside the order of Hon'ble NCLT dated August 27, 2021, by M/s. Keytrade AG, Switzerland, against NFCL under IBC, 2016.

In view of Agri Vestors Private Limited, substituted for Keytrade AG, Switzerland, as the Creditor consequent to the acquisition of the total debt of NFCL of Rs. 20 Crores from M/s. Keytrade A.G, by way of Deed of Assignment dated July 04, 2023, NFCL advised the banks to release the lien on the earmarked amount of Rs 20 crores as per the Order dated 12.10.2023 from the Hon'ble High Court of Telangana to the Agri Vestors P Ltd.

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/ period in terms of the said policies. Adjustments required, if any, will be considered on notification of final prices.

The Government on 18th November 2022 extended the energy norms which were valid till 31st March 2023. Accordingly, Subsidy income is recognised based on Target Energy Norms as per NUP-2015 policy for the Quarter / Half year ended Sept 30th, 2023.

11) The Company tested for impairment of Plant & Machinery and Buildings in March 2023. Impairment test of Property (Land) is carried out as at 30.06.2023. The Valuer appointed for Plant, Machinery and Buildings has completed impairment test of Property (Lands). Accordingly, as per the Registered valuer's report, the Company has carried out necessary adjustments in the books of account for an impairment loss of Rs.63,407.20 Lakhs during the Quarter ended 30th June 2023.

12) 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 ended on 31.12.2021, received a claim from the grantor asserting its right to royalty for the period from 29/01/1998. The said claim is under review by the Company for appropriate action.

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

HYDERABAD
14th November, 2023

K. RAHUL RAJU
MANAGING DIRECTOR

Nagarjuna Fertilizers and Chemicals Limited
Standalone Balance Sheet as at 30th Sept 2023

Rs.in Lakhs

	Particulars	As at Sept 30, 2023	As at March 31, 2023
1	**ASSETS**		
	Non-current assets		
	(a) Property, Plant and Equipment	69,415.65	1,35,256.20
	(b) Capital work-in-progress	18.51	18.68
	(c) Financial Assets		
	(i) Investments	-	-
	(ii) Others	495.97	451.41
	(d) Deferred tax assets (net)	345.50	
	Sub - Total	**70,275.63**	**1,35,726.29**
	Current assets		
	(a) Inventories	6,234.04	7,221.62
	(b) Financial Assets		
	(i) Trade receivables	2,901.73	39,693.79
	(ii) Cash and cash equivalents	27,523.55	1,789.20
	(iii) Bank balances, other than (ii) above	2,373.38	2,240.86
	(iv) Loans	-	-
	(iv) Others	45.63	61.94
	(c) Current Tax Assets (Net)	253.83	243.29
	(d) Other current assets	7,685.66	7,221.36
	Sub - Total	**47,017.82**	**58,472.06**
	Total Assets	**1,17,293.45**	**1,94,198.35**
2	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share capital	5,980.65	5,980.65
	(b) Other Equity	(3,06,270.14)	(2,12,834.89)
	Sub - Total	**(3,00,289.49)**	**(2,06,854.24)**
	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,091.12	1,213.06
	(ii) Other financial liabilities	7,010.58	6,983.06
	(b) Provisions	675.28	585.28
	(c) Deferred tax liabilities (Net)	-	477.13
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	2,99,277.85	2,82,976.67
	(ii) Trade payables		
	(A) Total outstanding dues of Micro enterprises and Small Enterprises	104.66	83.85
	(B) Total outstanding dues of creditors other than micro and small enterprises.	1,05,190.60	1,04,485.32
	(iii) Other financial liabilities (other than those specified in item (c) below)	1,781.11	1,682.77
	(b) Other current liabilities	1,801.51	1,967.23
	(c) Provisions	650.23	598.22
	Sub - Total	**4,08,805.96**	**3,91,794.06**
	Total Equity and Liabilities	**1,17,293.45**	**1,94,198.35**

Nagarjuna Fertilizers and Chemicals Limited
Standalone Cash Flow Statement for the Year ended 30st September 2023

Rs.in Lakhs

Particulars	Year ended September 30, 2023	Year ended March 31, 2023
A. Cash Flow from Operating Activities		
Loss before Tax	**(94,257.87)**	**(1,13,714.07)**
Adjustments:		
Depreciation and Amortisation	2,496.25	7,926.99
Impairment of Assets	63,407.20	67,519.40
Provision for Doubtful Debts / Advances	473.69	327.17
Finance Cost	23,507.92	52,594.29
Impairment of CWIP		-
Deferred government grant	(173.96)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	(1.41)	(6.89)
Operating Profit before working capital changes	(4,548.18)	14,298.98
Movements in working capital:		
Increase/(decrease) in trade payables	726.09	5,801.86
Increase/(decrease) in long term provisions	90.00	485.29
Increase/(decrease) in short term provisions	52.01	53.19
Increase/(decrease) in other current liabilities	8.23	(2,113.63)
Increase/(decrease) in other current financial liabilities	98.34	207.78
Increase/(decrease) in other long term liabilities	27.52	(3.67)
Decrease/(increase) in trade receivables	36,318.37	8,472.26
Decrease/(increase) in inventories	987.58	(2,581.40)
Decrease/(increase) in Non-current - Other Financial Assets	(44.56)	23.63
Decrease/(increase) in other current assets	(464.30)	(1,262.23)
Decrease/(increase) in other Current financial assets	16.31	699.00
Cash generated from/(used) in operations	**33,267.41**	**24,081.06**
(Direct Taxes Paid -net of refunds)	(10.54)	119.89
Net cash flow from / (used) in operating activities	**33,256.87**	**24,200.95**
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(63.00)	(81.03)
Proceeds from Margin Money Deposits	(132.52)	5.89
Proceeds from Sale of fixed assets	1.68	9.16
Net cash flow from / (used) in investing activities	**(193.84)**	**(65.99)**
C. Cash flow from Financing activities		
Repayment of long term borrowings	(581.35)	(298.45)
Finance Costs paid	(3,290.90)	(31,690.29)
Net cash flow from / (used) in financing activities	**(3,872.25)**	**(31,988.74)**
Net Increase/(decrease) in Cash and Cash Equivalents	**29,190.78**	**(7,853.78)**
Cash and Cash Equivalents as at beginning of the year	**(1,29,675.41)**	**(1,21,821.63)**
Cash and Cash Equivalents as at end of the period	**(1,00,484.63)**	**(1,29,675.41)**

Notes:

Rs. in Lakhs

Particulars	Year ended September 30, 2023	Year ended March 31, 2023
Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	27,497.01	1,773.42
Cheques, drafts on hand	-	-
Cash on hand	26.54	15.78
Cash and Cash Equivalents	27,523.55	1,789.20
Less: Cash Credit	1,28,008.18	1,31,464.61
Cash and Cash Equivalents in Cash Flow Statement	**(1,00,484.63)**	**(1,29,675.41)**

P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Nagarjuna Fertilizers and Chemicals Limited** ("the Company") for the quarter ended 30 September, 2023 and for the period from 01 April 2023 to 30 September 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

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

P. MURALI & CO., Chartered Accountants Hyderabad

P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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4. **Qualified Conclusion:**

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

5. **Basis for Qualified Conclusion:**

We refer to Note No.4 to "the Statement"- "the Company" has been incurring losses for the past few years and a net loss amounted to Rs.94,257.87 Lakhs (before taxes) has been incurred for the half year ended September, 2023, and the current liabilities exceeded the current assets by Rs. 3,61,788.14 Lakhs as on 30th September, 2023. 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.

We refer to Note No.6 to "the Statement"- "the Company" has received a demand notice dated 20th May 2023 u/s 13(2) of the SARFAESI Act from Lenders to repay total outstanding dues of Rs 3,344.37 cr, failing which Lenders will take appropriate action in accordance with the Law. And also, Lender has taken symbolic possession of the scheduled assets of the Company in their favour on October 12, 2023. Further to that, the Board of Directors as well at their meeting held on 14th August, 2023 and members in AGM held on 15th September 2023 approved the proposal of slump sale transaction of Ammonia / Urea and MI businesses along with related assets and liabilities, subject to fulfilment of Conditions Precedents (CP's), Sale of non-core assets of the company and Debt Resolution / OTS along with funding resulting in losing of core area of business/inflows.

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.

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However, "the Company" is actively working to resolve the disputes amicably with the lenders and completion of resolution plan and hopeful of a positive outcome and approval of one-time settlement (as a resolution plan) and also the Board of Directors at their Meeting held on October 09, 2023, have noted the fulfilment of the Conditions Precedents (CPs) for Slump Sale transaction, Debt Resolution / OTS with funding, Sale of non-core assets of the company and also order of the Hon'ble NCLAT, Chennai, dated October 05, 2023, setting aside the order dated August 27, 2021, passed by Hon'ble NCLT, Hyderabad Bench. Further, "the Company's" management is working towards fulfilment of other CPs and assessed various events/conditions which have an impact on "the Company's" ability to continue as a going concern.

Given the above background, the management believes that the assumption on the preparation of the financial statements of "the Company" is still appropriate.

Our conclusion is not modified in respect of this matter

6. **Emphasis of matter**

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

a) Note No 4: "the Company" has been accounting interest on the loans as per the terms of Corrective Action Plan (CAP) funding sanction letters, in the absence of interest demands and the Loan statements/confirmation of balances from the Lenders.

b) Note No 6: The Board of Directors in their meeting held on 14th August 2023 and members in AGM held on 15th September 2023 approved the proposal with regard to slump sale transaction, Debt Resolution / OTS, Sale of non-core assets for funding of OTS subject to fulfilment of certain Conditions Precedents (CP).

c) Note No 7: The claims as per the International Arbitration Awards passed against "the company" in September 2016 and October 2017, aggregating to USD 15,275,688, GBP 742,944 and EUR 455,000 and INR 221.39 Lakhs (equivalent Aggregate amount of Rs. 14,064.55 Lakhs) and interest thereon as applicable apart from costs, are continued to be shown as a contingent liability since the matter being sub-judice.

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d) Note No 8: Hon'ble NCLT admitted a petition filed by an operational creditor to initiate the CIRP against "the Company" under the provisions of the IBC 2016, Amlika Mercantile Private Ltd (One the of Promoter of "the Company") appealed against the order of Hon'ble NCLT. The NCLAT has set aside the this CIRP proceedings under IBC and currently "the Company" is out of CIRP.

e) Note No 9: In the case of Key Trade, the Hon'ble NCLAT has set aside the CIRP proceedings under IBC vide order dated 5th October 2023. NFCL advised the banks to release the lien on the earmarked amount of Rs 20 crores as per the Order dated 12.10.2023 from the Hon'ble High Court of Telangana and remit to the Agri Vestors P Ltd.

f) Note No 10: "the Company" has recognised Income from Urea Operations, Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation/de-escalation during the quarter in terms of new Urea policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector. Adjustments, if any, required will be considered on notification of final prices.

g) Note No 12: Claim from a related party asserting its right for Royalty for the period from 29.01.1998 to 31.12.2021, is under review by "the Company", possible liability might arise against the company and pending for appropriate action and consequent recognition in the Books.

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

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

P. MURALI & CO., Hyderabad Chartered Accountants

A. Krishna Rao
Partner
M No. 020085
UDIN: 23020085BGQYPO9803

Place: Hyderabad
Date: 14.11.2023

Nagarjuna Fertilizers and Chemicals Limited
Nagarjuna Hills, Hyderabad - 500 082.
Website: www.nagarjunafertilizers.com
CIN: L24129TG2006PLC076238
Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2023

Rs. In Lakhs

Sl No	PARTICULARS	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-09-2023 (Unaudited)	30-06-2023 (Unaudited)	30-09-2022 (Unaudited)	30-09-2023 (Unaudited)	30-09-2022 (Unaudited)	31-03-2023 (Audited)
I	Revenue from Operations	1,32,379.61	1,07,362.69	2,07,007.34	2,39,742.30	3,56,283.28	5,64,220.16
II	Other Income	987.07	123.65	562.96	1,110.72	1,778.14	6,344.29
III	Total income (I+II)	1,33,366.68	1,07,486.34	2,07,570.30	2,40,853.02	3,58,061.42	5,70,564.45
IV	Expenses						
	a) Cost of materials consumed	61,856.29	59,489.70	1,07,924.02	1,21,345.99	1,94,370.46	2,84,873.12
	b) Purchase of Stock-in-Trade	41.02	17.55	305.63	58.57	325.03	478.23
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	9,451.13	(8,031.22)	3,063.21	1,419.91	(9,573.71)	(2,468.42)
	d) Power and Fuel	52,833.99	52,018.50	87,810.16	1,04,852.49	1,58,402.16	2,40,368.77
	e) Employee Benefits Expense	2,513.90	2,370.08	2,591.00	4,883.98	4,801.46	9,892.69
	f) Finance cost	12,018.90	11,489.02	15,439.89	23,507.92	25,697.04	52,594.29
	g) Depreciation and Amortization Expense	1,248.53	1,247.72	2,056.74	2,496.25	4,096.68	7,926.99
	h) Impairment losses		63,407.20		63,407.20		67,519.40
	i) Other Expenses	6,714.28	6,434.73	7,300.12	13,149.01	13,749.74	23,097.60
	Total expenses	1,46,678.04	1,88,443.28	2,26,490.77	3,35,121.32	3,91,868.86	6,84,282.67
V	Profit / (Loss) before exceptional items and tax (III-IV)	(13,311.36)	(80,956.94)	(18,920.47)	(94,268.30)	(33,807.44)	(1,13,718.22)
VI	Exceptional Items	-	-	-		-	-
VII	Profit / (Loss) before Tax (V-VI)	(13,311.36)	(80,956.94)	(18,920.47)	(94,268.30)	(33,807.44)	(1,13,718.22)
VIII	Tax Expense:						
	(a) Current Tax	-	-	-		-	-
	(b) Adjustments relating to earlier years	-	-	-		-	-
	(c) Deferred Tax	(410.87)	(411.75)	(651.08)	(822.62)	(1,304.89)	(23,705.03)
		(410.87)	(411.75)	(651.08)	(822.62)	(1,304.89)	(23,705.03)
IX	Profit / (Loss) from continuing operations (VII-VIII)	(12,900.49)	(80,545.19)	(18,269.39)	(93,445.68)	(32,502.55)	(90,013.19)
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	-	-	-		-	408.87
	(ii) Income tax relating to these items	-	-	-		-	(127.57)
	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	-	-	-	-	-	281.30

XI	**Total Comprehensive Income (IX+X)**	**(12,900.49)**	**(80,545.19)**	**(18,269.39)**	**(93,445.68)**	**(32,502.55)**	**(89,731.89)**
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**	-	-		-		**(2,12,957.92)**
XIV	**Earning Per Share (of Rs.1/- each)**						
	- Basic and Diluted	**(2.16)**	**(13.47)**	**(3.05)**	**(15.62)**	**(5.43)**	**(15.05)**
		(Not Annualised)	**(Not Annualised)**	**(Not Annualised)**	**(Not Annualised)**	**(Not Annualised)**	

Notes:

1) The above statement of Unaudited Consolidated Financial Results for the Quarter/ Half year ended 30th September 2023 was reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 14th November 2023.

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

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

4) The Company is operating in a regulated environment under the Essential Commodities Act, 1955, supported by Government Subsidy. On account of an accident in the GAIL Pipeline which supplies Gas to the company during 2014, the production of the company was disrupted for long time and as a result the company suffered losses. To overcome the financial stress caused due to disruption of production and losses, the company approached its lenders for a Corrective Action Plan (CAP) and the lenders formed Joint Lenders Forum (JLF) in 2015 and assessed Rs. 3050 Crs (Rs.850 Cr under Fund Based + Rs.2200 Cr. Under Non-Fund Based) and Rs.800 Cr. Working Capital Term Loan under CAP to shore up the working capital and to enable the company to run. This funding for rectification of account is called Corrective Action Plan 2015 (CAP). Due to lack of assessed funds from lenders (non-implementation of CAP) the company's account after the GAIL Pipeline accident could not be rectified in 2015-16 and went into severe financial stress increasing indebtedness and losses resulting in defaults in 2018. Upgrading of account without releasing of the assessed funds for rectification of account (CAP), is in violation of RBI CAP regulations of 2014 and 2015, resulting in the account becoming NPA in 2015 itself as per RBI regulations instead of 2018 after CAP implementation as being claimed by Banks. The company has been reporting the disputes on CAP debt (working capital term loans and working capital loans in the books of the company) to the lenders and in the annual reports. The debt in the books (CAP loans) are disputed and are sub-judice.

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

Notwithstanding the legal proceedings, the Company actively worked amicably to resolve the disputes with lenders and for completion of resolution plan. The company is operating both urea plants from April 2023 and continued operating both the plants during the Quarter/ Half year. Due to lack of working capital, the losses continued resulting in complete erosion of net worth and the company is facing liquidity issues. As at the Quarter/ Half year ended 30th Sept 2023, the Company's current liabilities exceeded current assets by Rs. 3,61,788.14 Lakhs (net current liabilities excluding contingent liabilities).

The lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015.Though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date. As a result, the company filed cases against the lenders in Hon'ble High Court of Telangana, which has restrained the lenders from taking any coercive action against the company. Currently in this regard writ appeal WP 708/2022, is pending before Telangana High Court. 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 in the last 5 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.

5) The Company received on 3rd April 2023 a letter dated 31st March 2023, copying to all the Lenders, from Assets Care & Reconstruction Enterprise Ltd (ACRE) communicating that the Assignment of Debt by all Consortium Lenders to ACRE (in its capacity as the trustee of the ACRE-112-TRUST) under section 5 of the SARFAESI Act,

There was no communication to the Company from the Lenders about the assignment of their loans / credit facilities / interest etc., as stated above to the ACRE-112-TRUST by 31.03.2023. Consequently, the company has not yet changed from Lenders to ACRE-112-TRUST.

6) The Company has received a demand notice dated 20th May 2023 U/s 13(2) of the SARFAESI Act from Lenders to repay total outstanding dues of Rs 3,344.37 Crs, failing which Lenders will take appropriate action in accordance with the Law. The Company has replied to the said notice on 17th July 2023 explaining the disputes with the lenders and matter is being sub-judice, and sought time for submission of Debt Resolution plan/ OTS. In response to the company reply, the Lenders reverted back on 25th July 2023 disputing objections raised by the company and advised the company to expedite submission of Debt Resolution Plan/ OTS. Thereafter, Lender has taken symbolic possession of the scheduled assets of the Company in its favor on October 12, 2023.

The company has been in discussions with Lenders for one-time settlement (as a debt resolution plan) to amicably resolve the ongoing disputes and will be submitting the debt resolution plan along with conditions precedent for the transaction (as approved by Board and Shareholders). The Company is hopeful of a positive outcome and approval of the One-time settlement (as a resolution plan).

The Board of Directors at their meeting held 14Th August 2023 and members in AGM held on 15th September 2023 approved the proposal of slump sale transaction of Ammonia / Urea and MI businesses along with related assets and liabilities, subject to fulfillment of Conditions Precedents (CP's), Sale of non-core assets of the company and Debt Resolution / OTS along with funding.

The Board of Directors at their Meeting held on October 09, 2023, have noted 1) order of the Hon'ble NCLAT, Chennai, dated October 05, 2023, setting aside the order dated August 27, 2021, passed by Hon'ble NCLT, Hyderabad Bench, 2) the CP's needed for Slump Sale transaction, 3) Sale of non-core assets of the company and 4) Debt Resolution / OTS. Further, the Company is working towards fulfilment of CPs.

The company, given the above background on the efforts for Debt Resolution for the Company to continue as a Going Concern, it concluded that use of the Going Concern basis of accounting is appropriate. Accordingly, the financial results for the Quarter/ Half year ended September 2023, are drawn on Going Concern basis.

7) The following international Arbitration Awards have been passed against the Company. Amounts awarded USD 1,52,75,688 (Rs.12,687.68 lakhs), GBP 7,42,944 (Rs. 755.36 lakhs), EUR 4,55,000 (Rs. 400.12 lakhs) and INR 221.39 lakhs and interest as applicable apart from costs based on claims filed. The company is disputing the claims and the awards. The matter is sub-judice pending for hearing before the courts of Hyderabad, Telangana, India.

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

8) Based on an execution petition filed by one of the operational creditors with the Honorable 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 IBC, 2016 vide its order dt.27.08.2021). Against the above order of NCLT, Amlika Mercantile Private Ltd (Promoter of NFCL) appealed against the order of NCLT. The NCLAT has set aside the CIRP proceedings under IBC vide order dated 5th October 2023 and the Company is out of CIRP based on the said order.

9) Amlika Mercantile Private Limited, one of the Promoters of the Company appealed against NCLT Order in NCLAT on behalf of NFCL and on the request of NFCL Amlika Mercantile Private Limited arranged a Third-Party buyer M/s. Agri Vestors Private Limited, for the debt of Keytrade and in compliance with the directions of Hon'ble NCLAT, Chennai, made payment to the tune of Rs. 20 crores to acquire the total debt of NFCL from M/s. Keytrade A.G, by way of Deed of Assignment between M/s. Agri Vestors Private Limited and M/s. Keytrade A.G on July 04, 2023, duly acknowledged by NFCL.

Following the payment to M/s Keytrade AG, Switzerland by way of Deed of Assignment, Agri Vestors Private Limited, has been substituted in place of M/s Keytrade AG.

Further, the Company has received approval from its secured creditor Asset Care and Reconstruction Limited (ACRE) to release the sum of Rs. 20 Crores that is under lien before the Hon'ble High Court of Telangana towards full and final settlement of the debt of M/s Keytrade AG.

In view thereof, Amlika Mercantile Private Limited, has submitted that the appeal may be allowed and Agri Vestors Private Limited, the substituted creditor may take necessary steps for withdrawing the sum of Rs. 20 Crores from Hon'ble High Court of Telangana.

Accordingly, Hon'ble NCLAT, Chennai, at their hearing held on October 05, 2023, was pleased to order setting aside the order of Hon'ble NCLT dated August 27, 2021, by M/s. Keytrade AG, Switzerland, against NFCL under IBC, 2016.

In view of Agri Vestors Private Limited, substituted for Keytrade AG, Switzerland, as the Creditor consequent to the acquisition of the total debt of NFCL of Rs. 20 Crores from M/s. Keytrade A.G, by way of Deed of Assignment dated July 04, 2023, NFCL advised the banks to release the lien on the earmarked amount of Rs 20 crores as per the Order dated 12.10.2023 from the Hon'ble High Court of Telangana to the Agri Vestors P Ltd.

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/ period in terms of the said policies. Adjustments required, if any, will be considered on notification of final prices.

The Government on 18th November 2022 extended the energy norms which were valid till 31st March 2023. Accordingly, Subsidy income is recognised based on Target Energy Norms as per NUP-2015 policy for the Quarter / Half year ended Sept 30th, 2023.

11) The Company tested for impairment of Plant & Machinery and Buildings in March 2023. Impairment test of Property (Land) is carried out as at 30.06.2023. The Valuer appointed for Plant, Machinery and Buildings has completed impairment test of Property (Lands). Accordingly, as per the Registered valuer's report, the Company has carried out necessary adjustments in the books of account for an impairment loss of Rs.63,407.20 Lakhs during the Quarter ended 30th June 2023.

12) 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 ended on 31.12.2021, received a claim from the grantor asserting its right to royalty for the period from 29/01/1998. The said claim is under review by the Company for appropriate action.

13) The wholly owned subsidiary, JESCO, went into Voluntary Liquidation under IBC with effect from April 25, 2022. The Liquidator's final report is submitted to NCLT on 25th September 2023, for further completion of dissolution proceedings. The financials of the subsidiary for the Quarter / Half year ended 30th Sept 2023, received from the liquidator have been consolidated.

14) The consolidated results include results of associate company KVK Raju International Leadership Ltd.

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

HYDERABAD
14th November, 2023

K. RAHUL RAJU
MANAGING DIRECTOR

Balance Sheet

₹ in Lakhs

Particulars	Consolidated	
	As At September 30, 2023 (Unaudited)	As At March 31, 2023 (Audited)
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	69,415.65	1,35,256.20
(b) Capital work-in-progress	18.51	18.68
(c) Financial Assets		
(i) Investments		
(ii) Others	495.97	451.41
(e) Deferred Tax Assets		
(d) Other Non-Current Assets	345.50	0.00
Total non-current Assets	**70,275.63**	**1,35,726.29**
2. Current Assets		
(a) Inventories	6,234.04	7,221.62
(b) Financial Assets		
(i) Trade Receivables	2,901.73	39,693.79
(ii) Cash and Cash Equivalents	27,534.21	1,799.86
(iii) Bank Balances other than (ii) above	2,373.38	2,240.86
(iv) Other Financial assets	45.63	61.94
(c) Current Tax Assets (Net)	253.83	243.53
(d) Other Current Assets	7,685.66	7,193.45
Total current assets	**47,028.48**	**58,455.05**
Total - Assets	**1,17,304.11**	**1,94,181.34**
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	5,980.65	5,980.65
(b) Other Equity	(3,06,269.94)	(2,12,957.92)
Equity attributable to shareholders of the Company	(3,00,289.29)	(2,06,977.27)
Non-Controlling Interest	(0.20)	(0.20)
Total Equity	**(3,00,289.49)**	**(2,06,977.47)**
Liabilities		
1. Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,091.12	1,213.06
(ii) Lease Liabilities		
(ii) Other Financial Liabilities	7,010.58	6,983.06
(b) Provisions	675.28	585.28
(c) Deferred Tax Liabilities (Net)	0.00	477.13
(d) Other Non-Current Liabilities	0.00	0.00
Total non-current liabilities	**8,776.98**	**9,258.53**
2. Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,99,277.85	2,82,976.67
(ii) Trade Payables		
(A) Micro Enterprises and Small Enterprises	104.66	83.85
(B) Other than Micro Enterprises and Small Enterprises	1,05,190.60	1,04,485.32
(iii) Other Financial Liabilities	1,791.77	1,788.52
(b) Other Current Liabilities	1,801.51	1,967.70
(c) Provisions	650.23	598.22
Total current liabilities	**4,08,816.62**	**3,91,900.28**
Total liabilities	**4,17,593.60**	**4,01,158.81**
Total Equity and Liabilities	**1,17,304.11**	**1,94,181.34**

Nagarjuna Fertilizers and Chemicals Limited
Consolidated Cash Flow Statement for the Year ended 30st September 2023

Rs.in Lakhs

Particulars	Year ended September 30, 2023	Year ended March 31, 2023
A. Cash Flow from Operating Activities		
Loss before Tax	**(94,268.30)**	(1,13,718.21)
Adjustments:		
Depreciation and Amortisation	2,496.25	7,926.99
Impairment of Assets	63,407.20	67,519.40
Provision for Doubtful Debts / Advances	473.69	327.17
Reversal of provision	-	-
Finance Cost	23,507.92	52,594.29
Imparment of CWIP	-	-
Deferred government grant	(173.96)	(347.91)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	(1.41)	(6.89)
Operating Profit before working capital changes	(4,558.61)	14,294.84
Movements in working capital:		
Increase/(decrease) in trade payables	726.09	5,801.86
Increase/(decrease) in long term provisions	90.00	485.29
Increase/(decrease) in short term provisions	52.01	53.19
Increase/(decrease) in other current liabilities	8.02	(2,113.48)
Increase/(decrease) in other current financial liabilities	98.34	207.78
Increase/(decrease) in other long term liabilities	27.52	(3.67)
Decrease/(increase) in trade receivables	36,318.37	8,472.26
Decrease/(increase) in inventories	987.58	(2,581.40)
Decrease/(increase) in Non-current - Other Financial Assets	(44.56)	23.63
Decrease/(increase) in other current assets	(464.30)	(1,262.23)
Decrease/(increase) in other Current financial assets	16.31	699.00
Cash generated from/(used) in operations	**33,256.77**	**24,077.07**
(Direct Taxes Paid -net of refunds)	(10.54)	119.89
Net cash flow from / (used) in operating activities	**33,246.23**	**24,196.96**
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP/Capital advances	(63.00)	(81.03)
Proceeds from Margin Money Deposits	(132.52)	18.21
Proceeds from Sale of fixed assets	1.68	9.16
Net cash flow from / (used) in investing activities	**(193.84)**	**(53.66)**
C. Cash flow from Financing activities		
Repayment of long term borrowings	(581.35)	(298.45)
Finance Costs paid	(3,290.90)	(31,690.29)
Net cash flow from / (used) in financing activities	**(3,872.25)**	**(31,988.74)**
Net Increase/(decrease) in Cash and Cash Equivalents	29,180.14	**(7,845.44)**
Cash and Cash Equivalents as at beginning of the year	(1,29,664.77)	**(1,21,819.33)**
Cash and Cash Equivalents as at end of the period	**(1,00,484.63)**	**(1,29,664.77)**

Notes: Rs. in Lakhs

Cash and Cash Equivalents comprises of		
Balances with Banks		
In Current Accounts	27,497.01	1,784.06
Cash on hand	26.54	15.78
Cash and Cash Equivalents	27,523.55	1,799.84
Less: Cash Credit	1,28,008.18	1,31,464.61
Cash and Cash Equivalents in Cash Flow Statement	**(1,00,484.63)**	**(1,29,664.77)**

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

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Nagarjuna Fertilizers and Chemicals Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended 30 September, 2023 and for the period from 01 April 2023 to 30 September 2023 ("the Statement") attached herewith, being submitted by "the Holding Company" pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. "The Statement", which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on "the Statement" based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance

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

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

4. The Statement includes the results of the following entity:

1.M/s JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED (Subsidiary).

5. **Qualified Conclusion:**

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

6. **Basis for Qualified Conclusion:**

We refer to Note No.4 to "the Statement"- "the Holding Company" has been incurring losses for the past few years and a net loss amounted to Rs.94,257.87 Lakhs (before taxes) has been incurred for the half year ended September, 2023, and the current liabilities exceeded the current assets by Rs. 3,61,788.14 Lakhs as on 30th September, 2023. The Holding 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.

We refer to Note No.6 to "the Statement"- "the Holding Company" has received a demand notice dated 20th May 2023 u/s 13(2) of the SARFAESI Act from Lenders to repay total outstanding dues of Rs. 3,344.37 cr, failing which Lenders will take appropriate action in accordance with the Law. And also, Lender has taken symbolic possession of the scheduled assets of the Holding Company in their favour on October 12, 2023. Further to that, the Board of Directors as well at their meeting held on 14th August, 2023 and members in AGM held on 15th September 2023 approved the proposal of slump sale transaction of Ammonia / Urea and MI businesses along with related assets and liabilities, subject to

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fulfilment of Conditions Precedents (CP's), Sale of non-core assets of the Holding company and Debt Resolution / OTS along with funding resulting in losing of core area of business/inflows.

The above events and conditions indicate material uncertainty which cast a significant doubt on "the Group'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 Group" to continue as going concern is solely dependent on the successful restructuring/resolution plans and raising of the required additional funds.

However, "the Holding Company" is actively working to resolve the disputes amicably with the lenders and completion of resolution plan and hopeful of a positive outcome and approval of one-time settlement (as a resolution plan) and also the Board of Directors at their Meeting held on October 09, 2023, have noted the fulfilment of the Conditions Precedents (CPs) for Slump Sale transaction, Debt Resolution / OTS with funding, Sale of non-core assets of the Holding Company and also order of the Hon'ble NCLAT, Chennai, dated October 05, 2023, setting aside the order dated August 27, 2021, passed by Hon'ble NCLT, Hyderabad Bench. Further, "the Holding Company's" management is working towards fulfilment of other CPs and assessed various events/conditions which have an impact on "the Group's" ability to continue as a going concern.

Given the above background, the management believes that the assumption on the preparation of the financial statements of "the Group" is still appropriate.

Our Conclusion is not modified in respect of this matter

7. **Emphasis of matter**

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

a) Note No 4: "the Holding company" has been accounting interest on the loans as per the terms of Corrective Action Plan (CAP) funding sanction letters, in the absence of interest demands and the Loan statements/confirmation of balances from the Lenders.

b) Note No 6: The Board of Directors in their meeting held on 14th August 2023 and members in AGM held on 15th September 2023 approved the proposal with regard to slump sale transaction, Debt Resolution / OTS, Sale of non-core assets for funding of OTS subject to fulfilment of certain Conditions Precedents (CP's).

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c) Note No 7: The claims as per the International Arbitration Awards passed against "the Holding Company" in September 2016 and October 2017, aggregating to USD 15,275,688, GBP 742,944 and EUR 455,000 and INR 221.39 Lakhs (equivalent Aggregate amount of Rs. 14,064.55 Lakhs) and interest thereon as applicable apart from costs, are continued to be shown as a contingent liability since the matter being sub-judice.

d) Note No 8: Hon'ble NCLT admitted a petition filed by an operational creditor to initiate the CIRP against "the Holding Company" under the provisions of the IBC 2016, Amlika Mercantile Private Ltd (One the of Promoter of "the Holding company") appealed against the order of Hon'ble NCLT. The NCLAT has set aside the this CIRP proceedings under IBC and currently "the Holding Company" is out of CIRP.

e) Note No 9: In the case of Key Trade, the Hon'ble NCLAT has set aside the CIRP proceedings under IBC vide order dated 5th October 2023. "the Holding Company" advised the banks to release the lien on the earmarked amount of Rs 20 crores as per the Order dated 12.10.2023 from the Hon'ble High Court of Telangana and remit to the Agri Vestors P Ltd.

f) Note No 10: "the Holding Company" has recognised Income from Urea Operations, Income towards freight subsidy, Reimbursement claims towards additional fixed cost, Input escalation/de-escalation during the quarter in terms of new Urea policy (NUP)-2015 and Gas Pooling Policy for Fertilizer (Urea) Sector. Adjustments, if any, required will be considered on notification of final prices.

g) Note No 12: In case of "the Holding company" Claim from a related party asserting its right for Royalty for the period from 29.01.1998 to 31.12.2021, possible liability might arise against "the Holding company" and for appropriate action and consequent recognition in the Books.

h) Note No 13: The wholly owned subsidiary, JAIPRAKASH ENGINEERING AND STEEL COMPANY LIMITED (JESCO), went into Voluntary Liquidation under IBC with effect from April 25, 2022 and, the financials of the subsidiary for Q2 2023-24 as received from the liquidator have been consolidated.

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

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8. **Other Matter Paragraph:**

The consolidated unaudited financial results include the interim financial results of subsidiary JESCO, which went into voluntary liquidation, has not been reviewed, whose interim financial results reflect total assets of Rs. Nil as at 30th September, 2023 and total Revenues of Rs. Nil and Rs. Nil and total comprehensive Income/ (loss) of Rs. (10.22) Lakhs and (10.42) Lakhs for the Quarter and half year ended 30th September, 2023, respectively and Cash and Cash Equivalents of Rs. Nil as at 30th September, 2023, as considered in the consolidated unaudited financial results, have not been reviewed by their auditors. These Financial results have been reviewed by the management and furnished to us. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

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

P. MURALI & CO., Hyderabad, Chartered Accountants

A. Krishna Rao
Partner
M No. 020085
UDIN: 23020085BGQYPP5394

Place: Hyderabad
Date:14.11.2023