

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



June 29, 2022

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

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

Scrip Code: **539917**

Symbol: **NAGAFERT**

Dear Sir/Madam(s),

Sub: Disclosure of default on payment of Interest/ repayment of principal amount on loans from Banks / financial institutions.

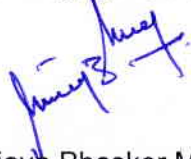
Ref: SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019

Pursuant to the above reference, please find enclosed the details of defaults continuing beyond 30 days as on March 31, 2022.

Request you to take the same on record.

Thanking you.

Yours faithfully
For Nagarjuna Fertilizers and Chemicals Limited


Vijaya Bhasker M
Company Secretary

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S. No	Particulars	In INR Crore
	Name of the Listed entity	Nagarjuna Fertilizers and Chemicals Limited
	Date of making the disclosure	29th June, 2022
1	Loans / revolving facilities like cash credit from banks / financial institutions	
A.	Total amount outstanding as on 31 March 2022 *	1,821.76
B.	Of the total amount outstanding, amount of default as on 31 March 2022 *	1,821.76
2	Unlisted debt securities i.e. NCDs and NCRPS	
A.	Total amount outstanding as on date	-
B.	Of the total amount outstanding, amount of default as on date	-
3	Total financial indebtedness of the listed entity including short-term and long-term debt as on 31 March 2022 *	1,821.76

* The company is in default of principal and interest during the year on the borrowings from various lenders on account of non implementation of CAP. To overcome the financial stress caused due to disruption of production and losses, the company approached its lenders for a Corrective Action Plan (CAP) and the lenders formed Joint Lenders Forum (JLF) in 2015 and assessed Rs. 3,05,000 lakhs (Rs.85,000 lakhs under Fund Based & Rs.2,20,000 lakhs under Non-Fund Based) and Rs.80,000 lakhs of Working Capital Term Loan under CAP to shore up the working capital and to enable the company to run. This funding for rectification of account is called Corrective Action Plan 2015 (CAP). Due to non sanction / release of assessed funds by the lenders (non implementation of CAP), the company's account after the GAIL Pipe Line accident could not be rectified in 2015-16 and went into severe financial stress increasing indebtedness and losses resulting in defaults. Upgrading of account without releasing of the assessed funds for rectification of account (CAP) is in violation of RBI CAP regulations of 2014 and 2015, resulting in the account becoming NPA in 2015 itself as per RBI regulations instead of 2018 after CAP implementation as being claimed by Banks. The debt in the books (CAP loans) are disputed and are sub-judice. Pending resolution of the CAP loans and disputes (working capital and term loans in the books of the Company), the Company has been accounting for the interest / penal interest during the quarter / year on the borrowings as per the rate of interest mentioned in the sanction letters and as per CAP and other loan arrangements. This is not confirmation of dues. Adjustments, if any, for the principal, interest and penal interest accounted will be dealt on the outcome of the Debt Resolution Plan agreed by the company and lenders. The lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015. Though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date. As a result, the company filed cases against the lenders in the Hon'ble High Court of Telangana, which has restrained the lenders from taking any coercive action against the company. Further, there is no clear information on when the loans were declared NPAs by the lenders. Due to these disputes, the lenders have not been sending the interest demands and the loan statements/ confirmation of balances to the company since 4 years. The company has also been disclosing CAP debt disputes since 2018. In this background, the company has been accounting the interest on the loans as per the terms of CAP funding sanction letters with a qualification of dispute and furnishing the default details as available with it in the financial statements. This is not confirmation of dues.

For Nagarjuna Fertilizers and Chemicals Ltd.,

Authorised Signatories