

## **NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED**

**TRANSCRIPT OF THE 18TH ANNUAL GENERAL MEETING (18<sup>TH</sup> AGM) HELD ON MONDAY, SEPTEMBER 30, 2024, AT 10.10 A.M. (IST), THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS, AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT D.NO. 8-2-248, NAGARJUNA HILLS, PUNJAGUTTA, HYDERABAD – 500082, TELANGANA, TO TRANSACT THE BUSINESS SET OUT IN THE NOTICE OF THE 18<sup>TH</sup>AGM.**

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**Mr. Vijaya Bhasker M (Company Secretary):** Good morning to all the shareholders of the company. It is indeed a great pleasure to have you all to participate in the 18th Annual General Meeting of your company.

I welcome Mr. Uday Shankar Jha, chairman of the board and the directors of the company to the 18th Annual General Meeting of the Company.

The chairman of the board shall chair the meeting.

Before the meeting is open for transacting the business set out in the notice of the 18<sup>th</sup> AGM, I would like to highlight certain important points with regard to this AGM.

The Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) has permitted the companies to hold their Annual General Meeting through Video Conferencing or Other Audio Visual Means and also allowed Companies to send Annual Reports and the notice convening the Annual General Meeting electronically. Consequently, the 18th Annual General Meeting of the company is being conducted through video conferencing / Other Audio Visual Means without the presence of members at a common venue.

The soft copy of the Annual Report has been sent to all the members whose email addresses are registered with the company or In-house transfer agent or the Depository participant.

The Meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 10.10 A.M. and it will remain open for another 15 minutes after the end of the meeting.

Members are encouraged to join the meeting through their laptops and headphones for a better experience and use Internet with a good speed to avoid any disturbance during the meeting. Participants connecting via mobile hotspot may experience Audio/visual loss due to fluctuations in their respective network, it is therefore recommended to use the stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio visual means has been made available for members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and stakeholders relationship committee as well as the auditors who are allowed to attend the meeting without any restrictions on account of first come first serve basis.

Consequent to the circulars issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through Video Conferencing or audio/video means and participate and cast their votes through e-voting. The registered office of the company situated at Door No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082 shall be deemed as the venue for this meeting and proceedings of the AGM shall be deemed to be made here at.

To transact the businesses as mentioned in the notice, the members were provided an opportunity to inspect all documents referred to in the notice and the explanatory statement by writing to the company at its email IDinvestors@nfcl.in till the date of AGM and we have received requests from 15 members for registration as speaker shareholders for the AGM. All those shareholders have been provided specific links to log in to the meeting and to speak once the Chairman directs the same. We request the speakers to limit their speeches for the benefit of other shareholders. The Chairman would respond or clarify queries at the end of the meeting.

With this, I now hand over the proceedings to the Chairman.

Thank you.

**Mr. Uday Shankar Jha, Chairman:** So now I call the meeting to order. Dear esteemed Shareholders. Good Morning to you all.

I on behalf of the Board of Directors of NFCL pleased to welcome you all to the 18th Annual General Meeting of the company.

I welcome Mr. K Rahul Raju, Managing Director, Mr. Rajendra Mohan Gonela and Mr. Sudhakar Kudva, Independent Directors to the 18th Annual General Meeting of the Company.

In terms of the Companies Act, 2013, thirty members personally present will form the quorum, 47 Members have joined the Meeting.

As the requisite quorum is present the Meeting may now commence.

With your consent, I will take the notice convening the 18th Annual General Meeting, the Board's Report along with annexure thereto and the Annual Accounts for the financial year ended March 31, 2024 as read.

As required under Section 171 of the Companies Act, 2013, the Register of Directors' Key Managerial Personnel and their shareholding are open for inspection electronically, Thereupon, Mr. Uday Shankar Jha, Chairman, addressed the members of the Company.

**Mr. Uday Shankar Jha, Chairman:** Dear esteemed Shareholders, I welcome you all to the 18<sup>th</sup> Annual General Meeting of your Company. I hope that you and your family are safe and healthy.

The world economy in 2024 is characterized by moderate growth, with significant regional variations. Inflationary pressures, geopolitical risks, and the energy transition are key drivers of the global economic landscape.

India's economic scenario is marked by resilience, growth opportunities, and ongoing challenges. The country is experiencing a mix of robust economic activity, policy reforms, and external factors influencing its growth trajectory.

The agriculture sector, which remains vital to the Indian economy, is seeing mixed results. While productivity has increased, driven by better irrigation, technology, and crop diversification, challenges like climate change, erratic monsoons, and farm income disparities persist.

The Indian agriculture sector continues to play a crucial role in the economy, contributing around 16-18% to the country's GDP and employing nearly 50% of its workforce. However, the sector is facing both opportunities and challenges as it transitions through modernization, climate impacts, and policy reforms.

Technology is transforming Indian agriculture, with increased use of precision farming techniques. Technologies like drones, satellite imagery, and IoT-based sensors are helping farmers monitor crops, optimize irrigation, and improve yields.

The rise of digital platforms and mobile applications is providing farmers with real-time data on weather, crop prices, and farming practices e-NAM ((National Agriculture Market). We are proud to say that your company has devised the e-NAM platform.

Nagarjuna Fertilizers and Chemicals Limited (NFCL) (erstwhile KFL renamed as NFCL in 2011) was admitted to CDR in 2014 was a profitable and growing company till FY 2013.

The company took up Key Initiatives from 2004 to 2013 (9 Years) like 1) New Business Divisions (Acquisition of Micro Irrigation Business, Creation of National Distribution, Sale and Marketing Network & Industrial Services) added Substantially to NFCL's Customer Base, Top Line and Bottom Line. 2) Urea Manufacturing Growth - Significant Urea Capacity Increase, Energy & Water Reduction/Conservation Projects. 3) Less than 50% of NFCL's revenues in 2013 were from Manufactured Urea. Non-Urea revenues from growing and profitable fertilizer distribution business, micro irrigation businesses. The new management successfully turned around NFCL and exited Corporate Debt Restructuring (CDR) and paid full recompense. 4) The company became India's largest private sector fertilizer company by sales volume by 2013.

### **Events from 2014 to 2023 that led to the present Financial Stress (9 Years)**

#### **GAIL Pipeline Accident**

The company underwent financial stress on account of GAIL pipeline accident that happened around 100 Km from the companies Kakinada Ammonia/Urea Plant resulting in stoppage of production. The company did not receive compensation from insurance despite being insured and despite govt finding GAIL responsible the company did not receive compensation from the government nor GAIL. The company lost the claim against GAIL in 2023.

Despite various and significant efforts were put to revive the company since 2018 with the erstwhile lenders to clear dues and revive the business of the Company and failed to get any results.

The company was admitted to NCLT under IBC, 2016, by the Hon'ble NCLT, Hyderabad Bench, vide its order dated August 27, 2021. However, the Company on the efforts of the promoter company has exited Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016, by NCLAT, Chennai, effective from October 05, 2023.

The lenders in 2022 sold to Assets Care & Reconstruction Enterprise Ltd (ACRE) and the Company received a mail correspondence along with a letter of intimation dated March 31, 2023 from M/s Assets Care & Reconstruction Enterprise Ltd (ACRE)(as a Trustee of ACRE-112-Trust) that all the consortium lenders have assigned to it, vide Assignment Agreement dated March 29, 2023, entire fund based outstanding loans/financial assets along with all its rights, titles, interest, underlying securities and guarantees thereof under the relevant Financing Documents under section 5 of the SARFAESI Act, 2002.

Subsequently, ACRE, served notice under SARFAESI Act, on May 20, 2023, and took possession of the assets under Section 13(2) and 13(4) of SARFAESI Act, 2002 on October 12, 2023.

The company as part of its efforts, after the Members approval, has proposed One Time Settlement as a debt resolution through slump sale subject to energy claims approved by Government where the company could have equity in the buying company. However, ACRE communicated that Settlement Proposal is tentative upon and are contingent on various other events and not binding and therefore was unable to consider and/or appraise the Settlement Proposal and hence proceeded with SARFAESI process initiated by it.

The company had no choice and agreed to cooperate with ACRE vide OTS Cooperation Agreement (Letter dated January 12, 2024) and agreed that the OTS amount is the amount realized from the sale of assets (Core assets Rs.1350/- Crs and Non-core assets Rs.200/- Crs), as sought by ACRE

Subsequently, ACRE has issued a Public Notice for physical auction for sale of Movable and Immovable properties of the Company under SARFAESI Act, 2002, vide email to the company dated January 17, 2024 and mandated the company to dispose non-core assets as cited in the OTS agreement and deposit the amounts in to ACRE Account directly.

Subsequently, ACRE vide email dated May 31, 2024, has communicated to the Company that the bidder, AM Green Ammonia (India) Private Limited, has paid a total bid amount of INR.1685 Crores and in terms of the provisions of SARFAESI Act read along with the Rules, ACRE has issued sale certificates in favor of the bidder AM Green Ammonia (India) Private Limited ("Bidder/Buyer") for all the secured assets forming part of the sale notice. ACRE subsequently received Rs. 221 crores towards sale of non-core assets. The buyers have since become the legal and rightful owners of the assets listed and have taken over the physical possession of the assets in a quiet and peaceful manner

The assets were sold by the secured creditor and the decision of sale has been taken by secured creditor, the values were determined by secured creditor and the sale amount have been received by secured creditor and the transactions were accounted accordingly.

ACRE, consequent to recovery from sale of core assets (Urea and MI facilities), non-core assets (all assets other than Urea and MI assets) amounting to Rs.1685 Crores and Rs. 200 crores respectively totaling to Rs. 1885 crores and cutback due till June 30, 2024, towards full and final settlement of debt outstanding of Rs. 3858 Crores claimed by ACRE as of 10th December 2023, has issued a No Due Certificate dated 11<sup>th</sup> July

2024, confirming that NFCL stands unconditionally and irrevocably released and discharged of any liabilities, dues, demands or claims in respect of the outstanding debt, other amounts due and payable to ACRE, including release of all security created in favor of ACRE, personal guarantees and pledge of shares of NFCL held by promoter (Amlika Mercantile Private Limited).

NFCL does not have any term loans and working capital debt outstanding and is also not in default with any banks / Financial institutions.

Your Company was primarily in urea and micro irrigation business. As the year ended March 2024, Your Company during the financial year 2023-24 manufactured 13.102 LMT of urea as against 11.205 LMT in the previous year and achieved a sale of manufactured urea of 13.08 LMT compared to 11.20 LMT in the previous year. The production for the year 2023-24 is less compared to the usual level, owing to low load operation of the plants due to equipment limitations.

Micro Irrigation Division had achieved a production of 92.4 Lakhs Meters in FY 2023-24 against 109.59 Lakh Meters during the previous year out of which PVC pipes production of 1.75 Lakh Meters in FY 2023-24 against 3.71 Lakhs Meters during the previous year.

Further, Your Company could sell 40.98 Mt of the Specialty Fertilizers during the year.

As on March 31, 2024, The loss after tax for the year was Rs.1283.89 crores against Rs.900.09 crore for the previous year. The loss before exceptional items for the period increased by Rs 160.49Crs. The loss before impairment loss for the period increased by Rs 201.62 Crs mainly due to accounting of Rs. 231.32 Crs revision in energy norms from Oct 2020 to March 2023 in the previous year which is not there in the current year.

#### **Future outlook:**

The sale of Core and Non-core assets controlled by ACRE under SARFAESI Act represents the discontinuation of its combined operations of Fertilizers and Micro



Irrigation businesses i.e., the entire Cash generating operations of the Company and the effect of debt settlement with the Lenders Consequent to the discontinuation of operations the going concern of the company is affected.

The settlement of operating creditors is now very critical for the future of the company. The current liabilities currently are greater than current assets. Once the company receives the reimbursement of Energy consumed (energy claim) the company will need to clear the operating creditors.

Further, majority of the employees have moved to AM Green Ammonia (India) Private Limited, and as on date the company has around 5% of the man power compared to previous years.

The company is exploring the possibility of operating the Ammonia/Urea plants once the energy norms is cleared by government on lease basis. The Company is currently reviewing revival of the CFG business post the debt settlement.

There are tough challenges to overcome in the days to come and the company is putting all efforts to overcome these challenges.

Seeking your continued support, I convey my deep appreciation and sincere thanks to our fellow Board members for leading the Company through this challenging year. I also convey my sincere appreciation to our management and staff for the hard work they have put in and commitment they have shown during the challenging time.

We acknowledge the strong support from the shareholders, employees, channel partners and Governments in the past.

I convey our sincere thanks to our shareholders for their continued trust in the Company and its Management.

Thanking you all.

Turning to the formal business, I now call upon the Company Secretary to read the auditor's report.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you, sir.

In terms of section, 145 of the company Act, 2013 and the Secretarial standards on General Meeting issued by the Institute of company secretaries of India, the auditor's report is required to be read at the Annual General Meeting.

Further the qualification, observations or comments or other remarks, If any, mentioned in the auditor's report on the financial transactions, Cost Audit Report and Secretarial Audit Report, which have any adverse effect on the functioning of the company shall be read at the Annual General Meeting.

With the request of Members present, I would read the first and last paragraph of the auditor's report.

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF Nagarjuna Fertilizers and Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of M/s Nagarjuna Fertilizers and Chemicals Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

For P Murali & Co.  
Chartered Accountants  
(Firm's Registration No. 007257S)  
A Krishna Rao  
Partner  
Membership No.020085  
UDIN: 24020085BKAUHK4123  
Hyderabad

May 20, 2024

The Statutory Auditors' of the Company have submitted the Statutory Auditors Report for the year ended March 31, 2024 and have invited attention as under:

**Basis for Qualified Opinion:**

**Emphasis of Matters:**

Notes No: 14 and 26 in the standalone financial statements wherein the company explained that the lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015 and though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date.

**Management Explanation to Auditors' Qualification**

Qualification on Note No. 14 & 26 to the standalone audited financial statements discussed in detail on implementation of Corrective Action Plan is self-explanatory and does not call for any further comments.

**Emphasis of Matters:**

- a) Note No 20.1: 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.

**Management Explanation to emphasis on the matter:**

- a) Emphasis of Matter given in Note (a) of the Auditor's Report on standalone financial statements read with Note 20.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2024, are self-explanatory and do not call for any further comments.

**Emphasis of Matters:**

- b) Note No 31: The Plant and Machinery, buildings attached there to have been put to test for impairment as of 31st March 2024 and management perceive that there is no further impairment loss required to be recorded  
Impairment test of property (land) was carried out as of 30th June 2023 during the year and recorded an impairment loss of Rs. 63,407.20 Lakhs as per the Registered Valuer's Report dated 12th August 2023. The management is of the opinion that there is no further impairment of land as at 31.03.2024.

**Management Explanation to emphasis on the matter:**

- b) Emphasis of Matter given in Note (b) of the Auditor's Report on standalone financial statements read with Note 31 of Notes forming part of the standalone financial statements for the year ended March 31, 2024, are self-explanatory and do not call for any further comments.

**Emphasis of Matters:**

- c) Note No 32.1: 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. 14,150.09 Lakhs) and interest thereon as applicable apart from costs, are continued to be shown as a contingent liability since the matter being sub-judice..

#### **Management Explanation to emphasis on the matter**

- c) Emphasis of Matter given in Note (c) of the Auditor's Report on standalone financial statements read with Note 32.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2024, are self-explanatory and do not call for any further comments.

#### **Emphasis of Matters:**

- d) Note No 32.2 Claim from a related party asserting its right for Royalty for the period from 29.01.1998 onwards, is being negotiated with the granter for settlement.

#### **Management Explanation to emphasis on the matter**

- d) Emphasis of Matter given in Note (d) of the Auditor's Report on standalone financial statements read with Note 32.2 of Notes forming part of the standalone financial statements for the year ended March 31, 2024, are self-explanatory and do not call for any further comments.

#### **Emphasis of Matters:**

- e) Note No 32.4: 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 this CIRP proceedings under IBC and currently the Company is out of CIRP. AMPL has claimed the legal expenses for the NCLAT appeal filed on behalf of the Company and the Company is liable to reimburse the legal expenses to AMPL.

### **Management Explanation to emphasis on the matter**

- e) Emphasis of Matter given in Note (e) of the Auditor's Report on standalone financial statements read with Note 32.4 of Notes forming part of the standalone financial statements for the year ended March 31, 2024, are self-explanatory and do not call for any further comments.

**Mr. Uday Shankar Jha, Chairman:** I would like to invite you to ask questions if any. I request the member who is asking the question to introduce yourself and ask your questions in brief. We will take note of the questions and then at the end we will respond to them.

Dear Members, I open the meeting for discussion.

**Moderator:** Sir, Can you pronounce the names of the speaker shareholders so that we can un-mute them one-by-one.

**Mr. Vijaya Bhasker M, Company Secretary:** Yes Sir, the Company has received 15 speaker registrations to speak at the 18<sup>th</sup> Annual General Meeting. I shall call upon the speaker shareholders one by one and request them to ask their queries.

I request the moderator to please un-mute Mr. Santosh Kumar Saraf.

**Moderator:** Santosh Sir, Kindly unmute and go ahead.

**Mr. Santosh Kumar Saraf, Shareholder:** I request you to please enable my video.

Respected Chairman, Board Members and my fellow shareholders, my name is Santosh Kumar Saraf from Kolkata. I hope all are doing well. Sir, in your speech, we got to know about the details of the Company. I have two to three queries.

1. What is the proposed plan for expansion of the PVC pipes? We might need to rely on the PVC pipes in future as the plants of Nagarjuna Fertilizers and Chemicals Limited are sold.
2. By when can we expect the disputes to be resolved? The Disputes are hindering the progress of the Company as well as the shareholders.
3. Whether the Solar Panel has been set up for PVC Plants? What are the steps taken by the company for carbon emissions? What are the steps taken for fire and safety?

I would like to thank all the 800+ employees of the company for their hard work in the progress of the company. I also commend the cooperation between the management and employees, acting as backbone for the betterment of the Company. I hope that the company achieves progress in future. I wish you for the financial year 2024-2025 and hope this year is prosperous for the Company, Directors and Employees. I wish you all for the upcoming festivals. I wish the moderator for his services.

Lastly I would like to say that we are not receiving the dividends and profits for a long time. The Company is in losses. Kindly consider the shareholders. With this I would like to end my speech.

Thank you.

**Mr. Uday Shankar Jha, Chairman:** Thank you Saraf Sir.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir. Now I request the moderator to kindly un-mute Mr. Ramesh Manguluri.

**Moderator:** Ramesh Sir, Kindly unmute and go ahead.

**Mr. Ramesh Manguluri, Shareholder:** Good Morning Sir, this is Ramesh Manguluri Shareholder of the Company. First of all, I would like to congratulate the management for successfully completing the one time settlement. I would like to ask some questions.

1. What is the status of monetary claims of Gas Authority of India Limited (GAIL) against 2800 crores of legal proceedings?
2. What are the qualifications given by the auditor and what is the reply given?

Thank you sir.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you Sir, I request the moderator to please enable Mr. Reddeppa Gunduluru.

**Moderator:** Sir Kindly un-mute and go ahead.

**Mr. Reddeppa Gundluru, Shareholder:** I request you to kindly enable the video sir.

Respected Chairman Mr. Uday Shankar Jha Sir, Respected Managing Director Mr. Rahul Raju Sir, Sudhakar Rao Annam Sir, Executive directors, Non- Executive Directors, Company Secretary Mr. Vijaya Bhasker M sir and all the KMPs. Good Morning, Namaste.

Sir Myself Reddeppa Gundluru from Hyderabad attending this VC, Annual General Meeting, NFCL. Sir I am a Stock Broker, Financial Analyst and Stock Market Research Analyst. I am very happy to attend the Annual General Meeting of NFCL. As I requested, I have received the Annual Report, well in advance from the Company. Thankyou so much for the Company Secretary, KMPs as well as other employees. Sir, as a shareholder, I am very happy and proud of our company. It is a wonderful fertilizers company with good history and background. I have some queries sir.



1. What are the total contingent liabilities? I would also like to know the details of the contingent liabilities.
2. What is the total debt of the Company?
3. How much sacrifice did the lenders take?
4. What is our current assets value including our stocks, receivables if any?
5. What is our future plan, vision, total capex and roadmap for the next 2-5 years?

Sir, these are the questions from my side. I support all the resolutions strongly. E-voting has been done. My humble request is to please allow us to visit the Kakinada Plant if it is working. I would also like to thank the entire company secretarial team. Thank you, Vijaya Bhasker Sir for sending the Annual Report. I have gone through the Annual Report and found that the Company is maintaining good corporate governance. Special thanks for maintaining accountability especially for our CFO, CS, MD and Chairman. I would like to thank our Staff especially Mr. Anji Reddy sir who is always available to the shareholder's queries and concerns.

We have faith and trust on the Board. I wish good health and prosperity to all and thank the Board of Directors for giving us this opportunity. God bless you all.

Namaste.

**Mr. Uday Shankar Jha, Chairman:** Thank you very much.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you Sir, I request the moderator to please unmute Mr. Praful Chavda.

**Moderator:** Sir he is not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** We will move on to the next Speaker Shareholder i.e. Mr. Anil Babubhai Mehta.

**Moderator:** Sir, he is not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Mr. Srikanth Jhavar.

**Moderator:** Sir he is also not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Mr. Manoj Kumar Gupta.

**Moderator:** Mr. Manoj, kindly un-mute and go ahead.

**Mr. Manoj Kumar Gupta, Shareholder:** Good Morning, Respected Chairman, Board of Directors, Fellow shareholders. My name is Manoj Kumar Gupta and I am joining the meeting from my residence at Kolkata. I feel proud to be a shareholder of Nagarjuna Fertilizers and Chemicals Limited. I am a shareholder of Nagarjuna from IPO in 1991 and have attended three AGMs physically under the chairmanship of our great soldier Sam Manekshaw, during his chairmanship. I am supporting all the resolutions with a hope that I will get a good return in the coming time and the company will come back with a plan to pay to the employees and investors. The Company has a vision and is running from past 35 years.

1. What is our future plan?
2. What steps are you taking to bring back the company's past glory and pay to the employees and investors?
3. How will you reduce the debts and the consequent liabilities?

Try to improve the expenses as the fertilizers demand will go up. Take positive steps to fulfill the demand of fertilizers because our visionary prime minister is focusing on the farmers and the agriculture industry. Our population is nearly about 140 crore and there is a great demand for fertilizers. The Prime Minister's third term vision is clear to support

the farmers and the agro industries. The fertilizer companies like RCF is growing at a fast pace. So we should also take some positive major steps to turn around the company.

4. How will you remove the energy quotient? Our visionary Prime Minister is requesting the country to use solar energy and green energy to reduce the energy cost.
5. Do you have any plan to install the solar energy and green energy in our factories, office or corporate office?
6. What is your plan about the ESG rating? Have you taken the ESG rating?
7. What is your plan on introducing AI in the company's activities?
8. What is the provision made for safety of female employees in Nagarjuna? Make sure and take positive steps in this regard. If possible kindly organize a camp for training of male and female staff.

With this, I strongly support all the resolutions and thank the Company Secretary and his team to help us join this meeting through VC. We believe that we will get good returns under your leadership with the team of management and request you to think about the rewards to the investors.

Thank you sir

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you Sir, We will move on to the next shareholder. I request the moderator to please unmute Mr. K Bharat Raj.

**Moderator:** Mr. Bharat Raj, kindly unmute and go ahead please.

**Mr. K Bharat Raj, Shareholder:** Chairman and Board of Directors, I am Bharat Raj attending from Hyderabad. It was indeed a wonderful Chairman Speech. Chairman Sir,

1. What is the future plan and vision of NFCL as the plants have been sold out?

2. Whether the debt is cleared?

I support all the resolutions and thank the secretarial team to send me the link. Once again my best wishes to the Chairman. I wish all the best to the Company. I am Bharat Raj signing off from Hyderabad.

**Mr. Uday Shankar Jha, Chairman:** Thank you Mr. Bharat Raj.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you, sir. I request the moderator to kindly unmute Mr. Suresh Chand Jain.

Mr. Srikanth Jhawar, Mr. Kamal Kishore Jhawar and Mr. Suresh Chand Jain, spoke at the 18<sup>th</sup> Annual General Meeting.

**Mr. Srikanth Jhawar, Shareholder:** Respected Chairman and Board Members.

I am Srikanth Jhawar. I was registered as a speaker shareholder but had some technical issues. I have a query sir.

1. Why was the company going concern till March 31, 2024, when the assets were already put for sale in IBC? What is the status of 2019 admission in IBC?

**Mr. Kamal Kishore Jhawar, Shareholder:** Sir I am Kamal Kishore Jhawar.

I am a shareholder of the Company since IPO during the Chairmanship of Mr. KS Raju.

1. I request you to kindly explain the future plan of the Company.

I would like to thank the secretarial department especially Vijaya Bhasker sir and Anji Reddy sir for prompt resolution of shareholder queries. I wish you for Dussehra and Diwali and thank you for the opportunity to speak in the AGM.

Thank you Sir.

**Mr. Uday Shankar Jha, Chairman:** Thank you sir.

**Mr. Suresh Chand Jain, Shareholder:** Sir, My name is Suresh Chand Jain. Sir I am one of the oldest shareholders of the Company. We have faith on the company though the company changed its face value from Rs. 10/- to Rs.1/-. I request you to work for the betterment of the Company. I wish you success in your future endeavors.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Mr. Sunil Kumar Modak.

**Moderator:** Sir he is not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Mr. Surendra Kumar Mishra.

**Moderator:** Mr. Surendra, Kindly unmute and go ahead.

Sir, He is not responding and has left the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** Ok Sir, we will move ahead. I request the moderator to please unmute Ms. Swaran Lata.

**Moderator:** Sir, Ms. Swaran Lata is not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Mr. Manjit Singh.

**Moderator:** Sir he is not present in the meeting.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the moderator to please unmute Ms. Bharati Saraf.

**Moderator:** Ms. Bharati, Kindly un-mute and go ahead.

**Ms. Bharati Saraf, Shareholder:** Thank you

Chairman and the esteemed Board Members,

My name is Bharati Saraf, a shareholder from Kolkata. I would like to thank you for letting me express my views.

Since our company's performance has been really good, I would like to thank all the stakeholders for this. I have a couple of queries.

1. What is the company's plan for capex?
2. What is the company doing with regards to women empowerment?

Thank you.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you Madam.

**Mr. Uday Shankar Jha, Chairman:** We will respond to the specific questions and then answer about the generic questions by most of the members i.e. the future outlook or the future plan of the Company including the present and future strategies.

There was a specific question regarding the total debts of the Company. So as per the Company's accounts, which are not reconciled, Rs. 3261 crores is the total debt of the Company i.e. Rs. 1968 is the principal amount and Rs. 1315 is the interest amount. The lenders have claimed Rs. 3858 crores as on December 23, 2023. So this is the total debt.

The next question was regarding the sacrifice made by the lenders. The lenders have sacrificed Rs. 1973 crores which is more than 50 percent of the Debt.

The third question was regarding the current asset value of the Company. The current asset value of the Company is 697 crores as on March 31, 2024.

Then there was a question regarding the contingent liabilities. The details of the contingent liabilities are given in the notes to accounts of financial statements.

There was another question regarding the qualifications of auditors and management comments on the same. I shall read the starting paragraphs of the Auditors qualifications:

**Emphasis of Matters:**

Notes No: 14 and 26 in the standalone financial statements wherein the company explained that the lenders (Banks) of the company have not implemented the Corrective Action Plan (CAP) approved by them in the Joint Lenders Forum (JLF) meeting held in 2015 and though the company represented the matter to the lenders for necessary corrective action, the same has not been rectified till date.

**Management Explanation to Auditors' Qualification**

Qualification on Note No. 14 & 26 to the standalone audited financial statements discussed in detail on implementation of Corrective Action Plan is self-explanatory and does not call for any further comments.

The Auditors qualifications and Management explanations have clearly been discussed in the Standalone and Consolidated Audit Report.

Ok so now we come to the generic questions regarding the current status and future plan of the Company. There was also a specific Question by Mr. Santosh Kumar Saraf

regarding the company's future plan in Micro Irrigation and what would be done for the PVC pipes. He also inquired about the position in GAIL Arbitration case. I request Mr. K Rahul Raju, Managing Director to answer the queries.

**Mr. K Rahul Raju, Managing Director:** There were specific questions in relation to PVC pipes expansion and also about Carbon emissions. In this context, it is to reiterate that currently the Company does not have the manufacturing assets that includes Urea and MI facilities that were auctioned by the lender. So we do not have any specific plans in relation to MI or Urea capex.

In relation to the specific question regarding the dispute settlements particularly in relation to contingent liabilities, the company has provided detailed information in the standalone financial statements. The Company will continue to contest the claims which we believe are disputed, but due the sub judice nature of these cases, I won't be able to discuss them further.

To the extent of the questions in relation to GAIL claims, the Company has been representing to GAIL since 2014, before the start of the arbitration about the status of stoppage and they have invoked force majeure clause. As per force majeure clause, the GAIL as per the contract has no liabilities to perform. So, even if the Company has lost money, GAIL has no liabilities as long as the force majeure clause is invoked. So the company disputed the existence of force majeure but unfortunately the company lost the arbitration case in the court where the court held that GAIL has stopped because of force majeure event. So while the company is continuing to make its efforts, there is no progress in the GAIL claims and the claim was rejected during the arbitration period.

The other question was regarding getting the company back to normalcy and what is the future plan. This is something that has been discussed in several discussions along with how the company is planning to repay other liabilities discussed by several members. So to clarify that, right now it has been disclosed that the current assets are lower than the current liabilities and the company working to get the energy claims



which is still uncertain. However the company is confident on pursuing these claims. Once these claims are received, the Company's focus in terms of the future plans would be to settle the operating creditors. So once the operating creditors are settled, the company will plan for the future. There is an issue relating to going concern of the Company due to the claims of the operating creditors, which the company has disclosed. So this is in terms of the immediate plans.

For the long term plans, the company has also disclosed that we have signed a heads up agreement with AM Green Ammonia (India) Private Limited which acquired the Ammonia Urea facility for a potential lease subject to energy norm clearance by the government. This transaction would be subject to approval by the government and other terms and conditions. The company is also evaluating the revival of the customized fertilizer business. So these are the immediate plans post the clearing of the operating creditors of the company.

In terms of our plans in relation to the green energy, solar energy and our office, these are the things that the company will review including the ESG rating, once the immediate issues in relation to the operating creditors are cleared.

There have been queries in relation to the female employee's safety and opportunities. The company has safety standards that have been set in place for the female employee's safety and has been dealing with all these issues proactively to ensure that these things are not haste.

Coming to the question about the IBC admission, I think we have already discussed in the Chairman's speech that the Company has already exited the IBC process, last year in 2023.

I think we have covered most of the issues.

**Mr. Uday Shankar Jha, Chairman:** So, I would like to say in brief that the focus of the company, right now is to clear all the outstandings. The debt has been cleared. However there are liabilities in relation to operating creditors which are outstanding. We are concentrating on the energy claims to clear these outstandings. Once it is cleared, we will start looking forward to the businesses, CFC businesses and also for the lease arrangement with the buyer i.e. AM Green Ammonia (India) Private Limited for whatever period possible. So these are the Company's plans and efforts for the future.

We hope that we succeed in our future plan.

I would like to thank the shareholders for their queries and hope that they have received replies for their queries.

Now, I request Company Secretary to inform thee-Voting process. Thank you.

**Vijaya Bhasker M, Company Secretary:** Thank you Sir.

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company has provided the facility of remote e-voting and e-voting during the AGM to the shareholders to enable them to cast their vote electronically, on all the resolutions set forth in the notice to the 18th Annual General Meeting.

The company had engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting platform to the shareholders.

The detailed instructions on e-voting process were communicated to the shareholders through the Annual Report and through emails to the shareholders, as registered with the company / Depository Participant / In-House Share Transfer Agency.

The company provided remote e-voting facility to all the persons who were members as on September 23, 2024, being the cutoff date for vote on all the resolutions set out in the notice of 18<sup>th</sup> AGM.

The Remote e-voting period commenced from September 27, 2024 at 09.00 A.M. and concluded on September 29, 2024, at 5.00 P.M. Members attending the AGM today who have not casted their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

As the meeting is convened through VC the requirement to propose and second the resolutions is not applicable.

Members who have cast their vote through remote E-voting can participate in the meeting but would not be eligible to vote again at the meeting. Voting, if exercised, will be invalid and the vote cast through remote e-voting will be considered. Voting once exercised will be final and cannot be changed subsequently.

Mr. C S S Krishna, Partner, KBG Associates, Practicing Company Secretaries, has been appointed by the Board of Directors of the company as Scrutinizer for the entire voting process.

The results shall be declared within two working days from the date of the Meeting i.e., on or before October 02, 2024. The results along with scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the website of the company.

Thank you Sir

**Uday Shankar Jha, Chairman:** Okay. Thank you.

Now I request the Company Secretary to read out the proposed resolutions for the approval of the shareholders.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

**RESOLUTION NO. 1.**

The 1<sup>st</sup> item of the ordinary business is to receive, consider and adopt the 18th Annual Report of the Company, the Financial Statements for the Financial Year ended March 31, 2024 and the Reports of the Directors and Auditors thereon.

**“RESOLVED THAT** the 18th Annual Report of the Company, the Financial Statements for the Financial Year ended March 31, 2024 and the Reports of the Directors and Auditors thereon, be and are hereby received, approved and adopted.”

**Mr. Uday Shankar Jha, Chairman:**The results of this item - SHALL BE ANNOUNCED WITHIN 2 working days

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

**RESOLUTION NO. 2.**

“The next Resolution relates to reappointment of Mr. Chandrapal Singh Yadav, Director of the Company who retires by rotation and being eligible, offers himself to be reappointed as a Director of the Company ”.

**“RESOLVED THAT** Mr. Chandrapal Singh Yadav, be and is hereby re-appointed as Director of the Company.”

**Mr. Uday Shankar Jha, Chairman:** The results of this item - SHALL BE ANNOUNCED WITHIN 2 working days.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

**RESOLUTION NO. 3.**

“The next Resolution which is proposed as a Special Resolution relates to reappointment of Mr. Uday Shankar Jha, Director of the Company who retires by rotation and being eligible, offers himself to be reappointed as a Director of the Company ”.

“**RESOLVED THAT**, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Uday Shankar Jha, who retires by rotation and being eligible offered himself for re-appointment, as a Non-Executive Director on the Board of the Company, liable to retire by rotation.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions If any, the consent of members of the Company be and is hereby accorded to the continuation of Mr. Uday Shankar Jha (DIN: 00056510), as a Non-Executive Director of the Company, who shall attain the age of 75 years, during the term as a Non-Executive Director of the Company.”

**Mr. Uday Shankar Jha, Chairman:** The results of this item - SHALL BE ANNOUNCED WITHIN 2 working days.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

**RESOLUTION NO. 4**

The next resolution which is proposed as a Special Resolution relates to the continuation of Directorship of Mr. Sudhakar Kudva (DIN:02410695) as an Independent Director.

**“RESOLVED THAT** the Members took note that Mr. Sudhakar Kudva (DIN: 02410695), was appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from June 17, 2023 upto June 16, 2028, by the Members at their 17th Annual General Meeting held on September 15, 2023.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions If any, the consent of members of the Company be and is hereby accorded to the continuation of Mr. Sudhakar Kudva (DIN: 02410695), as an Independent Director of the Company, who shall attain the age of 75 years on 16<sup>th</sup> December, 2025, during the term as an Independent Director of the Company.”

**Mr. Uday Shankar Jha, Chairman:** The results of this item - SHALL BE ANNOUNCED WITHIN 2 working days.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

#### **RESOLUTION NO. 5.**

“The next resolution which is proposed as an Ordinary Resolution relates to approval of remuneration payable to the Cost Auditors for the Financial Year 2024-25.

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), remuneration of Rs. 4 lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses as approved by the Board of Directors to be paid to M/s. D V & Associates (Firm Registration No-001929), Cost Auditors, Hyderabad, to conduct the Cost Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ended March 31, 2025, be and is hereby approved.”

**Mr. Uday Shankar Jha, Chairman:** The results of this item - SHALL BE ANNOUNCED WITHIN 2 working days.

**Mr. Vijaya Bhasker M, Company Secretary:** Thank you sir.

**Mr. Vijaya Bhasker M, Company Secretary:** I request the shareholders that the voting will remain open for another fifteen minutes after the conclusion of the meeting. So Shareholders who have not cast their vote through remote e-voting can cast their vote during the AGM. The voting will remain open for another 15 minutes after the conclusion of the meeting.

Thank you.

**Mr. Uday Shakar Jha,** thanked the Shareholders and as there being no other item on the agenda the meeting concluded with thanks to the Shareholders.

Thank you all.

**Shiva Prasad, Moderator:** Mr. Vijaya Bhasker, can we stop the recording and end the session.

**Mr. Vijaya Bhasker M, Company Secretary:** Yes sir.

The Meeting concluded at 11.27 A.M