

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

01.	Name of the Company	Nagarjuna Agrichem Limited
02.	Annual financial statements for the year ended	31 st March, 2015
03.	Type of Audit observation	Unqualified
04.	Frequency of observation	Not applicable

05. To be signed by


for **Nagarjuna Agrichem Limited**


Mr. K. S. Raju
Chairman


Mr. V. Vijay Shankar
Managing Director



Mr. D. Ranga Raju
Audit Committee Chairman

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
(Firm Registration No.000459 S)


Mr. R.K.S. Prasad
Chief Financial Officer


Mr. V. Raghunandan
Partner
Membership No.26255




Mr. Satish Kumar Subudhi
Company Secretary & Head-Legal



Nagarjuna Agrichem Limited



Annual Report 2014-15



NACL launches a new advanced WDG formulation



NACL forays into international brand business



ZLD facility in Srikakulam plant

BOARD OF DIRECTORS

Mr.K.S.Raju	: Chairman
Mrs.K.Lakshmi Raju	: Director
Mr.D.Ranga Raju	: Director
Mr.K.Raghuraman	: Director
Mr.Sudhakar Kudva	: Director
Mr.N.Vijayaraghavan	: Director
Mr.Raghavender Mateti	: Director
Mr.V.Vijay Shankar	: Managing Director



Day	: Monday
Date	: 28 th September, 2015
Time	: 10.00 a.m.
Venue	: Surana Udyog Auditorium Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Red Hills, Hyderabad-500 004, Telangana State.

SENIOR MANAGEMENT

Mr.Amit Taparia	: Vice President - SCM & IT
Mr.C.Varada Rajulu	: Vice President - Manufacturing (SKLM)
Mr.G.Jagannadha Rao	: Vice President - Exports
Mr.Harish Chandra Bijlwan	: Vice President - Business, Tech. & Out - Sourcing
Mr.J.Satyanarayana Das	: Vice President - Manufacturing (Ethakota)
Mr.Manikkam Natarajan	: Executive Vice President - Marketing & Sales
Mr.R.K.S.Prasad	: Chief Financial Officer
Mr.Satish Kumar Subudhi	: Company Secretary & Head - Legal
Mr.S.Chandra Sekhar	: Sr. Vice President - Corporate HPD
Dr.Venkatesan Subbusamy	: Sr. General Manager - Registration & Regulatory Affairs

CIN:

L24219TG1986PLC016607

REGISTERED OFFICE:

Plot No.12-A, "C" Block,
Lakshmi Towers,
No.8-2-248/1/7/78,
Nagarjuna Hills,
Punjagutta,
Hyderabad-500082,
Telangana State.
Ph.040-33605123
e-mail:
info@nagarjunaagrichem.com
Website:
www.nagarjunaagrichem.com

FACTORIES:

Arinama Akkivalasa,
Etcherla Mandal,
Srikakulam,
Andhra Pradesh.

Ethakota,
P.O: Ravulapalem,
East Godavari Dist.
Andhra Pradesh.

R & D CENTRE:

Shadnagar, Nandigaon,
Village, Kothur Mandal,
Mahaboobnagar Dist.
Telangana State.

STATUTORY AUDITORS:

M/s M.Bhaskara Rao & Co.,
Chartered Accountants,
5-D, Kautilya, Somajiguda,
Hyderabad-500082.
Telangana State.

COST AUDITORS:

M/s. K.Narasimha Murthy & Co.
Cost Auditors,
3-6-365, 104 & 105,
Pavani Estate,
Himayathnagar,
Hyderabad-500029.
Telangana State.

BANKERS:

State Bank of India.
HDFC Bank Ltd.
IDBI Bank Ltd.
New India Co-Op.Bank Ltd.

SHARE REGISTRARS & TRANSFER AGENTS:

XL Softech Systems Ltd.
No.3, Sagar Society,
Road No.2,
Banjara Hills,
Hyderabad-500034.
Telangana State.
Ph.040-23545913/914/915
Fax:040-23553214
E-mail: xlfield@gmail.com

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NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of M/s. Nagarjuna Agrichem Limited will be held at 10.00 A.M on Monday, the 28th day of September, 2015 at Surana Udyog Auditorium, M/s. Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004, Telangana State to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March, 2015, the Balance Sheet as at that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mrs. K.Lakshmi Raju (DIN 00545776), who retires by rotation and, being eligible, offers herself for re-appointment.
4. Ratification of Appointment of Statutory Auditors of the Company and fix their Remuneration:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants, (Registration No.000459S), as Statutory Auditors of the Company, to hold office from the conclusion of this 28th Annual General Meeting (AGM) till the conclusion of the 29th AGM of the Company to be held in the year 2016 on such remuneration plus service tax, out-of-pocket, travelling and other expenses etc., as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

5. **To approve and ratify the remuneration of the Cost Auditors:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the

Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K. Narasimha Murthy & Co., (Registration No.4042) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2016, at a remuneration of ₹ 4,25,000/- (Rupees Four Lakhs Twenty Five Thousand only) plus service tax, out-of-pocket, travelling and other expenses etc., as fixed by the Board of Directors on the recommendation of the Audit Committee be and is hereby approved and ratified.”

6. **Adoption of new set of Articles of Association:**

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made thereunder, the enabling provisions of the articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed by the Chairman of the meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit to give effect to this resolution.”

7. **To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013, including the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Regulations”) as amended, modified or re-enacted from time to time

or any other provisions applicable, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and is hereby accorded to the “Nagarjuna Agrichem Ltd.-Employee Stock Option Scheme-2015” (herein after referred as “ESOS-2015”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted, or any other Committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company in India or out of India, including any Director of the Company, except an employee/Director who is a promoter or belongs to the promoter group and Independent Directors as defined in Companies Act, 2013 and related rules, options exercisable into not more than 11,50,000 equity shares of the Company [“Equity Share(s)”] at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 11,50,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT the maximum number of securities issued/granted in terms of this resolution, to any single employee (including any Director) during any one year shall be less than one percent of the issued and paid-up equity shares of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS-2015 on such terms and conditions as contained in the Explanatory Statement to this Item in the Notice and to make any modification(s), changes, variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS-2015 from time to time including but not limited to, amendment(s) or revision(s) in the terms and conditions of the ESOS-2015 from time to time including but not limited to amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS-2015.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT all the lapsed options will be added back to ESOS 2015 pool and the Board be and is hereby authorised to allot these lapsed options to the eligible employees as per the ESOS 2015.”

“RESOLVED FURTHER THAT notwithstanding anything contained anywhere the employees are free to surrender their options voluntarily, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives/officers of the Company and to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

8. To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Subsidiary Companies, Holding Companies and Associate Companies of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013, including the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Regulations”) as amended, modified or re-enacted from time to time or any other provisions applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted, or any other Committee which

the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent/approval of the members be and is hereby accorded to the Board to extend the benefits of the said ESOS-2015 referred to in the resolution under Item No.7 of this Notice to the benefit of such person(s) who are in permanent employment of the subsidiary Companies, holding Companies, and associate Companies of the Company by way of grant of options exercisable into fully paid up equity shares of ₹ 1/- each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOS-2015, from time to time or to suspend, withdraw or revise the ESOS-2015 from time to time and settle all questions, queries, difficulties or doubts that may

arise in relation to the implementation of the ESOS-2015 and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI Regulations and any other applicable laws.”

By Order of the Board

Satish Kumar Subudhi
Company Secretary &
Head-Legal
(ACS 12211)

Date : 07th August, 2015

Place : Hyderabad

Registered Office:

CIN: L24219TG1986PLC016607

Plot No.12-A, “C”- Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta,
Hyderabad-500082, Telangana State, INDIA.

Ph.040-33605123

e-mail : investors@nagarjunaagrichem.com

Website : www.nagarjunaagrichem.com

Notes:

1) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company:

Proxies / Power of Attorney forms, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.

2) Explanatory Statement:

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business items is given below and forms part hereof.

3) Director proposed to be appointed/re-appointed:

Members may kindly refer “Corporate Governance Report” (forms part hereof), for details, about the Directors to be appointed/re-appointed.

4) Book Closure:

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 21st September, 2015 to Monday, 28th September, 2015 (both days inclusive).

5) Unclaimed Dividend:

a) The Members are hereby informed that the Company would transfer the dividends, which

remain unclaimed for a period of 7 years, to the Investors Education and Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

b) Further the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEPF.

c) In view of the above, the Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years 2008-09 (final dividend) through 2011-12 (final dividend) to the Share Transfer Agent (RTA) office or to the Registered Office of the Company at Hyderabad for issue of cheques/demand drafts before the due dates for transfer to the IEPF.

d) Members may please refer “Corporate Governance Report” (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the year 2014-15.

6) Members Nomination:

Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination, may submit the same in Form No. SH-14. Both the Forms for “Nominations” and “Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company’s website.

Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents(RTA). The members holding shares dematerialized form are requested to file the Nomination / Cancellation or Variation in Nomination forms with their respective Depository in prescribed form.

7) Corporate Members:

Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representatives for voting purpose and to attend at the Annual General Meeting (AGM).

8) Important Communication to Members:

a) All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e.,

M/s XL Softech Systems Limited,
(Unit: Nagarjuna Agrichem Limited)
No.3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad-500034, TS
Telephone No: 040-23545913 /914/915;
Fax No.040-23553214,
e-mail ID:xlfield@gmail.com

Website: www.nagarjunaagrchem.com (where you can find more information about the Company)

b) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by submitting the e-mail Registrations Form attached with this Annual Report.

c) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

d) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA of the Company for assistance in this regard.

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

9) Listing Fees:

The Company has paid the Listing Fees for the year 2015-16 to the Stock Exchange, Mumbai where the equity shares of the Company are listed.

10) Members are requested to:

- send their queries, if any, to reach the Company's Registered Office at Hyderabad at least 7 days before the date of the Meeting so that information can be made available at the Meeting.
- bring their copy of the Annual Report and Attendance Slip with them to the Meeting.
- to bring their DPID and Client ID numbers for easy identification of attendance at the venue of AGM, who hold shares in dematerialized form;
- send their e-mail address to the Company / RTA for prompt communication.
- to quote their Regd. Folio Number/DP and Client ID Numbers in all their correspondence with the Company/RTA.

11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company /RTA.

12) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of this Annual Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.

13) Instructions about Voting:

In terms of Section 108 and other applicable provisions of the Companies Act, 2013 read with the amended Listing Agreement norms and to facilitate the members, the Company is providing both e-voting and physical ballot (by post) modes of voting, besides the polling process to be conducted at the Annual General Meeting venue.

The members are requested to opt for one mode of voting i.e., either through e-voting or physical ballot (by post). If a member cast votes by both modes, then voting done through a valid e-vote shall prevail and voting through physical ballot form of that member shall be treated as invalid. Please refer to the following instructions for both the modes of voting.

A) e-Voting through electronic means:

i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Postal Ballot by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL): The instructions for e-voting are as under:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Select the "NAGARJUNA AGRICHEM LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN Field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the relevant EVSN for Nagarjuna Agrichem Limited.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II) The e-voting period begins on 24-09-2015 (9.00 AM) and ends on 27-09-2015 (5.00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as of 19-09-2015 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or investors@nagarjunaagrichem.com
- IV) The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 19-09-2015.
- V) Mr. C. K. Burma, Practicing Company Secretary (Membership No:9566), Proprietor of M/s. C. K. Burma & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.
- B) Voting by using the Physical Ballot Form:**
- I. A Physical Ballot Form is provided (enclosed separately) for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
- II. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. C. K. Burma & Co, Practicing Company Secretaries, not later than the close of working hours (17:00 hours) on 25th September, 2015. For this purpose, a self-addressed prepaid “Business Reply Inland Letter” (“BR Letter”) is enclosed and postage will be paid by the Company, if posted in India. The BR Letter bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, BR Letters containing the Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expenses of the Member will also be accepted.
- III. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. There will be one Form for every Folio/Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
- IV. For shares held by Companies, Bodies Corporate, Trusts, Societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
- V. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent/ dissent. Members may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed the Member’s total shareholding. If the shareholder does not indicate either “FOR” or “AGAINST” in case of any resolution, it will be treated as “ABSTAIN” for that resolution and the shares held will not be counted under either head.
- VI. The e-voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 19th September, 2015 (“Cut off Date”) as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
- VII. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (17:00 hours) on 25th September, 2015. Ballot Forms received after 25th September, 2015 will be strictly treated as if the reply from the Members has not been received.
- VIII. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate form should reach the Scrutinizer not later than the date specified at Sl.No.VII above.
- IX. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
- X. The Scrutinizer’s decision on the validity of a Ballot will be final.
- XI. Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.

C) Other Instructions:

- I. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot and votes casted during the polling process conducted at Annual General Meeting venue, to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report,

shall be placed on the Company's website www.nagarjunaagrichem.com and be communicated to the Stock Exchanges where the Company's shares are listed, i.e., BSE Ltd.

- III. Members may address any query to Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal, at the Registered Office of the Company, Tel. No.040-33605123/124/125, Fax No. 040-23358062 Email: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS ITEMS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5:

The Board, at the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors namely M/s K. Narasimha Murthy & Co., (Registration No.4042), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, at a Cost Audit Fees of ₹ 4,25,000/- (plus service tax, out-of-pocket, travelling and other expenses etc.).

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("Act") read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be approved and ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No.6:

The Company had previously adopted its Articles of Association ("AOA") under the Companies Act, 1956, which contain references to specific Sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, most of the regulations contained in the Articles of Association of your Company have either become redundant or are not in tune with the provisions of the said Act. Under the Companies Act, 2013, draft Articles (in case of a Company limited by shares) are provided in Table F of Schedule-I thereto.

In view of the aforesaid, it is proposed to replace the existing Articles of Association with a new set of Articles of Association containing regulations in accordance with the provisions of the new Companies Act, 2013 and the rules made thereunder. The draft articles are available for your inspection at the Registered Office of the Company, at any time during the working hours on any working day till the

date of AGM. The same is also placed on the website of the Company.

Pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of shareholders by way of special resolution. Hence, The Board commends a Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No.7 & 8:

To reward and retain Key Managerial Personnel and other Senior Managerial Personnel, and to encourage them to increase their efforts to make the Company's business more successful it is necessary to provide incentive to the employees to remain with the Company and to reward them with the opportunities to have a share in the success of the Company. To achieve this objective, it is proposed to grant an option to the employees to subscribe to the shares of the Company.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on 07th August, 2015, has approved introduction of the "Nagarjuna Agrichem Ltd. Employee Stock Option Scheme 2015" (hereinafter referred to as the "ESOS-2015"), subject to the approval of the Members and in compliance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter known as "SEBI Regulations") as amended and from time to time. For the limited purpose of extending the options to Key Managerial Personnel (including Managing Director) and Senior Managerial Personnel who are qualified, talented and competent personnel in the Company, Holding Company(ies), Subsidiary Company(ies) and Associate Company(ies), your Company has instituted an Employee Stock Option Scheme-2015 (ESOS-2015) in accordance with the SEBI Regulations and reserved an appropriate number of shares thereunder to allot equity shares against the stock options to be granted to the employees of the Company and it's subsidiaries, holding Companies and associate Companies both in India and abroad.

The Members are informed that the shares being offered under the ESOS-2015 would not exceed 11,50,000 equity

shares of the face value of ₹ 1/- each, subject to increase in the said shares as stated in the above resolutions. Approval of the Members is being sought for issue of stock options to eligible employees of the Company. The ESOS-2015 will be implemented directly by the Company through Board/Committee constituted for the purpose in accordance with the provisions of Companies Act, 2013 and SEBI Regulations.

The salient features of the ESOS-2015 are as follows:

1. Administration:

- 1.1. The Compensation Committee (hereinafter referred as "Committee") duly constituted by the Board of Directors would be entrusted with the responsibility of being the operating agency for administering the ESOS-2015.
- 1.2. The Committee shall be formulating ESOS-2015, from time to time for the benefit of the employees. The Compensation Committee will specify, inter-alia, the following:
 1. The total number of stock options to be granted;
 2. Identification of classes of employees entitled to participate in the ESOS-2015;
 3. The appraisal process for determining the eligibility of employees to the ESOS-2015;
 4. The requirements of vesting and period of vesting;
 5. The maximum period within which the options shall be vested;
 6. The exercise price or the formula for arriving at the same;
 7. The exercise period and process of exercise;
 8. The lock-in period, if any;
 9. The maximum number of options to be granted per employee and in aggregate;
 10. The method which the Company shall use to value its options;
 11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
 12. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
 13. A statement to the effect that the Company shall comply with the applicable accounting standards.
 14. Any other related or incidental matters.

2. The total number of options to be granted:

The total number of options to be granted under this ESOS-2015 cannot exceed 11,50,000 equity shares of the face value of ₹ 1/- each i.e., 0.73%, of the post issued equity share capital of the Company or such additional quantity as may be required on account of

Corporate Action or acquisition of additional shares in case of increase of capital to maintain the above referred 0.73% of the paid-up capital of the Company. The options which lapse/expire or forfeited will be available for grant to the eligible employees.

One option would be entitle the holders of the options a right to apply for one equity share of face value of ₹ 1/- each of the Company. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Committee has power to choose the quantum of options for each of the eligible employees.

3. Identification of classes of employees entitled to participate in the ESOS-2015:

Employees entitled to participate in the ESOS-2015 are:

- a. Permanent employee of the Company who has been working in India or outside India; or, as may be decided by the Board / Committee.
- b. Directors (Including whole – time Directors) of the Company at any time.
- c. An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding Company of the Company or of an associate Company.
- d. Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the Board for this purpose.

Above persons are referred herein collectively as the "Eligible Employees"

An employee who is a promoter or belongs to promoter group or a Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOS-2015. Independent Directors shall not be eligible to receive any stock options.

4. The appraisal process for determining the eligibility of employees to the ESOS-2015:

The process for determining the eligibility criteria for the eligible employees will be specified by the Compensation Committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate as may be decided by the Compensation Committee, in its discretion, from time to time.

5. Requirements of vesting, period of vesting and maximum period of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. The

Vesting of options may be spread over a period of five years after the aforesaid one year from the date of grant. The Committee is empowered to implement and decide the vesting schedule to suit the needs of the organization.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.

6. Exercise price or pricing formula:

The Committee is empowered to fix the exercise price considering inter-alia the market price of shares as defined in the SEBI Regulations and the discount to be offered, which is subject to a minimum of face value of the equity shares of the Company.

7. Exercise period and the process of Exercise:

The exercise period shall commence from the date of vesting, and will expire not later than two years from the date of vesting. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. The Lock-in period, if any:

There shall be no lock-in period on shares issued/transferred to employee pursuant to exercise of option.

9. Maximum number of options to be issued per employee and in aggregate:

Maximum number of options to be issued per employee per year shall not exceed 2,00,000 and 11,50,000 in the aggregate.

Maximum quantum of benefits to be issued per employee under the ESOS-2015 shall not exceed 2,00,000 per year.

10. Whether the ESOS-2015 is to be implemented and administered directly by the Company or through a trust:

The ESOS-2015 will be implemented and administered directly by the Company.

11. Whether the ESOS-2015 involves new issue of shares by the Company or secondary acquisition by the trust or both:

The ESOS-2015 involves new issue of shares by the Company.

12. The amount of loan to be provided for implementation of the ESOS-2015 by the Company to the trust, its tenure, utilization, repayment terms, etc: -Not Applicable-

13. Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purposes of the ESOS-2015: -Not Applicable-

14. A statement to the effect that the Company shall conform to the accounting policies specified in Regulation. The Company hereby state that it shall confirm to the Accounting policies as specified in Regulation 15 of the SEBI Regulations as may be applicable from time to time.

15. Method of valuing the Options:

The Company will adopt the intrinsic value method to value the options granted under the ESOS-2015.

16. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:

In case of termination due to misconduct all the options (both vested and unvested) shall lapse.

In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the Committee is having the right to cancel/withdraw all the options granted (including vested and unvested) to such employee in case in the opinion of the Committee the participant if found to be employed with the competitors of the Company or serving or advising the competitors in any manner.

17. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

If the employee/Director voluntarily terminates employment with the Company/ subsidiary Company/ holding Company/associate Company or termination due to resignation as per the rules of the Company, the options to the extent not vested shall lapse/expire and be forfeited forthwith. All the vested options shall be exercised with in a period of six months.

In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the options to the extent not vested shall lapse/expire and be forfeited forthwith. The Committee shall decide at its absolute discretion, the time within which the employee shall exercise the vested options in such case; however in no case such time shall be more than one year from the date of such termination.

18. Disclosure and Accounting Policy and other disclosures:

The Company shall comply with the disclosure and accounting policies prescribed by securities and exchange Board of India (SEBI) and any other appropriate authority, from time to time. The

Company shall also disclose such information in its Directors Report as may be required under applicable laws from time to time.

19. Compliance of Accounting Standards:

The Company shall comply with the accounting standards as may be applicable from time to time.

20. Tax Liability

Any tax liability on account of issue of options/shares shall be that of employee alone.

21. Modifications to the ESOS-2015

Subject to provisions of the Companies Act, 2013 and SEBI Regulations, the Board of Directors reserves the right to change the terms and conditions of the ESOS-2015 at any time, at its discretion; however such changes shall be beneficial to the employees.

22. Contract of Employment

22.1 This ESOS-2015 shall not form part of any contract of employment between Company and the Employee. The rights and obligations of any individual under the contract of employment shall not be affected by his participation in this ESOS-2015 of any right which he may have to participate in it.

22.2 Nothing in this ESOS-2015 shall afford any Employee any additional right(s) as to compensation or damages in consequence of the termination of such office or employment for any reason.

22.3 The ESOS-2015 shall not confer any Employee any legal or equitable right against Company either directly or indirectly or give rise to any cause of action in law or equity against Nagarjuna Agrichem Limited

23. Government Regulations:

23.1 This ESOS-2015 is subject to all applicable laws, rules, regulations, guidelines and to such approvals from any Governmental agencies as may be required. In case of any contradiction between the provisions, rules, regulations, guidelines, issued by any Governmental agencies, the provisions of law shall override the provisions of this ESOS-2015.

23.2 The Employees who are granted warrants/options/shares under the ESOS-2015 shall comply with such requirements of law as may be necessary.

24. General Risks:

The Company does not guarantee any return on the equity investment made by Employee as part of the ESOS-2015.

25. Statement by the Company:

The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

As the ESOS-2015 will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and as per the requirement of SEBI Guidelines.

The options to be granted under the ESOS-2015 shall not be treated as an offer or an invitation made to public for subscription in the securities of the Company.

Directors/Key Managerial Personnel of the Company/ their relatives other than i) Promoter Directors (iii) those Directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the Company, and (iii) Independent Directors of the Company shall be deemed to be interested or concerned in passing of this resolution to the extent of benefit they may derive under the ESOS-2015.

The Board accordingly recommends the resolutions at Item No. 7 and 8 for approval of the members as Special Resolutions.

All the relevant documents will be available for inspection during the office hours at the registered office of the Company till the date of conclusion of voting.

By Order of the Board

Satish Kumar Subudhi

Company Secretary &
Head-Legal
(ACS 12211)

Date : 07th August, 2015

Place : Hyderabad

Registered Office:

CIN: L24219TG1986PLC016607

Plot No.12-A, "C"- Block, Lakshmi Towers,

No.8-2-248/1/7/78, Nagarjuna Hills,

Panjugutta, Hyderabad-500082, Telangana, INDIA.

Ph.040-33605123

e-mail : investors@nagarjunaagrlichem.com

Website : www.nagarjunaagrlichem.com

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2015.

Operating Results:

Your Company's performance during the year as compared with that during the previous year is summarized below:

(₹ in lakhs)

Particulars	2014-15	2013-14
Gross Turnover (including Other Income)	77,147	65,518
Profit before Interest and Depreciation (EBIDTA)	7,006	2,980
Finance Charges	3,492	2,800
Depreciation and Ammortisation	2,464	2,188
Exceptional items	-	331
Net Profit Before Tax (PBT)	1,050	(2,338)
Less: Provision for Tax	282	(217)
Net Profit After Tax (PAT)	768	(2,121)
Balance of Profit brought forward	11,415	13,536
Balance available for appropriation	11,879	11,415
Proposed Dividend on Equity Shares	156	-
Tax on Proposed Dividend	32	-
Surplus carried to Balance Sheet	11,691	11,415

Dividend:

Considering the turnaround in Company's performance, your Board of Directors pleased to recommend payment of dividend of ₹ 0.10 paisa per equity shares of ₹ 1/-each (i.e., 10% of the paid up Capital) for the financial year 2014-15 for your consideration and approval at the ensuing Annual General Meeting. The dividend outgo would be ₹ 187.65 lakhs (including dividend distribution tax).

Performance:

In a challenging market environment, your Company recorded its highest revenue of ₹ 771.47 crores during the year under review as against ₹ 655.18 crores achieved in the previous year, showing a growth of 18%. One of the main reasons for this has been the availability of the damaged Block 5 during the year under review. This has resulted in growth in both domestic and export sales. Further, opening up new export markets for formulations and expanding product range has also contributed to the growth. The EBIT and Cash profit stood at ₹ 45.41 Crores and ₹ 35.14 Crores during the year under review, compared

to ₹ 7.92 crores and ₹ 1.81 Crores respectively in the previous year. The increase in finance cost is mainly due to increase in working capital requirements.

Domestic & Export Markets:

Although the country received near normal rainfall (94% of LPA) during the second quarter, however due to the large rainfall deficiency in June, the 2014 season rainfall over the country as a whole (88% of LPA) ended as deficient (<90% of LPA). The large temporal and spatial variation in the rainfall during the season had adverse impact on the productivity and production of major kharif crops over the country except rice. The Rabi season has not been good for the second year consecutively due to insufficient rain fall. This has impacted sales in some of the southern states. This has resulted in buildup of inventories in the field. This had an adverse impact on agrochemical market conditions. Despite of the above your Company achieved 9% growth in domestic sales, increasing from ₹ 541.00 crores in the previous year to ₹ 590.00 crores in the year under review. This growth is mainly attributable to the expanded market area and crop, product portfolio, supply chain initiatives, production flexibility of Ethakota formulation plant.

In the direction of enhancing the product portfolio, your Company launched two new products in the domestic market, a new rice herbicide and, a nematicide during the year under review.

Exports have shown significant improvement over the previous year, mainly due to production resumption out of fire affected Block 5 restored during fag end of the previous year, and overall stabilization of the Srikakulam plant. The Exports Sales has increased from ₹ 93.00 crores to ₹ 148.00 crores in the year under review registering a growth of 60%. In the Contract (toll) manufacturing from Srikakulam Unit, your Company has been maintaining continued amicable and good relationships with the Contract manufacturing customers. This has helped the Company restore confidence and enabled to get renewed orders from them. A new product was introduced in the year under review. The contract manufacturing business is expected to grow.

In the direction of exploring newer business opportunities by way of direct marketing in other geographies, during the year under review your Company successfully registered and launched few of its own branded products in Asian countries. Your Company is also in process of registering various brand products in African countries towards penetrating those markets.

Plant Operations:

The operations at Srikakulam technical plant have been satisfactory throughout the year under review, except for a period of about one month in October due to Hudhud cyclone. The plant has achieved an annual production of

4545 MT during the year under review compared to 3177 MT of the previous year. Export orders for some of Block 5 products have been received, enabling to improve the plant utilization considerably. The plant has also lined-up for production of few intermediates for captive consumption and the production will commence during the current financial year 2015-16. Various newer initiatives for cost savings and capacity utilization have been taken up besides regular efforts for streamlining, debottlenecking and augmenting plant efficiencies and enhancing productivity. The working environment has been amicable led to maintaining cordial relationship with workers Unions and other stakeholders.

The Ethakota formulation unit was honored with “Best Management Award” for the year by State Government of Andhra Pradesh on 01st May, 2015. This is matter of pride for Company. The unit achieved a production of 19,258 MT/KL in the year under review comparing to the previous year production of 20,324 MT/KL. This has been due to poor Rabi season. However, the plant could not only meet the domestic demand but also geared up to meet the additional demand from the newer Export markets. Various initiatives in the areas of production volume increase, quality control, automations, increased productivity, debottlenecking and supply chain have been taken to meet the enhanced marketing demand and effective / better customer services.

Fire Insurance Claim:

During the year under review, the Insurance Company has accepted the Company’s provisional insurance claim in respect of damages occurred in the fire affected Block-5 of the Srikakulam plant and an interim on-account payment has been released. The claim made by the Company is in process for settlement.

New Projects/Products:

The Company’s ‘State of the art’ R & D Centre at Shadnagar, near Hyderabad has been active and strengthened in developing various cost effective process for manufacture of Active Ingredients(AIs)/Technical and Intermediates for Herbicides, Insecticides and Fungicides. One such technical has been commercialized and toll manufactured at Srikakulam technical plant for a multinational Company. Processes for few more technical are also developed successfully. They are at pilot plant stage and are expected to commercialize during the current year.

In its efforts to develop new formulations and improving upon the existing processes for better productivity/cost effective, the centre has successfully developed processes for new formulations during the year under review. These are undergoing preliminary field trials.

Strategic Alliance:

During the year under review, your Company and M/s Helm AG (HELM) a German based Company entered into an agreement which is in the nature of strategic and long term business alliance covering Company’s R&D facility, manufacturing facilities, and introduction of HELM products into the Indian market through the Company’s marketing network.

Environment Protection:

During the year under review your Company continued to focus on safety, health and environmental protection at all location with all manufacturing plant mainting at high safety standards.

Your Company laid great emphasis on safety in the plant operations and proper environment management. Towards this, Effluent Treatment Plant (ETP) at Ethakota Unit and the Zero Liquid Discharge (ZLD) facility at Srikakulam Unit has been operating satisfactorily. Steps and efforts are in place in the direction of demonstrating constantly improved environmental performance. Both the manufacturing units at Srikakulam and Ethakota has renewed their respectively approvals from the Pollution and Fire Authorities.

Your Company continues to enjoy the certifications ISO: 9001:2008, ISO: 140001 and OHSAS: 18001 accredited for its proven standards covering in the areas of Quality, Environment, Safety and Health Management Systems respectively.

Transfer of amount to Reserves:

The Company does not propose to transfer any amount to the general reserve for the financial year ended 31st March, 2015.

Share Capital:

The paid up equity share capital as on 31st March, 2015 is ₹ 15.59 crores. There was no public issue, right issue, bonus issue or preferential issue during the year under review. The Company has also not issued any other shares or shares with differential voting rights. It has neither issued employee stock options to its employees.

Employee Stock Option Scheme-2015 (ESOS-2015):

The Board of Directors (“the Board”) of the Company at its meeting held on 07th August, 2015, has approved introduction of the ‘Nagarjuna Agrichem Limited Employee Stock Option Scheme-2015’ (hereinafter referred to as the “ESOS-2015”), subject to the approval of the Members and complinace of the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and any of its modifications from time to time (the “SEBI Regulations”). The ESOS-2015 is for the limited purpose of extending the options to Key Managerial Personnel and Senior Managerial Personnel in the Company, Holding Company(ies), Subsidiary Company(ies) and Associate Company(ies) both in India and abroad. The said Scheme reserves 11,50,000 equity shares of the Company, to be allotted against stock options to be granted to the eligible employees.

Material Changes and Commitments:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Subsidiary Companies and Consolidation of Financial Statements:

Pursuant to clause 32 of the Listing Agreement entered with Stock Exchanges(s), along with other applicable provisions of the Companies Act, 2013, and as per Accounting Standard (AS) 21, the Audited Consolidated Financial Statements for the year ended on 31st March, 2015 are provided in this Annual Report. The Company has prepared consolidated financial statements by incorporating the financial statements of its wholly owned subsidiaries M/s. LR Research Laboratories Private Limited and M/s. Nagarjuna Agrichem (Australia) Pty, Ltd (which are yet to commence their operations) with its financial statements on line by line basis. The investments of the Company in Nasense Labs Private Limited, an Associate Company, have been accounted for in these consolidated financial statements under the equity method in accordance with AS 23 – “Accounting for Investments in Associates”.

The Audited Annual Accounts and related information of Subsidiaries and Associate as applicable will be made available upon request. The Statement required under Section 134 of the Companies Act, 2013 is attached as **Annexure - I** (as Form AOC-1) to the Directors’ Report of the Company.

No other Company has become/ceased to be subsidiary or joint venture or associate Company during the financial year. There has been no material change in the nature of the business of the aforesaid Subsidiaries and Associate. The Company has no Subsidiary which can be considered as material within the meaning of clause 49(V)(E) of Listing Agreement.

In accordance with the provisions of section 136(1) of the Companies Act, 2013, the following have been placed on the website of the Company www.nagarjunaagrchem.com:

- a) annual report of the Company, containing therein its standalone and the consolidated financial statements; and
- b) Annual accounts of each of the subsidiary Companies.

Directors and Key Managerial Personnel:

In accordance with the provisions of Section 152 read with rules made thereunder of the Companies Act, 2013 Mrs. K.Lakshmi Raju, Director of the Company retires by rotation and is eligible for re-appointment.

Pursuant to the provisions of the section 149 of the Companies Act, 2013, Mr.D.RangaRaju, Mr.K.Raghuraman, Mr.N.Vijayaraghavan and Mr.Raghavender Mateti have been appointed as Independent Directors for a period of five years, at the Annual General Meeting of the Company held on 09th August, 2014. Mr. V.Vijay Shankar, Managing Director, Mr. R.K.S. Prasad, Chief Financial Officer and Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal are KMP of the Company in terms of Section 203 of the Companies Act, 2013.

In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required. A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the report on Corporate Governance.

Auditors:

a) Statutory Auditors:

Pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, the Shareholders in their 27th Annual General Meeting (AGM) of the Company held on 09th August, 2014 appointed M/s. M.Bhaskara Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000459S) as Statutory Auditors of the Company to hold office from the conclusion of the 27th AGM till the conclusion of the 30th AGM subject to ratification of their appointment by Members in every AGM.

M/s.M.Bhaskara Rao & Co., have confirmed their eligibility under Section 141 of the Companies Act, 2013 read with rules framed thereunder for appointment as Auditors of the Company. As required under clause 49 of the Listing Agreement, the Auditors also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The members are requested to ratify the appointment of M/s.M.Bhaskara Rao & Co., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration for the year 2015-16.

The notes on financial statements referred to in the Auditors Report are self explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservations or adverse remarks or disclaimer.

b) Internal Auditors:

The Board of Directors of the Company have appointed M/s. Deloitte Touche Tohmatsu India Private Limited, Chartered Accountants, Hyderabad as Internal Auditors to conduct internal audit of the Company for the financial year ended 31st March, 2015 and their reports are reviewed by the Audit Committee from time to time.

c) Cost Auditors:

M/s. K. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct cost audits relating to Insecticides (Technical Grade and Formulations), of the Company for the year ending 31st March, 2016. Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with rules made thereunder, Members are requested to consider the ratification of the remuneration payable to M/s. K. Narasimha Murthy & Co., Cost Accountants Hyderabad. The Company has duly filed the Cost Audit Reports for the financial year 2013-14 with the Ministry of Corporate Affairs.

d) Secretarial Auditor and Secretarial Audit Report:

As per the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Board has appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary, to carry out secretarial audit under the Companies Act, 2013 for the financial year 2014-15. The secretarial audit report issued by Mr. K. V. Chalama Reddy, Practicing Company Secretary in form MR-3 is enclosed to this report as **Annexure - II**. The report does not contain any qualification, reservation or adverse remark.

e) Internal financial control systems and their adequacy:

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of financial statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use. The Board is of the opinion that the Company's internal financial control are adequate and effective during the financial year 2014-15.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Profit / Loss of the Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Transfer of Un-claimed Dividend:

Pursuant to Section 124 and other applicable provisions of the Companies Act, 2013 as amended from time to time,

the following un-claimed dividends were transferred to the Investors Education and Protection Fund during the year under review:

- a) Unclaimed dividend amount of ₹ 7,50,420/- (Rupees seven lakhs fifty thousand four hundred and twenty only) pertaining to the final dividend for the year 2006-07;
- b) Unclaimed dividend amount of ₹ 3,46,536/- (Rupees three lakhs forty six thousand five hundred and thirty six only), pertaining to the interim dividend paid during the year 2007-08;
- c) Unclaimed dividend amount of ₹ 3,83,460/- (Rupees three lakhs eighty three thousand four hundred and sixty only) pertaining to the interim dividend paid during the year 2007-08; and
- d) Unclaimed dividend amount of ₹ 4,55,774/- (Rupees four lakhs fifty five thousand seven hundred and seventy four only), pertaining to the final dividend for the year 2007-08.

Corporate Social Responsibility:

Pursuant to Section 135 and Schedule VII of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board has constituted the Corporate Social responsibility (CSR) Committee comprising of Mr. D. Ranga Raju, Chairman, Mr. Sudhakar Kudva, Mr. V.Vijay Shankar and Mr. N. Vijayaraghavan, members of the Committee. A detailed CSR Policy has also been framed which is placed on the Company's website. During the year under review the Company does not fall under the criteria of CSR Policy.

Despite the non applicability as per the Companies Act, 2013, your Company does a lot of CSR activity in Srikakulam and Ethakota. These activities are centered on education and providing essential supplies to various villages.

Change in the nature of business:

There is no change in the nature of business of the Company. Significant and Material Orders passed by the Regulators or Courts. During the year the Company has not received any significant and material orders passed from Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Particulars of Loans, Guarantees or Investments under Section 186:

The details of Loans, Guarantees, and Investments made during the financial year ended 31st March, 2015 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 have been disclosed in the financial statements forming part of this Annual Report.

Extract of Annual Return:

The Extracts of the Annual Return in form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013

read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure-V** to this Directors Report.

Number of Board Meetings:

During the year under review, six (6) Board Meetings were held during the year under review. The details of which are given in Corporate Governance Report which forms part of this Annual Report. The provisions of Companies Act, 2013 and the Listing Agreement were adhered to, while considering the time gap between two meetings.

Audit Committee:

The Audit Committee constituted comprising of Mr. D. Ranga Raju as the Chairman and Mr. Sudhakar Kudva, Mr. Raghuraman, Mr. Raghavender Mateti as the members. The details about Audit Committee including the brief description of its terms of reference are given in the Corporate Governance Report.

Risk Management Policy:

Pursuant to the provisions of Section 134, and other applicable provisions if any of the Companies Act, 2013, the Company constituted the Risk Management Committee and framed Risk Management Policy, which inter-alia covers implementation and monitoring of the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The details about Committee including the brief description of its terms of reference are given in the Corporate Governance Report. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Meeting of Independent Directors:

The details on the separate meeting of the Independent Directors and familiarization programme are reported in the Report on Corporate Governance.

Related Party Transactions:

All the related party transactions are entered into during the financial year were non-material and were on arm's length basis and were in the ordinary course of Company's business and are in compliance with the applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has not entered into any contract, arrangement or transactions with any related party which could be considered as material with in the meaning of Clause 49 (VII) (C) of Listing Agreement. Related party transactions under Accounting Standard-(AS)18 are disclosed in the notes to the financial statement.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel's etc. which may have potential conflict with the interest of the Company at large. Thus the disclosure in Form AOC-2 is not applicable. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. Necessary disclosures and the statement of all related party transactions is presented before the Audit Committee and the Board of Directors on a

quarterly basis specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the web link: http://www.nagarjunaagrichem.com/admin/products/NACL_Related_Party_Transactions.pdf. The details of the transactions with Related Parties are provided in the accompanying financial statements.

Vigil Mechanism/Whistle Blower Policy:

The Company is committed to developing a culture where it is safe for all employees to raise concerns about any unethical, fraud and unacceptable practice and any event of misconduct adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear or punishment or unfair treatment. In view of this the Company has formulated Whistle Blower Policy for the sake of employees and Directors to raise their concerns.

The Whistle Blower Policy as approved by the Board is uploaded on the Company's website at the web link: http://www.nagarjunaagrichem.com/admin/products/NACL_Whistle_Blower_Policy.pdf.

Manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors:

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out evaluation of

- a) its own performance,
- b) the Directors individually and
- c) working of its Committees.

The manner in which the evaluation was carried out is reported in the Report on Corporate Governance forming part of this Annual Report.

Nomination and Remuneration Policy:

Pursuant to Section 178(3) of the Companies Act, 2013, the Company has adopted a policy on remuneration of Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualification, positive attributes and independence of Directors in terms of provisions of section 178(3) of the Act and Clause 49 of the Listing Agreement. The details about Committee including the brief description of its terms of reference are given in the Corporate Governance Report.

Statement of Declaration given by Independent Directors under Sub-Section (6) of Section 149:

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Clause 49(II)(D) (2) of the Listing Agreement that the Independent Directors of the Company meet the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49(VIII)(D) of the Listing Agreement entered with the Stock Exchanges in India, is presented in a separate section forming part of this Annual Report.

Policy on Sexual Harassment:

The Company has zero tolerance for sexual harassment at workplace and has adopted a "Policy on Sexual Harassment of Associates" in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, and framed with the objective of providing a safe working environment, where employees feel secure. During the year ended 31st March, 2015 the Company has not received any complaints pertaining to sexual harassment.

Brand Protections:

Your Company has taken appropriate actions against counterfeits, fakes and other forms of unfair competitions / trade practices.

Listing Fees:

The Company has paid the listing fees for the year 2015-16 to the Bombay Stock Exchange where the equity shares of the Company are listed.

Corporate Governance:

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance under the Listing Agreement, along with a certificate from the auditors confirming the compliance, is annexed and forms part of this Annual Report.

Fixed Deposit:

Your Company has not accepted any fixed deposits from the public during the year under review, and no such amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Industrial Relations:

The industrial relations at the factories and head office continued to be cordial.

Insurance:

All the assets and insurable interests of your Company including inventories, buildings, plant and machinery, enactments are adequately insured.

Particulars of Employees and Remuneration:

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 is annexed as **Annexure –III** to this report.

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

Disclosures required under the provisions of Section 134(3) (m) of the Companies Act, 2013 relating to conservation of energy, technology absorption and foreign exchange outgo and earning, in terms of Rule 8 of the Companies (Accounts) Rules, 2014, are set out in a separate statement attached hereto as **Annexure-IV** and forms part of this report.

Acknowledgement:

Your Directors thank the Company's Bankers and the Financial Institutions for their help and co-operation extended throughout the year. Your Directors place on record their appreciation for the support and co-operation that the Company received from its Stakeholders, Customers, Agents, Suppliers, Employees, various Government / Non-Government Departments, Associates and Community in the vicinity of the plants. Your Directors also record their appreciation for the excellent operational performance of the staff of the Company that contributed to the achievements of the Company. The Directors also acknowledge with much gratitude, the continued trust and confidence reposed by the Dealers/Customers of the Company. Your Directors look forward to the future with confidence.

For and on behalf of the Board

	K.S.Raju	V.Vijay Shankar
Place : Hyderabad	Chairman	Managing Director
Dated : 07 th August, 2015	(DIN:00008177)	(DIN:00015366)

ANNEXURE – I TO DIRECTORS REPORT:**Form No. AOC-1**

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures
[Pursuant to proviso to Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part A : Subsidiaries

(₹ in lakhs)

Sl. No	Particulars	Name of the Company	
		L.R. Research Laboratories Private Limited (Wholly owned Subsidiary)	Nagarjuna Agrichem (Australia) Pty. Limited (Overseas Wholly owned Subsidiary)
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.	AUD 51.33
3	Share capital	1.00	7.72
4	Reserves & Surplus	(0.95)	(7.68)
5	Total assets	1.00	0.05
6	Total Liabilities	1.00	0.05
7	Investments	-	-
8	Turnover	-	-
9	Profit/Loss before taxation	(0.48)	(7.68)
10	Provision for taxation	-	-
11	Profit after taxation	(0.48)	(7.68)
12	Proposed Dividend	-	-
13	% of shareholding	100%	100%
	a. Names of subsidiaries which are yet to commence operations.	Yet to commence its operations	Yet to commence its operations
	b. Names of subsidiaries which have been liquidated or sold during the year.	N.A.	N.A.

Part B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate	Nasense Labs Pvt. Ltd.
1.	Latest audited balance sheet date	31 st March, 2015
2.	Shares of Associate/Joint Ventures held by the Company on the year end	equity shares @ ₹ 10/-
	Number	49,36,052
	Amount of Investment in Associates/ Joint Venture	₹ 4,93,60,520
	Extend of Holding %	26%
3.	Description of how there is significant influence	Associate
4.	Reason why the associate/ joint venture is not consolidated	Nil
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil

Sl. No.	Name of Associate	Nasense Labs Pvt. Ltd.
6.	Profit / Loss for the year	₹ 2,87,36,146
i.	Considered in Consolidation	₹ 74,71,398
ii.	Not Considered in Consolidation	₹ 2,12,64,748
7.	Names of associates or joint ventures which are yet to commence operations.	Nil
8.	Names of associates or joint ventures which have been liquidated or sold during the year.	Nil

For and on behalf of the Board

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 7th August, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

ANNEXURE – II TO DIRECTORS REPORT:

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Nagarjuna Agrichem Limited
Hyderabad.

1. I have conducted secretarial audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by Nagarjuna Agrichem Limited (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 (“Audit Period”) according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder.
 - iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder.
 - iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **Not applicable during the audit period.**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **Not applicable during the audit period.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not applicable during the audit period.**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993: regarding the Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009: **Not applicable during the audit period.**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not applicable during the audit period.**
- vi) The Company is into the business of Manufacture and sales of Agro Chemicals. Accordingly, the following Major Industry specific Act and Rules, which are inter-alia, applicable to the Company, in view of the Management:
- a) The Insecticides Act, 1968 and Rules.
 - b) The Boiler Act, 1923 and Rules.
- vii) I, have also examined compliance with the applicable clauses of the following:
- a) The Listing Agreement entered into with Stock Exchange.
 - b) Secretarial Standards were not considered in the audit, as the same were not notified during the period considered for audit.

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, and Guidelines etc., mentioned above.

4. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
5. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. I further report that the shareholders of the Company at their Annual General Meeting held on 9th August, 2014, have approved a special resolution under section 180 of the Companies Act, 2013, authorizing the Board of Directors to borrow monies (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) which shall not exceed a sum of ₹ 800 crores at any one time, over and above the paid up capital and free reserves of the Company and there were no other major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

Place : Hyderabad
Date : 07th August, 2015

K. V. Chalama Reddy
Practising Company Secretary
M. No: 13951, C.P No: 5451

ANNEXURE – III TO DIRECTORS REPORT:

The details of remuneration during the year 2014-15 as per Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Ratio of remuneration of each Director to the median remuneration of employees of the Company for the financial year 2014-15:

Sl. No	Disclosure requirement	Disclosure Details	
1.	Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Non-Executive Directors	
			Ratio to median remuneration
		Mr.K.S.Raju	0.29:1
		Mrs.K.Lakshmi Raju	0.04:1
		Mr.D.Ranga Raju	0.33:1
		Mr.Sudhakar Kudva	0.42:1
		Mr.N.Vijayaraghavan	0.21:1
		Mr.K.Raghuraman	0.38:1
		Mr.Raghavender Mateti	0.38:1
	Executive Director		
	Mr.V.Vijay Shankar	30.77:1	
2.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.	Directors, Chief Executive Officer, Chief Financial Officer, and Company Secretary	
			% increase in remuneration in the financial year
		Mr.K.S.Raju, Chairman	75.00%
		Mrs.K.Lakshmi Raju, Director	(50.00%)
		Mr.D.Ranga Raju, Director	12.50%
		Mr.Sudhakar Kudva, Director	-
		Mr.N.Vijayaraghavan, Director	(28.50%)
		Mr.K.Raghuraman, Director	-
		Mr.Raghavender Mateti, Director	NA*
		Mr.V.Vijay Shankar, Managing Director	10.62%
		Mr.R.K.S.Prasad, Chief Financial Officer	19.91%
Mr.Satish Kumar Subudhi, Company Secretary & Head -Legal	25.05%		

* Appointed on 26th February, 2014, hence comparison not possible.

Note:

- During the year 2014-15 the sitting fees for attending meetings of the Board and its Committees payable to Non-Executive Directors is reflected in the percentage above with respect to Directors remuneration.
- The Non-Executive Directors of the Company are entitled to sitting fee for attending various Board and Committee meetings.
- Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2014-15.
- Employees for the purpose above includes all employees excluding employees governed under collective bargaining.

3. **The percentage increase in the median remuneration of employees in the financial year:** 8.82%
4. **The number of permanent employees on the rolls of Company:** 1143
5. **The explanation on the relationship between average increase in remuneration and company performance:**
The increase in median remuneration of employee is in line with the remuneration policy of the Company where employees are given increments as per their performance.
6. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31 st March, 2014	31 st March, 2015	% Change
Market Capitalisation (₹ Crores)	77.96	212.82	172.99
Price Earnings Ratio	-3.67	27.85	858.86

7. **Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.**

Particulars	October, 1994 (IPO)	31st March, 2015	% change
Market Price (BSE)	15.00 *	13.65 **	810

* face value of ₹ 10/- per share

** face value of ₹ 1/- per share.

8. **Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employee other than the managerial personnel in the financial year 2014-15 was 11.08% as compared with the percentage increase in the managerial remuneration of 4.17%.

9. **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

The remuneration of the KMP's are in line with the remuneration policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company.

Particulars	Mr. V. Vijay Shankar Managing Director	Mr. R.K.S. Prasad, Chief Financial Officer	Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal
Remuneration in FY 2014-15 (₹ Lakhs)	₹ 74.08 lakhs	₹ 43.29 lakhs	₹ 17.78 lakhs
Revenue from operations	₹ 77,147 Lakhs	₹ 77,147 Lakhs	₹ 77,147 Lakhs
Remuneration as % of revenue	0.09%	0.05%	0.02%
Profit Before Tax (PBT)	₹ 1,050 lakhs	₹ 1,050 lakhs	₹ 1,050 lakhs
Remuneration (as % of PBT)	7.02%	4.12%	1.69%

10. **The key parameters for any variable component of remuneration availed by the Directors:**

The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

11. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

12. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees, adopted by the Company.

ANNEXURE – IV TO DIRECTORS REPORT:

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:**1. Steps taken or impact on conservation of energy:**

- a) Improved Boiler operations and introduced an additive to increase combustion properties of coal to reduce coal consumption;
- b) Steam / Condensate system Audit done and appropriate type steam traps provided to decrease losses in steam;
- c) Variable Speed Drive (VFDs) installed to reduce power consumption;
- d) Installed solar water heater in canteen hot water to reduce LPG consumption;
- e) Audit done for equipment and pipelines Insulation and improved insulation to reduce steam losses by 1%;
- f) Total Plant thermal system audit done by M/s Forbes Marshall and identified projects for energy conservation approx ₹ 1.5 crore.

2. Steps taken by the company for utilising alternate source of energy:

- a) Modified incinerator system to use organic effluents to replace/ reduce fossil fuels (Diesel / Furnace Oil) consumption;
- b) Installed solar water heater in canteen hot water to reduce the LPG consumption.

3. The capital investment on energy conservation equipments:

(₹ in lakhs)

Sl. No.	Area	Scheme	Investment
a)	Utility	VFD Installation (2 nos.)	5.0
b)	Canteen	Solar water heater replacing LPG	4.0
c)	Production / Utility	Thermal system audit by M/s Forbes Marshall	2.0

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption : Increased size of R&D, Process development, purchase of new equipments and generation of process technical data for new products.
2. The benefits derived like product improvement, cost reduction, product development or import substitution :
 - a) The plants operated effectively with the new addition of products.
 - b) Exports started growing.
 - c) Some products registered; cost reduction.
3. In case of imported technology (imported during the last three (3) years reckoned from the beginning of the financial year) : The Company has not imported any technology during the year.
 - a) Details of Technology Imported : None
 - b) Year of Import : Not Applicable
 - c) Whether the Technology has been fully absorbed : Not Applicable
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable
4. The expenditure incurred on Research & Development:
 - a) Specific areas in which R&D carried out by the Company :
 - a) R&D work on the existing processes to make them environmentally friendly and cost effective.
 - b) Indigenous process developments for new products.

b) Benefits derived as a result of the above R&D	:	Increased export business and improved product quality.
c) Future plans of action	:	Introduction of new products through indigenously developed technology.
5. Expenditure on R&D for the financial year		2014-15 2013-14
a) Capital	:	₹ 5,37,37,784/- ₹ 3,66,30,682/-
b) Recurring	:	₹ 51,05,827/- ₹ 1,38,31,576/-
c. Total Expenditure as a percentage of total turnover	:	0.79% 0.79%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of the actual outflow.

	Amount (₹ in lakhs)
1. Foreign Exchange Earned (FOB value)	14,258.00
2. Foreign Exchange Used	14,440.00

ANNEXURE – V TO DIRECTORS REPORT:**Form No. MGT-9****Extract of Annual Return as on the financial year ended on 31st March, 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L24219TG1986PLC016607
ii.	Registration Date	11/11/1986
iii.	Name of the Company	Nagarjuna Agrichem Limited
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the registered office and contact details	Plot No. 12-A, No. 8-2-248/1/7/78, "C" Block, Lakshmi Towers, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082, Telangana State, India Ph. No. 040-33602153, Fax:040-23350234 Email: info@nagarjunaagrchem.com www.nagarjunaagrchem.com
vi.	Whether listed Company	Yes Bombay Stock Exchange (BSE)
vii.	Stock Code	524709
viii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034. Telangana State, India Ph. No. 040 – 23545913,14,15 Email: xlfield@rediffmail.com www.xlsoftech.org

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Agri inputs	3808	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	KLR Products Limited	U24239TG2003PLC041387	Holding	72.88%	2(46)
2.	LR Research Laboratories Private Limited	U73100TG2011PTC076023	Subsidiary	100%	2(87)
3.	Nagarjuna Agrichem (Australia) Pty. Ltd	Foreign Company	Subsidiary	100%	2(87)
4.	Nasense Labs Pvt. Ltd	U24231TG1995PTC019809	Associate	26%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3,018,360	-	3,018,360	1.93	3,018,360	-	3,018,360	1.93	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	113,623,500	-	113,623,500	72.88	113,623,500	-	113,623,500	72.88	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	116,641,860	-	116,641,860	74.81	116,641,860	-	116,641,860	74.81	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)									
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	116641860	-	116641860	74.81	116641860	-	116641860	74.81	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	% of Total Shares		Demat	Physical	% of Total Shares		
			Total	% of Total Shares			Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.									
i. Indian	7370193	68603	7438796	4.77	6754492	68603	6823095	4.38	0.39
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	8631291	4958046	13589337	8.72	8226385	4738756	12965141	8.32	0.40
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	16926676	687251	17613927	11.30	18196499	744325	18940824	12.15	0.85
c) Others (Specify)									
Directors/Relatives	17533	-	17533	0.011	21996	-	21996	0.014	0.003
Non Resident Indians	510701	24285	534986	0.34	423217	24285	447502	0.29	0.05
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	75069	-	75069	0.04	71090	-	71090	0.05	0.01
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	33531463	5738185	39269648	25.19	33693679	5575969	39269648	25.19	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	33531463	5738185	39269648	25.19	33693679	5575969	39269648	25.19	-
C. Shares held by Custodian for DGRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	150173323	5738185	155911508	100.00	150335539	5575969	155911508	100.00	-

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	KLR Products Limited	113623500	72.88	-	113623500	72.88	-	-
2	K. Lakshmi Raju	3018360	01.93	-	3018360	01.93	-	-
	Total	116641860	74.81	-	116641860	74.81	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change) : No change

Sl. No	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	116641860	74.81	116641860	74.81
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	116641860	74.81	116641860	74.81

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mitesh N Mehta	-	-	2258000	1.44
2.	Savera Cityscapes Private Limited	1257441	0.80	1257441	0.80
3.	Pinky Ventures Private Limited	862217	0.55	986300	0.63
4.	Narendra Kumar K Mehta	-	-	898000	0.57
5.	Hitesh Satishchandra Doshi	874285	0.56	874285	0.56
6.	Rakesh Bhasin	559348	0.35	559348	0.35
7.	Pankaj Jawaharlal Razdan	-	-	546428	0.35
8.	Manisha Lodha	-	-	467000	0.29
9.	Jayesh N Parekh	-	-	437580	0.28
10.	Tapan Kumar Dey	237252	0.15	368000	0.23

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1)	Mr. V. Vijay Shankar (Managing Director)				
	At the beginning of the year	6071	0.003	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Acquired on 24/03/2015	-	-	910	0.001
	At the end of the year	-	-	6981	0.004
2)	Mrs. K. Lakshmi Raju (Promoter & Director)				
	At the beginning of the year	3018360	01.93	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	3018360	01.93
3)	Mr. Satish Kumar Subudhi (Company Secretary & Head Legal)				
	At the beginning of the year	187508	0.12	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	187508	0.12

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	268.91	4.94	-	273.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.93	-	-	0.93
Total (i+ii+iii)	269.84	-	-	269.84
Change in Indebtedness during the financial year				
Addition	15.00	40.00	-	55.00
Reduction	18.80	-	-	18.80
Net Change	3.80	40.00	-	43.80
Indebtedness at the end of the financial year				
i) Principal Amount	239.31	37.32	-	276.63
ii) Interest due but not paid	0.49	-	-	0.49
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	239.80	37.32	-	313.95

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Mr. V. Vijay Shankar, Managing Director
1.	Gross salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	67.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.56
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify...	-
5.	Others, please specify (Contribution to Provident Fund)	3.98
	Total (A)	74.08
	Ceiling as per the Act	120.00

Note: Pursuant to Section 196, 197 and 198 read with part-II, Section-II under Schedule-V of the Companies Act, 2013, the limit of yearly remuneration payable to MD / WTD shall not exceed ₹ 1.20 crores.

B. Remuneration to other Directors:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. D. Ranga Raju	Mr. N. Vijayaraghavan	Mr. Raghavender Mateti	Mr. K. Raghuraman	
1	Independent Directors					
	Fee for attending Board/ Committee meetings	0.80	0.50	0.90	0.90	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.80	0.50	0.90	0.90	3.10
2	Other Non-Executive Directors					
	Fee for attending Board Committee meetings	0.70	1.00	0.10	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	0.70	1.00	0.10	-	1.80
	Total (B)=(1+2)	-	-	-	-	4.90
C.	Total Managerial Remuneration (A) + (B)	-	-	-	-	78.98
	Overall Ceiling as per the Act	-	-	-	-	N.A.*

* During the year 2014-15 the Company has paid only sitting fees to the Non-Executive Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD: (₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. R.K.S. Prasad	Mr. Satish Kumar Subudhi	
1.	Gross salary:			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.61	16.84	56.45
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.54	0.01	0.55
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			-
	- others, specify...	-	-	-
5.	Others, please specify	3.14	0.93	4.07
	Total	43.29	17.78	61.07

VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	Company					
	Penalty					
	Punishment					
	Compounding					
B.	Directors					
	Penalty					
	Punishment					
	Compounding					
C.	Other officers in default					
	Penalty					
	Punishment					
	Compounding					

Nil

Management Discussion and Analysis Report

This discussion is on Agrochemical Business as it constitutes the main part of the revenues of the Company.

Global Economic Scenario:

The global economy is still under stress for gaining momentum as many high-income countries continue to grapple with the past impacts of the global financial crisis. The US economy witnessed gradual improvement while financial instability in the European Union (EU) continued to keep the Global economy volatile. Emerging economies continue to remain as less vibrant than in the past. The global economy in FY 2014-15 saw a steep decline in oil prices, which had significant impact on energy businesses. This coupled with slowing growth in some of the leading global economies impacted currencies. But, there was positive news in terms of faster-than-anticipated economic growth recovery in the United States, which provided momentum for the global economic recovery.

According to International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. However, Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons, with India being an exception. The Indian economy is expected to grow by 7.5% in 2015-16.

Growth in the demand for food grains owing to an increasing global population coupled with reducing per capita farm land due to surging urbanization and industrialization, were dominant drivers of the global agrochemicals market. Moreover, growth of horticulture and floriculture, increasing farmer literacy coupled with increasing awareness pertaining to the use of pesticides in major crop-producing countries, strengthened the global agrochemicals market. The global crop protection chemicals market is projected to reach US\$ 69,614.3 million by 2019 with an estimated CAGR of 5.5% from 2014 to 2019.

Indian Economy:

The year 2014-15 was marked by modest growth and decline in inflation, and the external position was comfortable, helped by positive policies and lower global oil prices. After years of diminutive growth the reform momentum has picked up in India. The outlook for India is for economic strengthening through higher infrastructure spending, increased fiscal devolution to states, and continued reform to financial and monetary policy. The Government underscored its intention to move steadily to tackle politically difficult structural issues that have stalled investment and limited economic performance in recent years.

India is set to become the World's fastest-growing major economy by 2016 ahead of China, as per the forecast of International Monetary Fund (IMF). Indian GDP grew by 7.3% in the financial year 2014-15 and is expected to grow at 6.3% in 2015, and 6.5% in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the

latest update of its World Economic Outlook. There are high expectations from the Government as is evidenced by the robust performance of Stock market and appreciation of the rupee. However, IMF has suggested an important structural reform agenda for India to reap productivity gains. This includes removing infrastructure bottlenecks as well as reforms to education, labour, and product markets for raising labour force participation and productivity. Even as the Government is pushing forward with the subsidy reforms, the IMF said lower oil prices offer an opportunity to decrease energy subsidies and replace them with better-targeted programmes.

Agricultural sector recorded a marginal growth of 0.2% in the financial year 2014-15 which has implications in terms of inflation in coming days and also employment & income in rural areas. On the contrary, the industrial sector grew by 6.1% during the financial year 2014-15 compared to 4.5% during the year 2013-14. The agriculture sector contributed just 15% of India's GDP (Gross Domestic Product), but over 50% of the population was still dependent on it.

India emerged as a significant agricultural exporter in commodities like cotton, rice, meat, oil meals, pepper and sugar. The agricultural and allied sectors registered a growth of 1.1% during the current financial year. Despite the monsoon rainfall falling 12% short of expectations during 2014-15, the loss in production was contained at ~3.0% over 2013-14. The Union Budget for 2015-16 also recognized the need for increasing agricultural productivity and bettering farmer lives.

Three important budgetary provisions (i) providing financial support to improve irrigation facilities and fertility for enhancing agricultural productivity; (ii) raising agricultural credit limits; and creating a unified national the budget exhibited a keen intent to support organic farming, micro-irrigation and watershed management are expected to positively impact agriculture.

Industry Overview:

Majority of the population of India is dependent on agriculture, which is largely dependent on the monsoon. The crop production volume growth in 2014-15 was muted due to variation and volatility in climatic factors. The southwest monsoon was erratic and had a delayed onset leading to slowing the pace of sowing of key crops. The Rabi season also witnessed unseasonal rains and hailstorms which impacted standing crop in large parts of northern and western India. Due to these unfavorable climatic conditions, overall farm productivity was impacted leading to poor yields and output.

After the crop damage in India due to unseasonal rains in March and April in the year 2014-15, the forecasts of a weak monsoon is having a telling impact on the agrochemicals industry forcing Companies to start scaling down their expansion plans and shortening planned production period to two months instead of the regular three to four months.

However, despite the focus on industrialization, agriculture remains a dominant sector of the Indian economy both in

terms of contribution to Gross Domestic Product (GDP) as well as a source of employment to millions across the country. Being the World's fourth largest pesticide producing Country, Indian Agrochemicals market is estimated at over ₹ 13,000 Crores, which is about 4% of the global agrochemicals market. It has reported about annual growth of 8% over last few years, and is likely to reach US\$ 3.00 billion in 2018. Besides expected domestic demand growth of about 8%, the exports are expected to increase at 15% to 16 percent, facilitating the overall growth of the industry.

Indian crop protection industry is largely dominated by insecticides which form about 65% of share of the industry. Other segments like herbicides, fungicides and other (rodenticides/ nematocides) form 18%, 16% and 6%, respectively. The Indian market is dominated with products which are off-patent, therefore distribution reach and strong brands are key to grow in this market. This market is also witnessing introduction of newer molecules and products for specific needs, leading to higher growth rates in recent times.

The pesticide consumption of Indian Domestic market during the fiscal was impacted by the low demand in rabi season. The sector is also driven by a growing opportunity for exports through contract manufacturing and research among Indian players due to a large availability of technically skilled labour.

Outlook:

The global crop protection chemicals market is segmented into all major regions and further their key countries. In terms of regions, the market is segmented into North America, Europe, Asia-Pacific, Latin America, and rest of the World. Asia Pacific is likely to be an important market in the near future due to the increasing demand for food crops from its key countries such as India and China.

The major drivers of agrochemicals industry are increasing demand for food with rising population and consumer awareness associated with the benefits of fertilizers and pesticides in crop production. Development in technology to boost farm production with increasing Government investments in agriculture to increase crop yields provides huge opportunities to this market.

India's population, the second largest in the World is estimated to increase over time. Given the Government's initiative on food security, per-capita consumption of food grains and therefore the demand for them will only increase. Prevention of crop losses is the immediate requirement to bridge the demand-supply gap in food grains, which necessitates deeper penetration of agrochemicals. Additionally, factors such as decline in the availability and the increasing cost of farm labour, the limited availability of arable land, acceptance of modern farming changes in farming practices, and technology are growth drivers for the agrochemical sector. To capitalize on the growth trend in the global crop protection market, several leading Companies are investing in the development and manufacturing of crop protection chemicals. Global players are entering into strategic alliances for greater market reach. The growing demand for crop protection chemicals is compelling global players to widen their crop protection offerings and the

market is witnessing acquisition of smaller Companies globally to diversify product portfolio.

As the Indian farmers look for better agronomic practices and solutions, your Company has opportunity to provide these services into the future. Understanding farmer needs and developing the right solutions is the mainstay of your Company and along with building the strong relationship with farmers and partners will provide the platform for growth into the future.

India is growing to become a preferred destination for manufacturing as global majors look for outsourcing a lot of their product requirements out of the country. Your Company is well placed in servicing this opportunity with its strong manufacturing and technical capability to become a reliable strategic outsourcing partner for these Companies.

Opportunities:

Given following positives, there exists a huge potential in the domestic and export markets for indigenous manufacturers:

1. The growth of Indian agriculture sector supplemented by several agriculture oriented policy and budget initiatives by Government of India, improving productivity, availability of credit to the agriculture sector;
2. A large population, and strong export demand.
3. Per capita consumption of chemicals in India being lower than western countries, a trend that appears to be correcting.
4. Rise in GDP and purchasing power generates growing domestic potential.
5. World-class engineering, R&D capabilities and skilled science professionals.
6. India exporting about 50% of its production; exports likely to remain a key revenue component.
7. Chinese agrochemical industry being continued to go through the phase of stricter and tightened pollution control norms, restricts its manufacturing facilities, thereby affecting the imports from China. It gives an opportunity for India to produce Active Ingredients (AIs) and to be competitive in global markets.
8. India becomes fast emerging given the emergence of Asia as a global manufacturing hub.
9. A focus on new segments like specialty and knowledge chemicals
10. Low-cost manufacturing capability. Availability of cheap labour and low processing costs have provided an edge to the domestic pesticides industry to stay competitive in the global market.

Keeping the above in view, your Company is gearing up to seize these opportunities and in this regard, it has emphasized focus in re-strategizing to improve productivity and capacity utilization in its plants and to better leveraging its strength of large pan India dealer network / channel partners and brand value.

Threats, Risk and Concerns:

1. With large number of end users spread across the geography, managing inventory & distribution costs is a challenge for the industry players. Effectiveness of current Supply Chain Management (SCM) practices in agrochemicals is another area of concern for the industry.
2. Rising sale of spurious pesticides and spiked bio-pesticides pose major threats to industry growth.
3. Issues due to seasonal nature of demand and unpredictability of pest attacks, requires additional capacity building up and robust supply chain management.
4. Concern on pesticides residues in the agricultural produce due to non judicious usage of pesticides.
5. Dependency on monsoons and vagaries of climate are major risk factors for agriculture.
6. Non availability of key raw materials, regulatory changes in pesticides registration system to give protection to molecules which are already out of patent in India & World over. Non availability of credit insurance & wild currency fluctuation also remains the major risks.

Internal Control System:

The Company has proper and adequate systems of internal controls which ensure that all the assets are safeguarded and are structured to provide adequate support and controls for the business of the Company. The Company's internal audit systems are geared towards ensuring adequate Internal controls to meet the size and needs of business, for safeguarding the assets of the Company, evaluating reliability of financial and operational information, identifying weaknesses and areas of improvement and to meet with all compliances.

Financial Performance:

For the year 2014-15, the total Income at ₹ 771.47 Crores was 18% higher than previous year. The EBIT and Cash Profit stood at ₹ 45.41 Crores and ₹ 35.14 Crores respectively compared to ₹ 7.92 Crores and ₹ 1.81 Crores last year. The interest cost at ₹ 34.92 Crores was 25% higher compared to previous year due to increase in working capital and additional loans. The financial performance of

your Company during 2014-15 on major parameters was as under:

Parameter	2014-15	2013-14
EBIDTA (as % of net Sales)	9.08%	4.55%
Profit before depreciation & tax (as% of net sales)	4.56%	(-) 0.28%
Return on Capital Employed	10.92%	4.97%
Return on Net Worth	4.36%	(-) 12.33
Earnings per share (FV Re.1/-)	0.49	(-) 1.36
Book value per share	11.30	11.13

The performance of the Company during the year under review reflects the spillover effect of closure of fire affected Block-5 of the Srikakulam plant. The said Block has been re-commissioned successfully in the month of March, 2014. Given its full fledged operations during the current financial year and the domestic market being upbeat in achieving the newer heights, the Company is expected to do well during financial year 2015-16.

Industrial Relations and Human Resources Development:

The number of employees in the Company as on the 31st March, 2015 was 1143. The Company enjoys cordial and harmonious industrial relations. Training programs and various initiatives are being taken to create an environment to enhance individual and team performance.

Cautionary Statement:

The Statement in the Report of the Board of Directors and Management Discussion & Analysis Report describing the Company's projections, estimates, exceptions or prediction may be forward looking statement within meaning of applicable of Securities Laws and Regulations. Actual results could differ materially from those expressed implied since the Company's operations are influenced by many external and internal factors beyond the control of Company.

For and on behalf of the Board

K.S.Raju **V.Vijay Shankar**

Chairman Managing Director

Place : Hyderabad

Dated : 07th August, 2015

(DIN:00008177)

(DIN:00015366)

REPORT ON CORPORATE GOVERNANCE

A. CORPORATE GOVERNANCE:

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

This philosophy is backed by principles of concern, commitment, quality and integrity in all its acts and relationships with stakeholders, customers, associates and community at large, which has always propelled the Group towards higher horizons.

At Nagarjuna we continue to strive to transform the business environment we operate in. We are also at work transforming the society around us. Our aim is to create an environment which enhances opportunities for all the good things, better health, education and overall quality of living that life has to offer.

B. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company views Corporate Governance under the following major parameters:-

- 1) Transparency in relation to appointments, remuneration, meetings of the Directors on the Board of the Company, responsibility and accountability of the Board of Directors.
- 2) Providing correct, accurate and relevant information to the shareholders regarding the functioning and performance of the Company pertaining to financial and other non-financial matters.
- 3) Internal and external controls, and audits.

Date of Report:

The information provided in the Corporate Governance Report for the purpose of unanimity is as on 31st March, 2015.

The report is updated as on the date of the report wherever applicable.

The Governance Structure:

The Company's Governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles the Company has framed three tiers of Corporate Governance structure viz.,

- 1) **The Board of Directors:** The primary role of the Board of Directors is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, reporting mechanism and accountability, and decision making process to be followed.
- 2) **Committees of Directors:** Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, CSR Committee, Banking Committee and Risk Management Committee are focused on financial reporting audit and internal controls, investors grievances and related issues, appointment and remuneration of Directors and senior management employees, implementation and monitoring of CSR activities, bank related transactions including availment of loans/working capital limits/renewals of credit facilities and related bank transactions of the Company and the risk management framework.
- 3) **Executive Management:** The entire business including the support services are managed with clearly demarcated responsibilities and authorities of different levels.

C. BOARD OF DIRECTORS:

1) Pecuniary Relationship:

Non-Executive Directors do not have any pecuniary relationship with the Company except as stated in Clause "F" of the Report.

2) Composition of the Board:

The present strength of the Board of Directors is eight (8).

The Company has a balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders interest.

The Board consists of eminent persons with considerable professional expertise and experience in setting up and operating agrochemical manufacturing plants and pesticide formulations, and in other fields such as Finance, Accounts, Legal and Taxation.

The Company has not entered into any materially significant transactions with its Promoters, Directors, Management or Relatives etc., which could have a potential conflict of interest with the Company. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement. The Details of the composition of the existing Board of Directors are given below:

- a) Composition of Board: The Company's Board of Directors presently comprises eight (8) Directors, of which one Director is a Executive Director (Managing Director) and balance seven are Non-Executive Directors of whom four are Independent Directors.
- b) Number of Board Meetings held during the year and the dates of the Board Meetings. During the year 2014-15, the Board met six (6) times on 25th April, 2014; 30th May, 2014; 09th August, 2014; 22nd October, 2014; 13th November, 2014; 05th February, 2015.
- c) The maximum time gap between any two of the Board Meetings was not more than 4 months.
- d) Attendance of each Director at Board Meetings and the last Annual General Meeting:

Sl. No.	Name of the Director	Position of Director	Category of Directorship	Number of Board Meeting held during his Directorship	Number of Board meetings attended	Attendance at the last AGM held on 09 th August, 2014.
1	Mr. K. S. Raju	Chairman	Non-Executive	6	5	Yes
2	Mr. D. Ranga Raju	Director	Independent & Non-Executive	6	3	Yes
3	Mrs. K. Lakshmi Raju	Director	Non-Executive	6	1	No
4	Mr. Sudhakar Kudva	Director	Non-Executive	6	6	Yes
5	Mr. N. Vijayaraghavan	Director	Independent & Non-Executive	6	5	Yes
6	Mr. K. Raghuraman	Director	Independent & Non-Executive	6	4	No
7	Mr. V. Vijay Shankar	Managing Director	Executive Director	6	6	Yes
8	Mr. Raghavender Mateti	Director	Independent & Non-Executive	6	4	No

As at the end of corporate financial year 2015, the total Board strength comprises of the following:

Category of Directorship	No. of Directors
Non-Independent Directors – Non-Executive (including Chairman)	3
Independent Directors	4
Executive Director – Managing Director	1
Total Strength	8

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the retirement policy laid down by the Board from time to time. All the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

None of the Directors on the Board is member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he / she is a Director as specified in Clause 49 of the Listing Agreement. The necessary disclosures regarding Committee positions in other public Companies have been made by all the Directors. None of the Directors holds office in more than 20 Companies and in more than 10 public Companies.

Number of other Board / Committees where each Director (being a Director of the Company as at the end of the financial year) is a Director/Chairman:

Sl. No.	Name of the Director	Number of Directorships in other Public Companies.		Number of Committee* memberships held in other Public Companies	
		Chairman	Director	Chairman	Member
1	Mr.K.S.Raju	2	3	4	4
2	Mr. D. Ranga Raju	1	2	-	3
3	Mrs. K. Lakshmi Raju	-	-	-	-
4	Mr. Sudhakar Kudva	-	2	1	2
5	Mr.N.Vijayaraghavan	-	-	-	-
6	Mr. K. Raghuraman	-	7	3	3
7	Mr. V. Vijay Shankar	-	-	-	-
8	Mr. Raghavender Mateti	-	-	-	-

* Board Committees include only Audit Committee and Stakeholders Relationship Committee.

D. INFORMATION TO THE BOARD:

During the year, the Board of Directors of the Company had been furnished the following information (including, but not limited to the following) to enable the Directors to contribute in the decision making process:

- Quarterly Results of the Company.
- Annual operating plans, budgets, capital budgets, updates and all variances.
- Contracts in which Directors are deemed to be interested.
- Compliance of any regulatory or statutory nature or any listing requirements.
- Minutes of the Meetings of the Board of Directors and Committees of the Board of Directors.

E. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board of Directors has constituted the following Committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

The Committees constituted by the Board as on date are:

1) Stakeholders Relationship Committee (Shareholders and Investors' Grievance Committee):

Mr. K. S. Raju chairs the Stakeholder Relationship Committee meetings. The other members of the Committee are Mr. D. Ranga Raju and Mr. Sudhakar Kudva. The quorum of the Committee is 2 members.

The terms of reference of Stakeholders Relationship Committee are as follows:

The Stakeholders Relationship Committee approves and monitors transfers, transmission, dematerialization / re-materialization of shares, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of Annual Report, Dividend etc.,

The Committee met sixteen (16) times during the year. The power to process dematerialization requests has also been delegated to the executives of the Share Transfer Agents of the Company to avoid delays. All the share transfer applications received up to 31st March, 2015 have been processed. The details of share transfers are reported to the Board of Directors.

Further, no penalties or strictures were imposed on the Company by any of the Stock Exchanges, SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years. There are 238 requests for transfer of 153972 shares, received during the year. The Company during the period year from 01st April, 2014 to 31st March, 2015 received 21 complaints from the investors and the same were resolved and there were no balance investor's complaints pending / unresolved as on 31st March, 2015. The details of attendance of members of the Committee Meetings are as follows:

Name of the Member	Status	No. of meetings attended (Total held-16)
Mr.K.S.Raju	Chairman	16
Mr. D.Ranga Raju	Member	3
Mr. Sudhakar Kudva	Member	16

2) Audit Committee:

Mr. D. Ranga Raju Chairs the Audit Committee Meetings. The other members of the Committee are Mr. K. Raghuraman, Mr. Sudhakar Kudva and Mr. Raghavender Mateti. The quorum of the Committee is 2 members.

The terms of reference of the Audit Committee are in accordance with paragraph C & D of Clause 49(III) of the Listing Agreement entered into with the Stock Exchange and inter-alia includes the following:

- a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- c) Approval of payment to Statutory Auditors for any other services rendered by them.
- d) Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to :

- i) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of related party transactions.
 - vii) Qualifications in the draft audit report.
 - viii) Review regarding the going concern assumption and compliance with accounting standards.
- e) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
 - f) Reviewing with the Management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
 - g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - h) Discussion with Internal Auditors any significant findings and follow up thereon.
 - i) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
 - j) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - l) To review the functioning of the Whistle Blower mechanism.
 - m) Carrying out any other function as is mentioned in the 'Terms of Reference' of the Audit Committee.
 - n) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, if any and making appropriate recommendations to the Board to take up steps in this matter.
 - o) To review the Company's financial and risk management policies.
 - p) Review of information by Audit Committee and monitor the auditor's independence and performance, and effectiveness of audit process.
 - q) Approval or any subsequent modification of transactions of the Company with related parties;
Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.
 - r) Scrutiny of inter-corporate loans and investments;
 - s) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - t) Evaluation of internal financial controls and risk management systems;
 - u) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - v) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - w) Discussion with internal auditors of any significant findings and follow up there on;
 - x) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

The Statutory Auditors, the Internal Auditors and Cost Auditors were present as invitees for the Meetings of the Audit Committee.

The Audit Committee mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Internal Auditor.

The Audit Committee has met four (4) times during the period under review and the Meetings were held on 30th May, 2014, 09th August, 2014, 13th November, 2014 and 05th February, 2015.

The details of attendance of members of the Audit Committee are as follows:

Name of the Member	Status	No. of meetings attended (Total held 4)
Mr. D. Ranga Raju	Chairman	3
Mr. K. Raghuraman	Member	3
Mr. Sudhakar Kudva	Member	4
Mr. Raghavender Mateti	Member	3

3) Banking Committee:

The Banking Committee constituted by the Board comprises of Mr.K.S.Raju, Chairman, and Mr. D.Ranga Raju, Mr.N.Vijayaraghavan and Mr. V. Vijay Shankar, Directors are the members of the Committee. The quorum of the Committee is 2 members.

The terms of reference of the Banking Committee inter-alia includes the following:

- To open new Accounts with any Bank and approve the list of persons authorised to operate such accounts and to make such changes as may be necessary from time to time.
- To approve availment of working capital facilities/credit facilities by the Company and creation of the charge on the assets of the Company thereto, subject that such credit facilities so availed along with the existing credit facilities shall not exceed the limits as approved by the Board from time to time.
- To approve the creation of charge/ mortgage by deposit of title deeds or otherwise on the assets of the Company for availing the aforesaid credit facilities from time to time.
- To sub-delegate to Managing Director or any other Director / Executives of the Company to execute various documents including but not limited to loan documents, charge documents etc. and to exercise any of the powers delegated by Board to this Committee and to do all such acts, deeds and things as may be necessary.
- To authorize to deal/open/operate/closures of various bank accounts of the Company /banking transactions and related matters.
- To authorise persons to sign necessary documents and for affixation of Common Seal and matters incidental thereto, for availing of such credit facilities.

During the year the Committee met twelve (12) times. The details of attendance of members of the Banking Committee are as follows:

Name of the Member	Status	No. of meetings attended (Total held 12)
Mr. K.S. Raju	Chairman	11
Mr. D.Ranga Raju	Member	-
Mr. N. Vijayaraghavan	Member	8
Mr. V. Vijay Shankar	Member	12

4) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee re-constituted by the Board on 26th February, 2014 comprises of Mr. D. Ranga Raju, Chairman, Mr. K. Raghuraman and Mr. Raghavender Mateti are the members. The quorum of the Committee is 2 members.

The functioning and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 and other applicable provisions of Companies Act, 2013, rules made thereunder and read with provisions of the Listing Agreement with the Stock Exchanges. It determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors.

The Company has adopted a remuneration policy, which is available on the Company's website. The remuneration of the Directors is approved by the Nomination and Remuneration Committee and the Board of Directors as per the Nomination and Remuneration Policy of the Company.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carryout evaluation of every Director's performance.
- b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- e) Evaluate and approve the appointment and remuneration of senior executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- f) Review and recommend to the Board the remuneration and commission to the managing and executive Directors and define the principles, guidelines and process for determining the payment of commission to non-executive Directors and Independent Directors of the Company.

The Nomination and Remuneration Committee had met three (3) time during the period under review and the meeting was held on 25th April, 2014; 9th August, 2014 and 05th February, 2015. The details of attendance of members of the Remuneration Committee are as follows:

Name of the Member	Status	No. of meetings attended (Total held 3)
Mr. D. Ranga Raju	Chairman	2
Mr. K.S.Raju *	Member	1
Mr. K. Raghuraman	Member	2
Mr. Raghavender Mateti	Member	2

* Appointed with effect from 25th April, 2014

Nomination and Remuneration Policy:

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

5) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee constituted by the Board on 30th May, 2014 comprises of Mr. D. Ranga Raju, Chairman, Mr. Sudhakar Kudva; Mr. V. Vijay Shankar and Mr.N.Vijayaraghavan are the members. The quorum of the CSR Committee is 2 members.

The CSR Committee had met one (1) time during the period under review and the meeting was held on 13th November, 2014.

The details of attendance of members of the CSR Committee are as follows:

Name of the Member	Status	No. of meetings attended (Total held 1)
Mr. D. Ranga Raju	Chairman	1
Mr. Sudhakar Kudva	Member	1
Mr. V. Vijay Shankar	Member	1
Mr. N. Vijayaraghavan	Member	1

Brief details about CSR provisions as per the Companies Act, 2013:

The CSR provisions are applicable to all the Companies whose Net Worth is ₹ 500 crores or Turn Over is ₹ 1,000 crores or Net Profit is ₹ 5 crores or more during any financial year. Accordingly, the Company has already constituted CSR Committee and also formulated the policy. The Company meeting the aforesaid criteria of Net Worth / Turn Over / Net Profit shall contribute at least 2% of their average net profits made during the immediately three preceding financial years towards the CSR activities.

The terms of reference of the CSR Committee are as follows:

- To formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013;
- To oversee the implementation of those activities, monitor the implementation of the framework of the CSR Policy and also report to the Board from time to time. It shall be ensured that the Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy;
- The Committee shall monitor the implementation report from the Organizations receiving funds. In this regard, the Committee may delegate designated Company official(s) to co-ordinate with the Organization receiving funds to inspect the activities undertaking and ensure information in a timely manner;
- To sub-delegate/empower the Managing Director or any of the Executives of the Company authorized by him to spend such amounts as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount so spent shall be put for ratification of the Committee at its next meeting and shall be reported to the Board accordingly.
- To recommend the amount to be spent on the CSR activities.
- To attend to such other matters and functions as may be prescribed from time to time.

6) Risk Management Committee:

The Risk Management Committee constituted by the Board on 22nd October, 2014 comprises of Mr. Sudhakar Kudva, Chairman, Mr. V. Vijay Shankar; Mr.N.Vijayaraghavan; Mr. R.K.S.Prasad and Mr. Harish Chandra Bijlwan are the members. The quorum of the Risk Management Committee is 2 members.

The Risk Management Committee had met one (1) time during the period under review and the meeting was held on 13th November, 2014. The details of attendance of members of the Risk Management Committee are as follows:

Name of the Member	Status	No. of meetings attended (Total held 1)
Mr. Sudhakar Kudva	Chairman	1
Mr. V. Vijay Shankar	Member	1
Mr. N. Vijayaraghavan	Member	1
Mr. R.K.S.Prasad	Member	1
Mr. Harish Chandra Bijlwan	Member	1

Brief details of the Risk Management Policy is mentioned in the Board's Report.

The functioning and terms of reference of the Risk Management Committee are in accordance with the provisions of Section 134(3)(n) and 177(4)(vii) and other applicable provisions of Companies Act, 2013, rules made thereunder, the Listing Agreement entered with the Stock Exchange, SEBI circular dated 17th April, 2014 and 15th September, 2014 insist the need to constitute the Risk Management Committee. In this regard, the Company laid down procedures to inform the Board members about the risk assessment and minimization procedures and accordingly the Board is responsible for framing, implementing and monitoring the risk management plan for the Company. The salient feature of the Risk Management policy framed by the Company are given hereunder;

- The roles and responsibilities of the Risk Management Committee shall be as per the Clause 49 of the Listing Agreement, and as amended from time to time.
- Risk Management Committee (RMC) and Audit Committee (AC) to review the policy and recommend to the Board for its approval.
- Objectives are to establish, implement, review and manage the Company's risk management systems. It assists the Board in the execution of its responsibility for the governance of risks.
- The Company adopts, committed to continue adopting and developing the systematic approach to mitigate risks associated with accomplishment of objectives. It believes that this would ensure mitigating steps proactively and help achieve stated objectives.
- Stated objectives are defined under the categories of (i) Strategic, (ii) Operations, (iii) Reporting, (iv) Compliance.
- Various internal and external risk factors are assessed and identified;
- The policy describes the Risks specific to the Company and the mitigation measures adopted, under the following categories: Business Operations Risk; Liquidity risks; Credit Risks; Logistic Risks; Market Risks; Industry Risks; Human Resources Risks; Production Risks; Disaster Risks; System Risks; Legal Risks; etc.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk and a comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained.

7) **Separate meeting of Independent Directors:**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 13th November, 2014, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement.

Mr. D. Ranga Raju, Mr. N. Vijayaraghavan, Mr. K. Raghuraman and Mr. Raghavender Mateti attended the Meeting of Independent Directors.

The Meeting is empowered inter-alia to :

- 1) review the performance of Non-Independent Directors and the Board as a whole;
- 2) review the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- 3) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. REMUNERATION TO DIRECTORS:

The Non-executive Directors of the Company are paid sitting fees for attending the Meetings of the Board of Directors / Committees of Board of Directors. The details of sitting fees paid to the Non-executive Directors of the Company during the year from 1st April, 2014 to 31st March, 2015 are given below:

(₹ in lakhs)

Name of the Director	Sitting Fees paid for attending meetings of the Board of Directors/Committees of Directors
Mr.K.S.Raju	0.70
Mr.D.Ranga Raju	0.80
Mrs.K.Lakshmi Raju	0.10
Mr.Sudhakar Kudva	1.00
Mr. K.Raghuraman	0.90
Mr.N.Vijayaraghavan	0.50
Mr.Raghavender Mateti	0.90
Total (₹)	4.90

The details of remuneration paid for the financial year ended 31st March, 2015 to Mr. V. Vijay Shankar, Managing Director are as under:

Component	(₹ in lakhs)
Salary	67.54
Perquisites and Other Benefits	2.56
Contribution to Provident Fund	3.98
Total * (₹)	74.08
*Excluding the Performance pay, payable during current financial year 2014-15	

G. EVALUATION OF BOARD EFFECTIVENESS:

In terms of provisions of the Companies Act, 2013 read with rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2015. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the effectiveness of their contribution.

H. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Board of Directors has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is uploaded on the website of the Company. All the Board members and Senior Management Personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of this Annual Report of the Company.

I. CODE OF CONDUCT OF INDEPENDENT DIRECTORS:

As per the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 the Company has laid down the "Code of Conduct for Independent Directors" in accordance with Schedule IV of the Companies Act, 2013. The said Code of Conduct is duly approved and adopted by the Board and the same has been uploaded on the website of the Company.

J. GENERAL BODY MEETINGS:**a) The last three Annual General Meetings were held as under:**

Financial Year	Date	Time	Place
2011-12	26-09-2012	10.00 A.M	KLN Prasad Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad – 500004.
2012-13	07-08-2013	10.00 A.M	KLN Prasad Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.
2013-14	09-08-2014	10.00 A.M	Surana Udyog Auditorium of Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad-500004.

- b) During the year ended 31st March, 2015, there are NO Extra-ordinary General Meeting(s) were held and NO Postal Ballot Notices are issued to the Public.
- c) All the Special Resolutions were passed only on show of hands at the Annual General Meeting held 12th August, 2011, 26th September, 2012 and 07th August, 2013, and at the Annual General Meeting held on 09th August, 2014, all the Special Resolutions were passed through voting through three modes [e-voting, physical ballot (by post) and polling process conducted at Annual General Meeting] of voting process by the Company in compliance with the provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.

K. DISCLOSURES:

- a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with the Promoters, Directors, Key Managerial Personnel or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- b) Details of related party transactions have been disclosed under the concerned note of Schedule in the financial statements. There are no transactions which may have potential conflict with the interests of the Company at large.
- c) There has been no instance of non-compliance penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities, on any matter related to capital markets during the last three years.
- d) Shareholding of Non-Executive Directors in the Company: 3018360 shares.
- e) Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement the mandatory disclosure of relevant policies i.e., CSR Policy, Nomination and Remuneration Policy, Related Party Transactions Policy, Risk Management Policy, Whistle Blower Policy and Policy on Evaluation of Boards' Performance are mentioned briefly in the Board's Report, in this Report and also posted on Company's website.
- f) A statement of compliance with all laws and regulations as certified by the Managing Director is placed at periodic intervals for review by the Board.

g) **Subsidiary Companies:**

The Company has two unlisted (Indian and Overseas) subsidiaries. An Executive Director and an Independent Director of the Company are the Directors of Indian subsidiary. Two Executives (SMPs) of the Company are on the Board of overseas subsidiary. The Audit Committee of the Company reviews the financial statements of the subsidiaries, and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meetings of the Company.

h) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.

i) **Details about familiarization programme:**

Senior management personnel of the Company make presentations to the Board members on a periodical basis, briefing the Board / Committee on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations, its subsidiaries, occurrence of any material events in the Company, as per Clause 36 of Listing Agreement and is also informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Whistle blower policy, Risk Management Policy and Corporate Social Responsibility.

Necessary presentation are made to the Board of Directors and Audit Committee with regard to provisions of Companies Act, 2013 and amended Clause 49 of the Listing Agreement and its impact on the Company. Further Statutory Auditors and Senior Management make presentation to the Board of Directors on regulatory changes while approving the quarterly financial results. The approved quarterly financial results are posted on Company's website. Web link: www.nagarjunaagrchem.com/investor_relations.

L. **FIXED DEPOSITS:**

During the period under review, the Company has not accepted any fixed deposits in terms of Section 73 of the Companies Act, 2013.

M. UNCLAIMED DIVIDEND:

In accordance with the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid / un-claimed for a period of seven years are required to be transferred by the Company to Investors Education and Protection Fund established by the Central Government. Members are requested to correspond with the Registrar and Share Transfer Agent M/s. XL Softech Systems Limited, Hyderabad for encashing the unclaimed dividend if any, standing to their credit. **No claim shall be made against the said fund or against the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims after the period of said seven years.**

Details of unclaimed dividend amount credited to the IEPF during the year 2014-15 is as follows:

Sl. No.	Financial Year(s) to which the unclaimed dividend amount relates	Amount (₹)	Date by which amount credited to the IEPF
01.	2006-07 (final)	7,50,420	13/09/2014
02.	2007-08 (interim)	3,46,536	18/10/2014
03.	2007-08 (interim)	3,83,460	11/12/2014
04.	2007-08 (interim)	4,55,774	12/03/2015

N. PARTICULARS OF INFORMATION REGARDING NAGARJUNA AGRICHEM LIMITED-UNCLAIMED EQUITY SHARES SUSPENSE ACCOUNT POSITION:

As per the amendment to Clause 5A of the Listing Agreement, all physical shares remaining unclaimed by the shareholders, were required to be dematerialized by the Company and kept in the "Unclaimed Suspense Account" to be opened and operated by the Company/ Committee for this purpose. As per the requirements of the amended clause, the Company had sent three reminders to the respective shareholders. The shares in respect of which no valid response has been received, the Company opened a separate demat account with Stock Holding Corporation (India) Ltd, Hyderabad in the name and style of "Nagarjuna Agrichem Limited Unclaimed Suspense Account" in the month of July, 2013.

The Board has delegated the power to Mr. V. Vijay Shankar, Managing Director and Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal of the Company to approve such share transfers of the equity shares of the investors from the Unclaimed Suspense Account to the members demat account upon necessary requests from the original investor(s) and after duly confirmed by the RTA of the Company.

A statement of the shares remaining outstanding in the Unclaimed Suspense Account as on 31st March, 2015 is given below:

Sl. No.	Particulars	No. of Shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1094	17,05,372
(ii)	No. of Shareholders who approached for transfer of shares from the Unclaimed Suspense Account during the year.	8	10,319
(iii)	No. of shareholders /Folios holding shares were treated as unclaimed (in spite of several reminders mailed to them) transferred to Unclaimed suspense account during the period.	171	47,625
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1257	17,42,678

The Shareholders are entitled to claim these shares after complying with laid down procedures. As and when the shareholder approaches the Company, after proper verification, the Company shall either credit the shares to the Shareholder's Demat account or deliver the physical certificates after re-materializing the same, depending on the option of the shareholder. All the corporate benefits in terms of securities accruing on these shares like bonus shares, subdivision etc. will also be credited to the Unclaimed Suspense Account and the voting rights on these shares shall remain frozen until the claim is made by the rightful owner.

O. MEANS OF COMMUNICATION:

The quarterly / half yearly un-audited and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board of Directors. The results were published in Business

Standard, Financial Express in English and Andhra Prabha in Telugu (regional language). The results are posted on the Company's website and are sent to the Bombay Stock Exchange wherein the same is posted on their website www.bseindia.com.

P. COMPLIANCE OF INSIDER TRADING NORMS:

The Company, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 has formulated a well defined Insider Trading Policy which prohibits its Management, Employees and other Associates to deal in the securities of the Company based on any unpublished price sensitive information. The Policy lays down the guidelines which advise all the persons considered as Insiders on the procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violation.

Q. INFORMATION REQUIRED UNDER CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT WITH RESPECT TO THE RE-APPOINTMENT / DIRECTORS SOUGHT TO BE APPOINTED IS AS UNDER:

At the ensuing Annual General Meeting, Mrs. K. Lakshmi Raju, Director of the Company, retires by rotation and being eligible, seek re-appointment. Brief profile of Mrs. K. Lakshmi Raju, Director of the Company, along with particulars of their Directorships and in other Companies are as under:

Name of Director	Mrs. K. Lakshmi Raju
Date of Birth	06 th November, 1974
Date of Appointment / Re-Appointment	24 th June, 2004
Expertise in Specific Functional are	Having more than ten years experience in the Corporate Business field
Qualification	Commerce Graduate and also has a Degree in Business Administration
Board membership of other Public Limited Companies as on 31 st March, 2015	Nil
Chairman/Member of the Committee of the Board of Directors of the Company as on 31 st March, 2015	Nil
Chairman/Member of Committee of Directors of the other Companies in which he/she is a Director as on 31 st March, 2015	Nil
Number shares held in the Company as state in Clause 49(IV) (E)(v) of the Listing Agreement as on 31 st March, 2015	30,18,360
Relationship with Board of Directors	Daughter of Mr. K.S. Raju, Chairman of the Board

R. NAME AND DESIGNATION OF THE CHIEF COMPLIANCE OFFICER:

Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal and Compliance Officer of the Company.

S. GENERAL INFORMATION:

1)	Date, Time and Venue of Annual General Meeting	:	28 th day of September, 2015 at 10.00 a.m. Surana Udyog Auditorium, M/s. Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, P.B. No.14, Red Hills, Hyderabad – 500004, Telangana State
2)	Financial Calendar (Tentative) (subject to change)	:	(a) Annual General Meeting 2015: 28 th day of September, 2015. (b) Results for the quarter ending June, 2015: 07 th August 2015. (c) Results for the quarter ending September, 2015: 1 st week of Nov' 2015. (d) Results for the quarter ending December, 2015: 1 st week of February, 2016. (e) Results for the quarter ending March, 2016: 1 st week of May, 2016.
3)	Date of Book closure (both days inclusive)	:	21 st September, 2015 to 28 th September, 2015
4)	Cut-off Date	:	19 th September, 2015

5)	Dividend	: The dividend if sanctioned at the meeting will be paid to those members, whose names appear in the Register of Members on 19 th September, 2015 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on 19 th September, 2015.
6)	Listing on Stock Exchange	: The Bombay Stock Exchange, P. J. Towers, Dalal Street, Mumbai-400001.
7)	Stock Code	: BSE: Equity - 524709
8)	Registered Office	: The Registered Office of the Company is located at: Plot No. 12-A, "C"-Block, Lakshmi Towers, No. 8-2-248/1/7/78, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082. Telangana State, INDIA. Telephone No.: 33605123/24/25/26/27, Fax No: 040-23350234 Email id: investors@nagarjunaagrchem.com
9)	CIN of the Company	: L24219TG1986PLC016607
10)	Website	: www.nagarjunaagrchem.com
11)	Communication regarding registration of share transfers and other related correspondence	: XL Softech Systems Ltd., Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500034. India. Tel. (040) 23545913/14/15, Fax (040) 23553214 Email: xlfiled@gmail.com Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.
12)	Share transfer system	: Shares lodged for physical transfer at the Registrar's address are normally processed within a period of fifteen days from the date of lodging, if the documents are clear in all respects. The shares duly transferred would be dispatched to the concerned share holders within a week from the date of approval of transfers by the Stakeholders Relationship Committee.
13)	Redressal of Grievances	: There are no investor's complaints pending unresolved as on 31 st March, 2015. Complaints regarding transfer of shares, dematerialisation / rematerialisation of shares, non-receipt of Annual Reports/Dividend Warrants etc., are being acted upon by the Company immediately on receipt. Shareholders having grievances are requested to write to the Company / RTA.
14)	Note to Corporate Members	: Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

15) Secretarial Audit:

- (a) Mr. K. V. Chalama Reddy, Practicing Company Secretary has conducted a secretarial audit of the Company for the year 2014-15. The audit report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made thereunder, Listing Agreement entered with the Stock Exchange, as applicable, SEBI Regulations and other laws applicable to the Company. The secretarial audit report forms part of the Directors' Report.
- (b) Pursuant to Clause 47(c) of the Listing Agreement entered with the Stock Exchange, certificates have been issued on a half-yearly basis, by a Company Secretary in Whole-time practice, certifying due compliance of share transfer formalities by the Company.
- (c) A Company Secretary in practice carries out a quarterly Reconciliation of share capital audit, to reconcile the total capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

16) Nomination facility for shareholding:

As per the Section 72 of the Companies Act, 2013, facility for making nomination is available for the members in respect of the shares held by them. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Further, a member who desires to cancel the earlier nomination and record fresh nomination, may submit the same in Form No. SH-14. Both the forms for “Nominations” and “Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company’s website. Members holding shares in physical form are requested to submit the forms to the Company’s Share Registrars and Transfer Agents(RTA). The members holding shares dematerialised form are requested to file the Nomination / Cancellation or Variation in Nomination forms with their respective Depository in prescribed form.

17) Dividend Patterns:

The dividend pattern of the Company is as under:

Year				Dividend (%)
2001	-	2002		8
2002	-	2003		10
2003	-	2004		12
2004	-	2005	- Interim	15
2004	-	2005	- Final	7
2005	-	2006		20
2006	-	2007	- Interim	20
2006	-	2007	- Final	20
2007	-	2008	- Interim -1	10
2007	-	2008	- Interim -2	10
2007	-	2008	- Interim -3	10
2007	-	2008	- Final	15
2008	-	2009	- Interim -1	10
2008	-	2009	- Interim -2	10
2008	-	2009	- Final	30
2009	-	2010	- Interim -1	20
2009	-	2010	- Final	30
2010	-	2011	- Interim	15
2011	-	2012	- Final	15
2012	-	2013		Nil
2013	-	2014		Nil

18) Permanent Account Number (PAN):

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form should submit their PAN details to the Company or Registrar and Transfer Agent i.e. XL Softech Systems Limited.

19) Managing Director and Chief Financial Officer (CFO) Certification:

The Managing Director and the Chief Financial Officer of the Company have certified to the Board, in the manner required under the Corporate Governance Code concerning the Annual Financial Statement.

20) The Company has not issued any GDRS/ADRS and there are no warrants or any convertible instruments.**21) Location of Plants:**

- Plot No. 177, Arinama Akkivalasa, Etcherla Mandal, Srikakulam District – 532403, Andhra Pradesh.
- Nandigaon Village, Kothur Mandal, Mahaboobnagar District, Telangana State.
- Ravulapalem P.O, Ethakota, East Godavari District – 533238, Andhra Pradesh.

- 22) Market Price Data: High-Low quotations on The Stock Exchange, Mumbai during the year 01st April, 2014 to 31st March, 2015 is as follows:

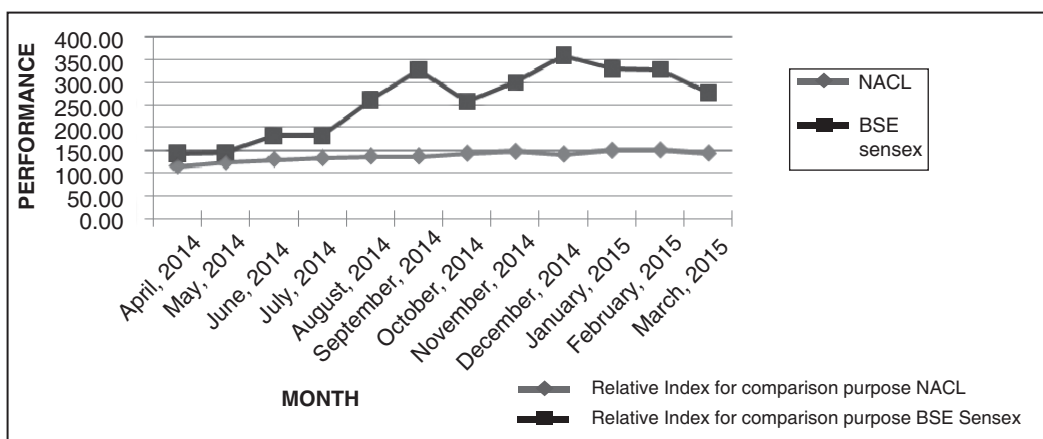
Month	Bombay Stock Exchange	
	High Price (₹)	Low Price (₹)
April, 2014	7.82	5.00
May, 2014	7.81	5.78
June, 2014	9.90	7.05
July, 2014	9.50	7.07
August, 2014	13.07	8.50
September, 2014	16.39	11.35
October, 2014	16.90	11.30
November, 2014	16.25	11.85
December, 2014	18.80	11.15
January, 2015	18.50	15.45
February, 2015	18.45	14.40
March, 2015	16.50	12.50

- 23) Performance in comparison to BSE Sensex.

Share Price movement for the period April, 2014 to March, 2015 of the Company and BSE Sensex is given below:

(in ₹)

Month	NACL Close Price on BSE	Close Price BSE Sensex	Relative Index for Comparison Purpose	
			NACL	BSE Sensex
April, 2014	7.10	22,417.80	143.72	114.94
May, 2014	7.20	24,217.34	145.74	124.17
June, 2014	9.00	25,413.78	182.18	130.30
July, 2014	9.02	25,894.97	182.58	132.77
August, 2014	12.91	26,638.11	261.32	136.58
September, 2014	16.19	26,630.51	327.72	136.54
October, 2014	12.75	27,865.83	258.09	142.88
November, 2014	14.83	28,693.99	300.19	147.12
December, 2014	17.80	27,499.42	360.31	141.00
January, 2015	16.35	29,182.95	330.96	149.63
February, 2015	16.25	29,361.50	328.93	150.54
March, 2015	13.65	27,957.49	276.30	143.35



24) Share Transfer Agent:

The Company's Registrar and Share Transfer Agent (RTA) is M/s XL Softech Systems Limited, which is registered with SEBI and is located at Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034, Telangana State.

25) Distribution of Shareholding :

The distribution of shareholding as on 31st March, 2015 was as follows:

Shareholding range	Shareholders		Share Amount	
	Number	Percentage	In ₹	Percentage
001 - 5000	2065	21.73	364500	00.23
5001 - 10000	1080	11.36	861425	00.55
10001 - 20000	4308	45.33	5402679	03.47
20001 - 30000	536	05.64	1331830	00.85
30001 - 40000	287	03.02	1008731	00.65
40001 - 50000	215	02.26	1030835	00.66
50001 - 100000	497	05.23	3459350	02.22
100001 & above	516	05.43	142452158	91.37
Total	9504	100.00	155911508	100.00

Category		No. of shares held	Percentage of Shareholding
A	Promoter's holding	116641860	74.81
B	Non-Promoters Holding		
	I Institutional Investors		
	a. Mutual Funds and UTI	-	-
	b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions Non-Govt. Institutions)-	-	-
	II Others (Foreign Institutional Investors)		
	a. Private Corporate Bodies	6823095	04.38
	b. Indian Public	31905965	20.48
	c. Directors / Relatives	21996	0.014
	d. NRIs/OCBs	447502	00.29
	e. Others (clearing members)	71090	00.04
	GRAND TOTAL	155911508	100.00

26) Shares held by Promoters / Non-Executive Directors:

The shares held by Non Executive Directors in the Company are

S. No	Name of the Director	No. of Shares
1.	Mr. K.L.R. Products Ltd.	113623500
2.	Mrs. K. Lakshmi Raju	3018360

27) Dematerialization of Shares and Liquidity:

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares is done through M/s. XL Softech Systems Limited, Hyderabad and on an average the dematerialization process is completed within a period of 21 days from receipt of a valid demat request along with all documents.

The break-up of physical and dematerialized shares as on 31st March, 2015:

Mode	No. of shares held	Shareholding %
Demat	150335539	96.42
Physical	5575969	03.58
Total	155911508	100.00

The shares of the Company are fully covered under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company's ISIN No. for dematerialization for both NSDL and CDSL is INE295D01020.

For and on behalf of the Board

Place : Hyderabad
Dated : 07th August, 2015

K.S. Raju
Chairman
(DIN:00008177)

V. Vijay Shankar
Managing Director
(DIN:00015366)

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

The Board of Directors of the Company approved the Code of Conduct for the Directors and the Senior Management Personnel. All the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2015.

Place : Hyderabad
Date : 07th August, 2015

V. Vijay Shankar
Managing Director
(DIN:00015366)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nagarjuna Agrichem Limited

We have examined the compliance of conditions of Corporate Governance by Nagarjuna Agrichem Limited for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanation given to us, and based on our reliance upon the representations made by the Directors and Management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the Company at large.

The Share Transfer Agent of the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated under serial No. E(i) of the Company's Report on Corporate Governance.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For M. Bhaskara Rao & Co;
Chartered Accountants
Firm Registration Number: 000459 S

Place : Hyderabad
Date : 07th August, 2015

(V. Raghunandan)
Partner
Membership No. 26255

INDEPENDENT AUDITORS' REPORT

To
The Members, Nagarjuna Agrichem Limited

Report on Financial Statements

We have audited the accompanying standalone financial statements of NAGARJUNA AGRICHEM LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters:

We draw attention to the following matters in the Notes to the financial statements:

Note No. 36 regarding claim lodged with the insurers based on the provisional assessment of loss made by the management of the fire accident in Block No.5 of the Srikakulam factory during the financial year 2012-13 in respect of totally/ partially damaged assets, inventory and other risks and treatment of the same as receivable pending final assessment and acceptance of the same by the insurers, on the date of the Balance Sheet dealt with by this report.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements:

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund, by the Company.
2. As required by the Companies (Auditor's report) Order 2015, issued by the Government of India in terms of Section 143(11) of the Act we annex hereto a Statement on the matters specified in paragraphs 3 and 4 of the said Order.

For **M.BHASKARA RAO & CO;**
Chartered Accountants
Firm Registration Number. 000459 S

Place : Hyderabad
Date : 30th May, 2015

(V.Raghuandan)
Partner
Membership No. 26255

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. According to the information and explanations furnished to us,
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The said Fixed assets have been physically verified by the management during the year based on a phased programme of verification over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed in respect of the fixed assets verified during the year and the records in respect thereof.
2. According to the information and explanations furnished to us,
 - a) Physical verification of its inventories has been conducted during the year by the management. In our opinion, the frequency of the verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of the inventories were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. According to the information and explanations furnished to us, the company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act 2013, in respect of which,
 - a) The receipt of the principle amounts and interest are not regular and
 - b) The Principle amount is due to an extent of ₹ 167lakhs out of which ₹ 83 Lakhs is overdue as at the date of Balance Sheet.
 - c) The interest amount is due to the extent of ₹ 57.99Lakhs which includes overdue amount of ₹ 55.53 Lakhs as at the date of Balance Sheet.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and

fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, we have not come across any major weaknesses in the internal control system that continues to remain uncorrected.

5. According to the information and explanations furnished to us, the Company has not accepted deposits covered by sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations furnished to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities; there are no arrears of such statutory dues as at 31st March, 2015 which are outstanding for a period of more than six months from the date they became payable.
- b) According to the information and explanations furnished to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, or Cess which have not been deposited on account of any dispute pending except the following:

Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Dues-Net of amount paid under protest (Rs. In Lakhs)
Finance Act, 1994	Service Tax (including interest & penalty)	Commissioner (Appeals), Visakhapatnam	2012-13, 2013-14	8.77
		CESTAT, Bangalore	2009-10	4.17
Central Excise Act, 1994	Excise duty (including interest & penalty)	CESTAT, Bangalore	2004-05, 2006-07, 2006-07, 2007-08	8.13
		Additional Commissioner (Appeals) Visakhapatnam	2006-07,	12.14
Sales Tax Laws / VAT Laws	Sales Tax / VAT	Commissioner (Appeals)	2009-10, 2010-11, 2011-12 & 2012-13	Nil
		Additional Commissioner (Appeals)	2012-13	Nil
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal, Hyderabad	2004-05, 2005-06, 2006-07, 2007-08	Nil
		DCIT	2009-10	Nil

- c) According to the information and explanations furnished to us, the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and the Rules made there under has been transferred to the said fund within time.
8. The Company has no accumulated losses as at 31st March, 2015. The Company has not incurred cash losses during the financial year under report but it did in the immediately preceding financial year
9. According to the information and explanations furnished to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
10. According to the information and explanations furnished to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations furnished to us, Term loans were applied for the purpose for which the loans were obtained.
12. In accordance with the information and explanations given to us and on our examination of the Company's books and records, no fraud on or by the Company has been noticed or reported during the year.

For **M.BHASKARA RAO & CO;**
Chartered Accountants
Firm Registration Number. 000459 S

Place : Hyderabad
Date : 30th May, 2015

(V.Ragunandan)
Partner
Membership No. 26255

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	1,559.12	1,559.12
Reserves and Surplus	4	16,065.85	15,789.36
		17,624.97	17,348.48
2 Non-Current Liabilities			
Long-Term Borrowings	5	1,410.41	3,822.43
Deferred Tax Liabilities (Net)	6	1,847.69	1,934.47
Other Long Term Liabilities	7	1,249.19	1,150.56
Long-Term Provisions	8	149.88	141.18
		4,657.17	7,048.64
3 Current Liabilities			
Short-Term Borrowings	9	18,326.46	15,569.07
Trade Payables	10	16,396.51	12,234.02
Other Current Liabilities	11	5,526.88	5,700.70
Short-Term Provisions	12	3,839.53	4,088.48
		44,089.38	37,592.27
TOTAL		66,371.52	61,989.39
II. ASSETS			
1. Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	13	17,353.83	18,018.86
(ii) Intangible Assets	14	215.77	217.37
(iii) Capital Work-in-Progress	15	625.77	1,643.59
(iv) Intangible Assets Under Development		561.19	154.53
Non-Current Investments	16	1,007.33	829.88
Long-Term Loans and Advances	17	1,202.67	1,230.82
		20,966.56	22,095.05
2 Current Assets			
Inventories	18	18,642.20	17,630.50
Trade Receivables	19	22,147.01	16,006.63
Cash and Cash Equivalents	20	1,248.53	1,694.64
Short-Term Loans and Advances	21	2,341.50	2,546.79
Other Current Assets	22	1,025.72	2,015.78
		45,404.96	39,894.34
TOTAL		66,371.52	61,989.39
Significant Accounting Policies and Notes on Financial Statements	1 to 46		

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I. Revenue from Operations			
Sales	23	85,963.18	74,060.52
Less: Excise Duty & VAT		11,411.72	10,476.15
		74,551.46	63,584.37
II. Other Income	24	2,595.84	1,933.50
III. Total Revenue (I + II)		77,147.30	65,517.87
IV. Expenses:			
Cost of Materials Consumed	25	47,405.22	38,778.49
Purchase of Stock in Trade		4,981.51	5,808.91
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(3,014.86)	1,417.82
Employee Benefits Expense	27	4,907.05	4,340.48
Finance Costs	28	3,491.69	2,799.69
Depreciation and Amortization Expenses	29	2,464.17	2,188.23
Other Expenses	30	15,862.62	12,192.10
Total Expenses		76,097.40	67,525.72
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		1,049.90	(2,007.85)
VI. Exceptional Items	40	-	330.56
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		1,049.90	(2,338.41)
VIII. Extraordinary Items		-	
IX. Profit/(Loss) Before Tax (VII- VIII)		1,049.90	(2,338.41)
X Tax Expense:			
(1) Current Tax		222.67	-
(2) Deferred Tax		59.18	(216.84)
(3) Prior Year's Tax		-	-
XI Profit/(Loss) for the Period (IX + X)		768.05	(2,121.57)
XII Earnings per Equity Share:			
(1) Basic		0.49	(1.36)
(2) Diluted		0.49	(1.36)
Significant Accounting Policies and Notes on Financial Statements	1 to 46		

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015		For the Year ended 31 st March 2014	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	1,049.90	1,049.90	(2,338.41)	(2,338.41)
Extraordinary Items	-	-	-	-
Adjustments for:				
Add:				
Depreciation & Amortisation Expenses	2,464.17		2,188.23	
Foreign Exchange Fluctuations-Unrealised Loss	209.16		233.90	
Loss on Sale/Discarded of Fixed Assets	18.34		348.34	
Interest	3,491.69		2,799.69	
Less:		6,183.36		5,570.16
Profit on Sale of Assets	3.74		0.66	
		3.74		0.66
Operating Profit Before Working Capital Changes		7,229.52		3,231.08
Adjustments for:				
Less:				
Increase in Trade Receivables	6,102.87		-	
Increase in Inventories	1,011.70		369.06	
Increase in Other Current Assets	-		58.91	
Increase in Short Term Loans & Advances			437.96	
Decrease in Trade Payable			547.89	
Decrease in Other Current Liabilities & Short Term Provisions	1,136.47		-	
		8,251.05		1,413.81
		(1,021.52)		1,817.27
Add:				
Increase in Other Current Liabilities & Short Term Provisions			635.38	
Decrease in Long Term Loans & Advances	28.15		125.53	
Decrease in Trade Receivables			382.29	
Increase in Long term Liabilities & Provisions	107.33		175.05	
Decrease in Short Term Loans & Advances	205.29			
Increase in Trade Payable	3,952.96		-	
Decrease in Other Current Assets	990.05			
Cash Generated from Operations		5,283.79		1,318.26
		4,262.27		3,135.53
Less:				
Taxes paid	222.67	222.67	-	-
Cash flow before extraordinary items		4,039.60		3,135.53
Prior year Taxes (Net)				-
NET CASH FROM OPERATING ACTIVITIES		4,039.60		3,135.53

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015		For the Year ended 31 st March 2014	
	Amount	Amount	Amount	Amount
CASH FLOWS FROM INVESTING ACTIVITIES				
B. Inflow:				
Sale/Retirement of Fixed Assets	124.63		2,707.15	
		124.63	-	2,707.15
Outflow:				
Investments	177.44		473.84	
Purchase of Fixed Assets	1,775.48		6,264.44	
Capital Work-in-Progress			706.26	
		1,952.93		7,444.54
NET CASH USED IN INVESTING ACTIVITIES		(1,828.30)		(4,737.39)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term / Short Term Borrowings:				
In flow:				
Long Term Borrowings	520.00		605.01	
Short Term Borrowings	2,720.26		3,291.57	
		3,240.26		3,896.58
Outflow:				
Long Term Borrowings	2,346.65		-	
Short Term Borrowings	-		-	
Working Capital Loans			-	
Interest Paid	3,482.55		2,760.72	
Deferred Payment Liabilities	68.46		80.57	
Corporate Dividend Tax	-		-	
Equity Dividend	-		-	
		5,897.66		2,841.29
NET CASH USED IN FINANCING ACTIVITIES		(2,657.40)		1,055.29
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(446.10)		(546.57)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,694.64		2,241.21
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,248.54		1,694.64

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

Notes forming part of the Financial Statements for the year ended 31st March, 2015

1. Corporate Information:

NAGARJUNA AGRICHEM LTD, is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of pesticides, insecticides, acaricides, herbicides, fungicides and other plant growth chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 11000 dealers, spread across India. The Company has an impressive range of branded formulations. It also exports Technicals and formulations and does Toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies:

A. Accounting Convention:

The financial statements are prepared on the basis of going concern, under the historical cost convention, in accordance with the generally accepted principles and provisions of the Companies Act, 2013, with revenues recognised and expenses accounted on accrual basis unless otherwise stated.

B. Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

C. Fixed Assets:

- a) Fixed assets are stated at historical cost (Net of Modvat / Cenvat Credit availed), less accumulated depreciation and impairment loss if any.
- b) Capital Work-in-Progress is stated at amount expended upto the date of the Balance Sheet.
- c) Expenditure during construction period other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.
- d) Expenditure incurred on Research & Development projects are considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

Depreciation is provided based on useful life of the fixed assets as specified in Schedule II of the Companies Act, 2013.

E. Intangibles:

- a) Goodwill is amortised over a period of Ten years.
- b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.
- c) Intangible assets on account of R&D Projects amortised over a period of 36 months.

F. Long Term Investments:

Investments are stated at cost less any diminution in their value, which is other than temporary.

G. Inventory:

Inventories are valued at lower of cost and net realizable value.

The method of valuation of various categories of Inventories is as follows:-

- a) Raw materials - at lower of cost and net realizable value.
- b) Work-in-Process - at cost.
- c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.
- d) Stores & Spares, Packing material - at lower of cost and net realizable value.
- e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at the year end foreign exchange rates. Resultant exchange differences arising

on payment or conversion of liabilities/ assets are recognized as income or expense in the year in which they arise.

I. Capital Subsidy:

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfillment of such conditions, the subsidy is transferred to Capital Reserve.

J. Revenue:

- a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.
- c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee benefits:

- a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.
- b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.
- c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

L. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. Interest on Bank Borrowings and other short term and long term borrowings is recognised as an expense in the year in which they are incurred.

M. Income Taxes :

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax reflects the effect in the current period of timing differences originating and reversing between taxable income and accounting income for the period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available, except that deferred tax assets in case of unabsorbed depreciation or losses, are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

O. Contingencies:

The Company recognizes provisions when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for Contingent Liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Earnings per Share:

Earnings per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Q. Segment Reporting:

Segments are identified in line with AS 17 "Segment Reporting" and segment information is disclosed if any required in accordance with the standard.

R. Research and Development:

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets.

Note No. 3: Share Capital**(₹ in Lakhs)**

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of Shares	Amount	Number of Shares	Amount
Authorised* 200,000,000 equity shares of ₹1/- each (Previous Year 200,000,000 equity shares of ₹1/- each)	200,000,000	2,000.00	200,000,000	2,000.00
Issued,Subscribed & Paid up* 155,911,508 equity shares of ₹1/- each (Previous Year 155,911,508 equity shares of ₹1/-each)	155,911,508	1,559.12	155,911,508	1,559.12
Total	155,911,508	1,559.12	155,911,508	1,559.12

a) Reconciliation of Share Capital

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Share capital at the beginning of the year (equity shares of ₹ 1/- each)	155,911,508	155,911,508	148,981,570	148,981,570
Add : Bonus Shares issued during the year (equity shares of ₹ 1/- each)	-	-	6,929,938	6,929,938
Share capital at the end of the year (equity shares of ₹ 1/- each)	155,911,508	155,911,508	155,911,508	155,911,508

b) Rights, Preferences and Restrictions attached to equity shares

“The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.”

c) Shares in the Company held by the Holding Company and Other Shareholders holding more than 5%**(₹ in Lakhs)**

Particulars	As at 31 st March 2015			As at 31 st March 2014		
	% of share holding	Number of Shares held	Amount	% of share holding	Number of Shares held	Amount
Share Capital						
KLR Products Limited Holding Company	72.88%	113,623,500	1,136.24	72.88%	113,623,500	1,136.24

*d) During the last financial year i.e. 2013-14 In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India's (SEBI) circulars with regard to Minimum Public Share holding in a listed entity, pursuant to the approval by the Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 equity shares of ₹ 1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

Note No. 4: Reserves & Surplus**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Capital Reserve		
Opening Balance	20.94	20.94
Transfer	0.00	0.00
Utilised	0.00	0.00
Closing Balance	Sub Total (a)	
	20.94	20.94

(₹ in Lakhs)

Particulars		As at 31 st March 2015	As at 31 st March 2014
b. Securities Premium Account			
Opening Balance		178.54	247.84
Add : Securities premium credited on Share issue		0.00	0.00
Less : Utilised for issue of Bonus Shares (Ref. Note 3(d))		0.00	69.30
Closing Balance	Sub Total (b)	178.54	178.54
c. General Reserve			
Opening Balance		4,175.00	4,175.00
Add: Transferred from surplus		0.00	0.00
Deductions during the year		0.00	0.00
Closing Balance	Sub Total (c)	4,175.00	4,175.00
d. Surplus			
Opening balance		11,414.88	13,536.44
Less: Depreciation on assets where useful life is completed as on 01 st April 2014 (Net of Reversal of Deferred Tax Liability of ₹ 1,45,95,933/-), pursuant to introduction of Schedule-II of Companies Act, 2013		303.91	
Add: Net Profit/(Net Loss) For the current year		768.05	(2,121.57)
Amount available for appropriations		0.00	0.00
Less: Interim Dividends		0.00	0.00
Less: Final Dividends		187.65	0.00
Transferred to General Reserve		0.00	0.00
Closing Balance	Sub Total (d)	11,691.37	11,414.88
Total (a to d)		16,065.85	15,789.36

Note No. 5: Long-Term Borrowings

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2015	As at 31 st March 2014
Long-Term Borrowings				
Secured:				
(a) Term loans from (Refer Note No.a to e)				
- Banks (Rupee Loans)	1,244.99	3,591.64	2,991.67	2,471.67
- Other parties.	-	-	-	-
Un Secured:				
(b) Deferred Payment Liabilities (Refer Note No. f (i)&(ii))	165.42	230.79	65.37	68.46
Total	1,410.41	3,822.43	3,057.04	2,540.13

Notes :

- The Term Loan availed from IDBI Bank Ltd is secured by way of equitable mortgage by deposit of title deeds of the Company's immovable properties both present and future and by way of first charge on all fixed assets of the Company as a primary security and hypothecation of movable properties of the Company ranking pari passu with other term loan lenders and are further secured by a second charge on the current assets of the Company consisting of stock in trade, book debts, stores and spares.
- Term Loan availed from State Bank of India are secured by way of first charge on fixed assets of the Company and First charge on entire current assets to be shared with other working capital lenders under Multiple Banking Arrangement and second charge on fixed assets of the Company along with other working capital lenders.
- Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the Company including Plant & Machinery and other movable assets on pari passu basis with other term loan lenders.
- Working capital loans (Corporate Loan) from State Bank of India outstanding at ₹ 1950 lakhs included in Term Loans from Banks above, are guaranteed by Sri K.S. Raju a Director of the Company.

e) Terms of repayments are given below:

(₹ in Lakhs)

Bank / Institution	Balance as on 31.03.2015	Number of Instalments	Frequency	Repayment Commencing from
IDBI Bank Ltd.	166.67	54	Monthly	Jan-11
State Bank of India	949.99	12	Quarterly	Dec-13
State Bank of India	1,000.00	1	Yearly	Aug-15
New-India Co-operative Bank Ltd.	250.00	4	Half Yearly	Oct-13
New-India Co-operative Bank Ltd.	375.00	4	Half Yearly	Dec-14
New-India Co-operative Bank Ltd.	1,000.00	4	Half Yearly	Sep-15
New-India Co-operative Bank Ltd.	495.00	4	Quarterly	Feb-16
Total	4,236.66			

f) Deferred Payment Liabilities:

- i) Sales Tax Deferment: Vide order No.10/1/5/0564/0696 dated 26th April 1995 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Monocrotophos for a period of ten years commencing from 1.7.1994; subject to a maximum of ₹ 1330.27 Lacs. Based on the Sales Tax Returns the sales tax so deferred aggregates net of repayments to -Nil- as at the balance sheet date. (Previous Year ₹ 18.65 Lacs). The repayment of deferred Sales Tax has commenced from July 2004 as prescribed in the said order the last instalment of which fell due in Jun'2014 and paid.
- ii) Further vide Revised order No.10/1/9/0023/0387/ID dated 31.01.2001 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos subject to a maximum of ₹ 1028.55 Lacs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07 the Company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns the sales tax so deferred aggregates to ₹ 230.79 Lacs as at the balance sheet date. (Previous Year ₹ 280.61 Lacs).

Note No. 6: Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Deferred tax liability comprises of following:		
Fixed assets-(Depreciation)	1,985.49	2,264.97
Others	0.00	0.00
TOTAL (a)	1,985.49	2,264.97
b. Deferred tax Assets comprises of following:		
Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	49.67	46.67
Unabsorbed depreciation	88.13	283.83
Others	-	-
TOTAL (b)	137.80	330.50
TOTAL Net (a-b)	1,847.69	1,934.47

Note No. 7: Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Trade Deposits from Dealers	1,249.19	1,150.56
Others	-	-
TOTAL	1,249.19	1,150.56

Note No. 8: Long Term Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Provision for Employee Benefits		
Leave Encashment (unfunded)	149.88	141.18
TOTAL	149.88	141.18

Note No. 9: Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(i) Short -Term Borrowings:		
Secured : (a) Loans Repayable on Demand from Banks*	17,076.46	15,569.07
Un Secured : (a) Other Parties	1,250.00	0.00
TOTAL	18,326.46	15,569.07

* Loans Repayable on Demand from Banks (along with Non Fund Based Limits of Letters of Credit and Bank Guarantees) from State Bank of India, IDBI Bank Ltd & HDFC Bank Ltd are secured by way of hypothecation of current assets comprising stock in trade, book debts and stores and spares, both present and future. The aforesaid facilities are further secured by second charge on the Company's immovable and hypothecation of movable properties, both present and future, ranking pari passu with other Working Capital Lenders. The above are also guaranteed by Sri K.S.Raju, a Director of the Company.

Note No. 10: Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Trade Payables (Refer Note No a)	16,396.51	12,234.02
Total	16,396.51	12,234.02

Note:

a) The Company has not received confirmations for the current year about the status under The Micro, Small and Medium Enterprises Development Act, 2006, from various creditors, consequent to which, the classification of dues to such Enterprises can not be compiled as at the Balance Sheet date.

Note No. 11: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Secured:		
Current maturities of long term borrowings (Refer Note No.5 (a to d))	2,991.67	2,471.67
Interest accrued but not due (Refer Note No.5 (a to d))	49.38	40.24
Interest accrued and due (Refer Note No.5 (a to d))	0.00	53.61
(b) Unsecured:		
Capital Creditors	451.14	1,047.00
Un claimed Dividends (Refer Note No.a)	60.17	79.69
Advances from customers-Domestic	1,088.57	1,475.55
Provident fund	39.12	35.43
Other Liabilities	781.46	429.05
Deferred payment liabilities (Refer Notes 5 No f i & ii)	65.37	68.46
Total	5,526.88	5,700.70

Note:

a) As at the date of this Balance Sheet, there are no amounts of Unclaimed dividends due for remittance to the Investor Education & Protection Fund.

Note No. 12: Short Term Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Provision for Employee Benefits		
Gratuity Premium accrued but not due to the fund	129.11	124.20
Leave Encashment (unfunded)	3.20	2.66
(b) Provision for Taxes		
Income Tax	0.00	0.00
Wealth Tax	0.17	0.57
Proposed Equity Dividend	155.91	0.00
Corporate Dividend Tax	31.74	0.00
(c) Other Provisions	3,519.40	3,961.05
TOTAL	3,839.53	4,088.48

Particulars	Gross Block			Accumulated Depreciation/Amortisation				Net Block		
	Balance as at 01 st April 2014	Additions	Sales / adjust-ments	Balance as at 31 st March 2015	As at 1 st April' 2014	for the year	Adjustment due to re-valuations/transfers	Sales / adjust-ments	Balance as at 31 st March 2015	Balance as at 31 st March 2014
a Tangible Assets										
Land	441.60	0.00		441.60	0.00	0.00	0.00	0.00	441.60	441.60
Buildings	4,817.27	229.56	5.78	5,041.05	1,121.33	141.53	220.72	3.82	3,561.29	3,695.94
Plant and Equipment	28,093.34	2,019.37	20.99	30,091.72	15,045.15	2,141.88	174.24	19.94	12,750.39	13,048.20
Furniture and Fixtures	585.58	4.68	0.95	589.31	144.27	64.16	1.59	0.90	380.19	441.30
Vehicles	227.79	0.00	43.29	184.50	119.65	28.21	5.13	30.13	61.64	108.14
Office equipment	210.31	8.35	5.08	213.58	66.59	52.85	36.61	2.62	60.15	143.73
Computers & peripherals	460.54	43.90	20.64	483.80	320.59	67.58	11.57	14.50	98.57	139.95
Total	34,836.43	2,305.86	96.74	37,045.56	16,817.58	2,496.21	449.86	71.91	17,353.83	18,018.86
Less : Depreciation Capitalised during the year						114.42				
Depreciation taken to Statement of Profit and Loss						2,381.78				
Note No. 14										
b Intangible Assets										
Goodwill	121.40			121.40	121.40	0.00	0.00		0.00	0.00
SAP Upgradation licence / Implementation fee	283.70	40.50		324.20	146.58	52.05	0.00		198.63	137.12
R&D Projects	80.32	40.29		120.61	0.07	30.34	0.00		30.41	80.25
Technical Knowhow	65.00			65.00	65.00	0.00	0.00		65.00	
Total	550.42	80.79	0.00	631.21	333.05	82.39	0.00	0.00	415.44	217.37
Note No. 15										
c Capital Work In Progress										
d Intangible Assets under development										
Total										
Total	35,386.85	2,386.65	96.74	37,676.77	17,150.63	2,464.17	449.86	71.91	18,756.56	20,034.94
Previous Year	32,618.23	6,264.43	3,495.81	35,386.85	15,403.46	2,188.23	0.00	506.84	20,032.66	18,306.70
									1,186.96	1,798.12
									20,107.17	20,034.94
									17,152.30	18,306.70
									625.77	1,643.59
									561.19	154.53

Note No. 16: Non Current Investments**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
Un quoted		
a) Subsidiaries (Trade Investments):		
- Nagarjuna Agrichem (Australia) Pty Ltd. (15050 equity shares of AU\$ 1/each, Previous year 100)	7.73	0.05
- L R Research Lab Private Limited (10,000 equity shares of ₹ 10/each, Previous year 10,000)	1.00	1.00
b) Associate (Trade Investments):		
- Nasense Labs Pvt.Ltd. (Formerly USP Organics Pvt Ltd) (49,36,052 equity shares of ₹ 10/- each, Previous year 49,36,052)	493.60	493.60
c) Others (Non-Trade Investments):		
- Shubho-Tech Private Ltd. (5,00,000 10% Cumulative Redeemable Preference Shares of ₹ 100/- each, Previous year 3,30,234)	500.00	330.23
- New India Co Operative Bank Ltd (50,000 equity shares of ₹ 10/- each, Previous year 50,000)	5.00	5.00
Total (Aggregate amount of unquoted investments)	1,007.33	829.88

Note No.17: Long-Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
(Unsecured, Considered Good)		
Loan to an Associate Company - Nasense Labs Pvt.Ltd.	167.00	167.00
Income tax (net of provisions) - Advance / paid under protest	494.31	700.10
Prepaid Expenses	5.02	7.80
Deposits with Government, Public Bodies and Others	18.98	12.67
Electricity and Other Deposits	205.30	199.52
Balance with Customs, Central Excise etc.,	197.15	23.22
Rental and Other Deposits	113.70	119.23
Telephone Deposit	1.21	1.28
TOTAL	1,202.67	1,230.82

Note No.18: Inventories**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
(Refer Note No. 2 G)		
Raw Materials	5,110.82	7,103.62
Work-in-Progress	475.77	633.23
Finished Goods	10,560.66	7,388.35
Stock of Traded Goods	1,553.62	1,263.03
Packing Materials	489.39	700.57
Stores and Spares	451.94	541.70
TOTAL	18,642.20	17,630.50

Note No.19: Trade Receivables**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured and Considered Good:		
Due for a Period More than Six Months	2,058.73	2,009.72
Others	20,088.28	13,996.91
TOTAL	22,147.01	16,006.63

Note No.20: Cash and Cash Equivalents**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Cash on Hand	9.26	7.29
b. Balances with Banks*		
1) In Current Accounts		
- Rupee Accounts	1,142.85	1,542.67
- Foreign Currency Accounts	35.25	63.99
2) Earmarked Accounts - Unclaimed Dividend	60.17	79.69
3) Bank Deposits with more than 12 Months Maturity	1.00	1.00
TOTAL	1,248.53	1,694.64

Note No.21: Short-Term Loans and Advances**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured and Considered Good:		
Advance Income Taxes & TDS (net of provisions)	173.93	5.35
Prepaid Expenses	90.28	104.26
Loans and Advances to Employees	5.55	4.34
Balance with Customs, Central Excise etc.,	523.23	833.64
Capital Advances	98.61	411.00
Advance to Material Suppliers and Others	1,109.87	698.47
Trade Advance to Related Parties (Refer Note No.39B)	340.02	489.73
TOTAL	2,341.50	2,546.79

Note No.22: Other Current Assets**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
Interest accrued on Deposits & Others	77.57	87.65
Insurance Claims Receivable	948.15	1,928.13
Other Receivables	0.00	0.00
TOTAL	1,025.72	2,015.78

Note No.23: Revenue From Operation**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
a. Sale of Products:		
- Agri Inputs	84,709.16	73,239.52
- Power	0.00	189.37
b. Other Operating Revenues:		
- Conversion Charges	501.91	489.34
- Income from Operations	29.31	23.76
- Other Operating Income	722.80	118.53
Less:		
Excise Duty & VAT	11,411.72	10,476.15
TOTAL	74,551.46	63,584.37

Note No.24: Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
a. Interest Income	46.56	55.20
b Other Non-Operating Income		
- Excess Provisions Written Back	424.44	466.00
- Profit on Sale of Fixed Assets	3.74	0.66
- Bad Debts Written off Recovered	18.09	52.59
- Dividends Received on Investments	0.55	0.50
- Others	2,102.46	1,358.55
TOTAL	2,595.84	1,933.50

Note No.25: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Raw-Material Consumption	43,372.82	35,143.97
Packing-Material Consumption	4,032.40	3,634.52
TOTAL	47,405.22	38,778.49

Note No.26: Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Opening Work-in-Progress	633.23	1,211.47
Opening Finished Goods	7,388.35	8,227.93
TOTAL	8,021.58	9,439.40
Closing Work-in-Progress	475.78	633.23
Closing Finished Goods	10,560.66	7,388.35
TOTAL	11,036.44	8,021.58
Net (Increase)/Decrease in Stock	(3,014.86)	1,417.82

Note No.27: Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Salaries, Wages and Bonus	4,287.89	3,763.34
Contribution to Provident and Other Funds	242.23	213.50
Workmen and Staff Welfare Expenses	376.93	363.64
TOTAL	4,907.05	4,340.48

Note No.28: Finance Costs

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
a. Interest Expense		
(i) Interest on Term Loans	705.63	664.62
(ii) Interest on Working Capital Loans	1,688.49	1,023.93
(iii) Interest - Others	608.35	750.06
(iv) Bank Charges	271.71	175.90
(v) Financial Charges	217.51	185.18
TOTAL	3,491.69	2,799.69

Note No.29: Depreciation and Amortization Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
(Refer Note No. 13 to15)		
Tangible Assets	2,381.78	2,132.88
Intangible Assets	82.39	55.35
TOTAL	2,464.17	2,188.23

Note No.30: Other Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Consumption of Stores and Spare Parts	528.14	530.49
Repairs and Maintenance		
- Buildings.	36.58	34.97
- Plant & Machinery	39.29	41.65
- Others	33.88	66.26
Other Manufacturing Costs	2,054.95	1,561.19
Power and Fuel.	3,723.53	3,084.61
Rent	274.97	262.44
Rates and Taxes, Excluding, Taxes on Income	44.23	30.95
Communication Expenses	109.11	103.44
Travel & Conveyance	1,038.60	919.96
Technical Consultancy	220.82	140.91
Legal & Professional Charges	181.50	179.44
Insurance	214.82	197.07
Directors' Sitting Fees	4.50	4.60
Auditors' Remuneration		
- Audit Fee	15.00	15.00
- Taxation Matters	3.00	3.00
- Certification Fees	3.75	3.75
- Out of Pocket Expenses	0.12	0.26
Cost Audit Fee	4.25	3.00
S.A.P. Annual Maintenance	33.06	32.72
R&D and Product Development Expenses	28.56	7.22
Miscellaneous Expenses	584.91	575.25
Foreign Exchange Fluctuation (Net of Gain of ₹ 56,97,289.)	196.86	238.46
Loss on Sale/Retirement of Fixed Assets	18.34	17.78
Bad Debts Written Off	765.58	140.72
Marketing Expenses	3,208.72	2,514.36
Freight Outward	1,605.69	1,224.04
Export and Export Related Expenses	356.26	433.84
TOTAL	15,329.02	12,367.38
DUTIES AND TAXES		
Excise Duty	8,968.60	7,533.21
Less : Adjusted To Turnover	8,435.00	7,708.49
TOTAL	533.60	-175.28
TOTAL	15,862.62	12,192.10

31. Commitments/ Contingent Liabilities:

Sl. No.	Particulars	As at 31.03.2015 ₹in Lakhs	As at 31.03.2014 ₹in Lakhs
a.	Commitments/ Contingent Liabilities		
(i)	Letters of Credit issued by Bankers	7409.50	6797.91
(ii)	Counter Guarantees given to Bankers	270.00	414.01
b.	Claims against the Company not acknowledged as debts in respect of		
(i)	Disputed Excise Duty, Service Tax Demands (Payments made under protest ₹ 15.77 Lakhs)	33.21	23.41
(ii)	Disputed Income Tax Demands (Payments made under protest ₹ 430.40 Lakhs)	430.40	430.40
(iii)	Disputed Sales Tax Demands (Payments made under protest ₹ 8.51 Lakhs)	8.51	8.51
c.	Others	118.50	239.73
d.	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (Net of advance)	172.98	1453.09

32.**A. Raw Material Consumed:**

Particulars	2014-15	2013-14
	Value ₹in Lakhs	Value ₹in Lakhs
Raw Material *	43372.82	35143.97
TOTAL	43372.82	35143.97

* Note: There is no individual item of raw material consumed exceeding 10% of the total raw material consumed.

B. Value of Raw Material Consumed (Imported & Indigenous):

Particulars	2014-15		2013-14	
	₹in Lakhs	%	₹in Lakhs	%
Imported	17969.50	41.43	12271.42	34.92
Indigenous	25403.32	58.57	22872.55	65.08
TOTAL	43372.82	100.00	35143.97	100.00

C. Value of Stores and Spares consumed (Imported & Indigenous):

Particulars	2014-15		2013-14	
	₹in Lakhs	%	₹in Lakhs	%
Indigenous	365.66	100	360.78	100
Imported	-	-	-	-

D. Value of Imports Calculated on CIF Basis:

Particulars	2014-15 ₹in Lakh	2013-14 ₹in Lakhs
Raw Material	14136.25	13296.37
Capital Goods	34.22	360.02

E. Expenditure in Foreign Currency:

Particulars	2014-15 ₹in Lakh	2013-14 ₹in Lakhs
Traveling Expenses	47.72	22.21
Consultancy Charges	157.94	58.27
Others including Commission	64.10	77.13

F. Earnings in Foreign Exchange:

Particulars	2014-15 ₹in Lakh	2013-14 ₹in Lakhs
Export of Goods on FOB basis	14257.91	9204.86

33. Payments to Auditors:

Sl. No.	Particulars	2014-15 ₹in Lakh	2013-14 ₹in Lakhs
1.	Statutory Audit *	15.00	15.00
2.	Tax Audit *	3.00	3.00
3.	Certification *	3.75	3.75
4.	Out of Pocket Expenses	0.12	0.26
	TOTAL	21.87	22.01

* Service Tax which is being claimed for set-off as input credit has not been included in the expenditure above.

34. Expenditure on Research & Development:

Particulars	2014-15 ₹in Lakh	2013-14 ₹in Lakhs
(A) Revenue expenditure capitalized during the year from respective heads :		
- Salaries & Wages	124.08	55.10
- Contribution to PF etc	7.74	3.38
- Staff Welfare Expenses	6.72	5.19
- Chemicals Consumption	49.37	28.17
- Travel & Conveyance	3.12	9.88
- Communication	2.15	0.22
- Consultancy Charges	53.71	3.26
- Depreciation	114.42	67.45
- Repairs	14.04	8.96
- Electricity	29.80	23.08
- Other Expenses	40.79	30.15
Total (A)	445.94	234.84
(B) Capital Expenditure	91.44	131.47
Total Capital Expenditure (A) + (B)	537.38	366.31
(C) Other Revenue Expenditure	51.06	138.31

35. During the year under review NACL entered into a marketing agreement for Solar Products in India with a foreign Company. Pending approvals from Government the said foreign Company unilaterally violated the contracted terms and dispatched three unauthorized consignments of unapproved solar products of a stated value of USD 2,803,625. NACL has refused to accept the said consignments and has been legally advised that there would not be any liability towards the same.

36. Based on the provisional insurance claim made by the Company in connection with the damages to the assets in the fire accident on 30.06.2012 at Srikakulam plant, the insurance Company has made an interim on-account payment of ₹ 10 crores. The Company has credited the same to the claims receivable account which, at the beginning of the year stood at ₹ 19.28 crores comprising ₹ 14.16 crores being the written down value of the damaged fixed assets, ₹ 5.12 crores being the estimated value of damaged inventories and others. The claim by the Company under the reinstatement value basis with the insurance Company continues to be under process as on 31.03.2015.

Pending final assessment of the damage to the partially damaged assets, the value if any to be de-capitalised therefrom, continues to be included in the gross block as on 31.03.2015.

Necessary adjustments in the accounts and the financial impact if any in respect of the aforesaid will be made on completion of final assessment.

37. Borrowing Cost

Borrowing cost capitalized during the year is nil (Previous year ₹ 254.51 Lacs)

38. Related Party Transactions:**A. Names of related parties and description of relationship:**

Sl. No.	Relationship	Party
1.	Subsidiary Company	Nagarjuna Agrichem (Australia) Pty Limited, Australia, LR Research Laboratories Pvt.Ltd.
2.	Holding Company	KLR Products Limited (Formerly GSR Products Limited)
3.	Associate	Nasense Labs Pvt.Ltd. (Formerly USP Organics Pvt Ltd.)
4.	Key Management Personnel (KMP)	Mr. V.Vijay Shankar, Managing Director Mr. R.K.S.Prasad, Chief Financial Officer Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal
5.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Indo International Fertilizers Ltd. Shubho-Tech Pvt. Ltd.
6.	a) Individuals who, indirectly have control on the voting power in the Company.	Mrs.K Lakshmi Raju, Director
	b) Relatives of (a) above	Mr.K.S.Raju (Father)
7.	Enterprises under the significant influence of persons having significant influence over this Company	Nagarjuna Fertilizers & Chemicals Ltd. Bhagiradha Chemicals & Industries Ltd.

B. Related Party transactions are as under:**(₹in Lakhs)**

Sl. No.	Transaction	Subsidiary Company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the Company		Enterprises under the significant influence of persons having significant influence over this Company	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A) TRANSACTIONS DURING THE YEAR													
1.	Sales (incl. Capital)	-	-	-	-	-	-	-	-	-	-	163.34	-
2.	Purchases (incl Capital)	-	-	-	-	-	-	-	-	-	-	1124.24	983.32
3.	Conversion charges (Indo International Fertilisers Ltd.)	-	-	-	-	-	-	505.01	425.82	-	-	-	-
4.	Building , Equipment & Godown rents -Expense	-	-	-	-	-	-	-	-	121.77	116.03	-	0.98
5.	Godown rent-Income	-	-	-	-	-	-	-	-	-	-	6.00	5.40
6.	Managerial Remuneration	-	-	-	-	134.74	116.91	-	-	-	-	-	-
7.	Advance payments	0.15	0.03	-	-	-	-	-	-	-	-	-	-
8.	Investments	7.68	-	-	143.61	-	-	169.77	330.23	-	-	-	-

Sl. No.	Transaction	Subsidiary Company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the Company		Enterprises under the significant influence of persons having significant influence over this Company	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
B) BALANCE AS AT 31st MARCH													
9.	Credit balances outstanding as on 31 st March				2.36	-	-	-	-	-	-	270.30	226.78
	i) Trade Debit balances outstanding as on 31 st March		-	86.36	87.71	-	-	340.02	489.73	-	-	-	-
10.	ii) Debit balances (Unsecured Loan) outstanding as on 31 st March			219.19	194.63	-	-	-	-	-	-	-	-
11	Total Investment as on 31 st March	8.72	1.05	493.60	493.60			500.00	330.23				

39. Minimum remuneration, in accordance with the provisions of Schedule V to the Companies Act, 2013, has been paid to the Managing Director, in the absence of profits for the year.

40. Exceptional Item during the year is NIL (previous year amount ₹ 330.56 lakhs - Loss on Sale of Wind Mill Undertaking)

41. Provision has been made during the year for Minimum Alternate Tax (MAT) in accordance with the provisions of The Income Tax Act, 1961. As a prudent measure MAT Credit in respect of the said provision for the current year has not been recognized and will be reviewed and recognized at the appropriate time in subsequent years.

42. Earnings per Share : The computation of EPS is as follows

(₹ in Lakhs)

Sl. No.	Particulars	2014-15	2013-14
a)	Profit/(Loss) After Tax (₹ in Lakhs) (There are no Extraordinary items)	768	(2122)
b)	Earnings available to Equity Shareholders (₹ in Lakhs)	768	(2122)
c)	Weighted average No. of Shares taken for computing EPS		
	- Basic	155,911,508	155,911,508
	- Diluted of par value of ₹1/-	155,911,508	155,911,508
d)	Earnings per Share (₹) (b/c)		
	- Basic	0.49	(1.36)
	- Diluted	0.49	(1.36)

43. Employee Benefit Obligations

A. Defined Contribution Plan:

The Company makes Provident Fund contribution to defined contribution retirement benefit plan for qualifying employees. Under the scheme the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to defined contribution plan is recognized and charged off for the year as follows: (₹ in Lakhs)

Particulars	FY 2014-15	FY 2013-14
Employer's Contribution to Provident Fund	118.70	123.10
Employer's Contribution to Pension Scheme	89.38	67.27

B. Defined Benefit Plan:

Liability for retiring gratuity as on March 31, 2015 is ₹ 411.65 Lacs (as on March 31, 2014 – ₹ 416.21 Lacs) of which ₹ 300.73 Lacs (as on March 31, 2014- ₹ 292.01 Lacs) is funded with Life Insurance Corporation of India the balance is included in provision for Gratuity. Liability for Gratuity has been actuarially determined and provided in the books. The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary.

(₹ in Lakhs)

Sl. No.	Particulars	31.03.2015	31.03.2014
1.	Actuarial Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Attrition Rate	1-3%	1-3%
	Mortality Table	LIC (1994-96)	LIC (1994-96)
	Retirement Age	58 Years	58 Years
2.	Table Showing changes in present value of Obligation as on 31/03/2015		
	Present value of obligations as at beginning of year	238.50	206.96
	Interest cost	19.08	16.56
	Current Service Cost	38.83	36.60
	Benefits Paid	(16.82)	(19.27)
	Actuarial (gain)/ loss on obligations	38.63	(2.36)
	Present value of obligations as at end of year	318.22	238.50
3.	Table showing changes in the fair value of plan assets as on 31/03/2015		
	Fair value of plan assets at beginning of year	292.01	279.21
	Expected return on plan assets	25.54	24.08
	Contributions	-	7.98
	Benefits Paid	(16.82)	(19.27)
	Actuarial gain/(loss) on Plan assets	-	-
	Fair value of plan assets at the end of year	300.73	292.01
4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	292.01	279.21
	Actual return on plan assets	25.54	24.08
	Contributions	-	7.98
	Benefits Paid	(16.82)	(19.27)
	Fair value of plan assets at the end of year	300.73	292.01
	Funded status	(17.48)	53.51
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	-	-

(₹ in Lakhs)

Sl. No.	Particulars	31.03.2015	31.03.2014
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(38.63)	2.36
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss on obligations	38.63	(2.36)
	Actuarial (gain)/ loss recognized in the year	38.63	(2.36)
6.	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	318.21	238.50
	Fair value of plan assets as at the end of the year	300.73	292.01
	Funded status	(17.48)	53.51
	Net asset/(liability) recognized in balance sheet	(17.48)	(53.51)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	38.83	36.60
	Interest Cost	19.08	16.56
	Expected return on plan assets	(25.54)	(24.08)
	Net Actuarial (gain)/ loss recognized in the year	38.63	(2.36)
	Past Service Cost	-	-
	Expenses recognised in statement of Profit and loss	70.99	26.72

The obligation of Leave Encashment is recognized based on actuarial valuation made by an independent actuary at the end of the financial year.

44. Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.
45. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/classification.
46. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 46

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Nagarjuna Agrichem Limited

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of NAGARJUNA AGRICHEM LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associate are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of his report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note 42 to the consolidated financial statements regarding the claim lodged with insurers based on the provisional assessment of loss made by the management due to the fire accident in Block No. 5 of the Srikulam factory during the financial year 2012-13 in respect of totally/partially damaged assets, inventory and other risks and the treatment of the same as receivable pending final assessment and acceptance of the same by the insurers, on the date of the Balance Sheet dealt with by this report.

Our opinion is not modified in respect of this matter.

Other Matters:

(a) The consolidated financial statements also includes the Group's share of net profit of ₹ 74,71,398 for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by the other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary audited by us and associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary Company and associate Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company and associate Company incorporated in India, none of the directors of the Group Company and its associate Company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate – Refer Note 31 to the consolidated financial statements.
 - ii. The Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, and associate Company incorporated in India.

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459 S

Place : Hyderabad
Date : 30th May, 2015

(V.Raghunandan)
Partner
Membership No. 026255

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

- (i) Our reporting on the order includes one associate company incorporated in India, to which the order is applicable, which has been audited by the other auditor and our report of the entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.
- (ii) Our reporting on the order includes one subsidiary company incorporated in India, which is audited by us, to which order is not applicable by virtue of paragraph 1(2)(v) of the Companies (Auditors' Report) Order, 2015 and hence reporting under the order has not been considered.
- (iii) In respect of the fixed assets of the Holding Company and associate company incorporated in India:
 - a. The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a phased periodical programme and detailed program of physical verification by the Holding Company and its associate Company respectively. In our opinion and in the opinion of the other auditor, the physically verified intervals are reasonable. According to the information and explanation given to us by the management and by the other auditor, no material discrepancies were noticed on such verification.
- (iv) In respect of the inventories of the Holding Company and associate company incorporated in India:
 - a. As explained to us and to the other auditor, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - b. In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - c. In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (v) The Holding Company incorporated in India has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a. The receipts of principal amounts and interest have not been regular
 - b. The Principle amount is due to an extent of ₹ 167 lakhs out of which ₹ 83 lakhs is overdue as at the date of Balance Sheet.
 - c. The interest amount is due to the extent of ₹ 57.99 lakhs which includes overdue amount of ₹ 55.53 lakhs as at the date of Balance Sheet.
- (vi) In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, there is an adequate internal control system in the Holding Company and associate company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of audit by us and by the other auditor no continuing failure to correct major weaknesses in such internal control system has been observed.
- (vii) In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the Holding Company and its associate have not accepted deposits covered by sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- (viii) According to the information and explanations given to us and to the other auditor, in our opinion and in the opinion of the other auditor, the Holding Company, and the associate company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. Neither we nor the other auditor have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company and associate company incorporated in India:
 - a. The Holding Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. In respect of the Associate Company, there has been delay in remittance of undisputed dues to the appropriate authorities in respect of taxes deducted at source (income tax), ESIC contributions/

recoveries and provident fund during the period under audit. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable by the holding company as well as the associate company.

- b. Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Dues-Net of amount paid under protest (₹ In Lakhs)
Finance Act, 1994	Service Tax (including interest & penalty)	Commissioner (Appeals), Visakhapatnam	2012-13, 2013-14	8.77
		CESTAT, Bangalore	2009-10	4.17
Central Excise Act, 1994	Excise duty (including interest & penalty)	CESTAT, Bangalore	2004-05, 2006-07, 2006-07, 2007-08	8.13
		Additional Commissioner (Appeals) Visakhapatnam	2006-07,	12.14
Sales Tax Laws / VAT Laws	Sales Tax / VAT	Commissioner (Appeals)	2009-10, 2010-11, 2011-12 & 2012-13	Nil
		Additional Commissioner (Appeals)	2012-13	Nil
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal, Hyderabad	2004-05, 2005-06, 2006-07, 2007-08	Nil
		DCIT	2009-10	Nil

- c. According to the information and explanations furnished to us, the amount to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate in accordance with the relevant provisions of the Companies Act, 2013 and the Rules made there under has been transferred to the said fund within time.
- (x) The Holding Company and associate company incorporated in India do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit but it did in the immediately preceding financial year.
- (xi) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the Holding Company and its associate incorporated in India have not defaulted in the repayment of dues to financial institutions or banks.
- (xii) In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the Holding company and its associate have not given any guarantee for loans taken by others from banks or financial institutions.
- (xiii) In our opinion and in the opinion of the other auditor and according to the information and explanations given to us and to the other auditor, the term loans have been applied by the Holding Company and its associate incorporated in India during the year for the purposes for which they were obtained.
- (xiv) To the best of our knowledge and according to the information and explanations given to us and to the other auditor, no fraud by the Holding Company and its associate company incorporated in India and no material fraud on the Holding Company and its associate company incorporated in India have been noticed or reported during the year.

For **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459 S

(V.Raghunandan)

Partner

Membership No. 26255

Place : Hyderabad
Date : 30th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	3	1,559.12	1,559.12
Reserves and Surplus	4	16,217.88	15,874.83
		17,777.00	17,433.95
2 Non-Current Liabilities			
Long-Term Borrowings	5	1,410.41	3,822.43
Deferred Tax Liabilities (Net)	6	1,847.69	1,934.47
Other Long Term Liabilities	7	1,249.19	1,150.56
Long-Term Provisions	8	149.88	141.18
		4,657.17	7,048.64
3 Current Liabilities			
Short-Term Borrowings	9	18,326.46	15,569.07
Trade Payables	10	16,396.51	12,234.02
Other Current Liabilities	11	5,527.42	5,701.08
Short-Term Provisions	12	3,840.10	4,088.73
		44,090.49	37,592.90
TOTAL		66,524.66	62,075.49
II. ASSETS			
1 Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	13	17,353.83	18,018.86
(ii) Intangible Assets	14	215.77	217.37
(iii) Capital work-in-Progress	15	625.77	1,643.59
(iv) Intangible Assets Under Development		561.19	154.53
Non-Current Investments	16	1,159.42	914.94
Long-Term Loans and Advances	17	1,202.67	1,230.82
		21,118.65	22,180.11
2 Current Assets			
Inventories	18	18,642.20	17,630.50
Trade Receivables	19	22,147.01	16,006.63
Cash and Cash Equivalents	20	1,249.58	1,695.68
Short-Term Loans and Advances	21	2,341.50	2,546.79
Other Current Assets	22	1,025.72	2,015.78
		45,406.01	39,895.38
TOTAL		66,524.66	62,075.49

Significant Accounting Policies and Notes on Financial Statements 1 to 50

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

For and on behalf of the Board

V.Raghunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I. Revenue from Operations			
Sales	23	85,963.18	74,060.52
Less: Excise Duty & VAT		11,411.72	10,476.15
		74,551.46	63,584.37
II. Other Income	24	2,595.84	1,933.50
III. Total Revenue (I + II)		77,147.30	65,517.87
IV. Expenses:			
Cost of Materials Consumed	25	47,405.22	38,778.49
Purchase of Stock in Trade		4,981.51	5,808.91
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(3,014.86)	1,417.82
Employee Benefits Expense	27	4,907.05	4,340.48
Finance Costs	28	3,491.69	2,799.69
Depreciation and Amortization Expenses	29	2,464.17	2,188.23
Other Expenses	30	15,870.77	12,192.35
Total Expenses		76,105.55	67,525.97
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		1,041.75	(2,008.10)
VI. Exceptional Items	40	0.00	330.56
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		1,041.75	(2,338.66)
VIII. Extraordinary Items		0.00	
IX. Profit/(Loss) Before Tax (VII- VIII)		1,041.75	(2,338.66)
X Tax expense:			
(1) Current Tax		222.67	0.00
(2) Deferred Tax		59.18	(216.84)
(3) Prior Year's Tax		0.00	0.00
XI Profit /(Loss) for the Period (IX + X)		759.90	(2,121.82)
XII Share of Profit from Associate Company		74.71	69.99
XIII Profit /(Loss) for the Period (XI + XII)		834.61	(2,051.83)
XIV Earnings Per Equity Share:			
(1) Basic		0.54	-1.32
(2) Diluted		0.54	-1.32

Significant Accounting Policies and notes on Financial Statements 1 to 50

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
	Amount	Amount	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	1,041.75	1,041.75	(2,338.66)	(2,338.66)
Extraordinary Items	-	-	-	-
Adjustments for:				
Add:				
Depreciation & Amortisation Expenses	2,464.17		2,188.23	
Foreign Exchange Fluctuations-Unrealised Loss	209.16		233.90	
Loss on Sale/Discarded of Fixed Assets	18.34		348.34	
Interest	3,491.69		2,799.69	
Less:		6,183.36		5,570.16
Profit on Sale of Assets	3.74		0.66	
		3.74		0.66
Operating Profit Before Working Capital Changes		7,221.37		3,230.84
Adjustments for:				
Less:				
Increase in Trade Receivables	6,102.87		-	
Increase in Inventories	1,011.70		369.05	
Increase in Other Current Assets	-		58.91	
Increase in Short Term Loans & Advances			437.96	
Decrease in Trade Payable			547.89	
Decrease in Other Current Liabilities & Short Term Provisions	1,135.98		-	
		8,250.56		1,413.81
		(1,029.19)		1,817.03
Add:				
Increase in Other Current Liabilities & Short Term Provisions			635.69	
Decrease in Long Term Loans & Advances	28.15		125.53	
Decrease in Trade Receivables			382.27	
Increase in Long term Liabilities & Provisions	107.33		175.06	
Decrease in Short Term Loans & Advances	205.29			
Increase in Trade Payable	3,952.96		-	
Decrease in Other Current Assets	990.05			
Cash Generated from Operations		5,283.79		1,318.55
		4,254.61		3,135.58
Less:				
Taxes Paid	222.67	222.67	-	-
Cash Flow Before Extraordinary Items		4,031.94		3,135.58
NET CASH FROM OPERATING ACTIVITIES		4,031.94		3,135.58

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
	Amount	Amount	Amount	Amount
CASH FLOWS FROM INVESTING ACTIVITIES				
B. Inflow:				
Share of Profit from Associate Company			86.11	
Sale/Retirement of Fixed Assets	124.63		2,707.15	
		124.63	-	2,793.26
Outflow:				
Investments	169.78		559.95	
Purchase of Fixed Assets	1,775.48		6,264.44	
Capital Work-in-Progress			706.27	
		1,945.27		7,530.66
NET CASH USED IN INVESTING ACTIVITIES		(1,820.63)		(4,737.40)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term / Short Term Borrowings:				
In flow:				
Long Term Borrowings	520.00		605.01	
Short Term Borrowings	2,720.26		3,291.57	
		3,240.26		3,896.58
Outflow:				
Long Term Borrowings	2,346.65		-	
Short Term Borrowings	-		-	
Working Capital Loans			-	
Interest Paid	3,482.55		2,760.72	
Deferred Payment Liabilities	68.46		80.57	
Corporate Dividend Tax	-		-	
Equity Dividend	-		-	
		5,897.67		2,841.29
NET CASH USED IN FINANCING ACTIVITIES		(2,657.40)		1,055.29
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(446.10)		(546.53)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,695.68		2,242.21
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,249.58		1,695.68

As per our report of even date attached
For **M.BHASKARA RAO & CO.,**
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

Notes forming part of the Financial Statements for the year ended 31st March, 2015

1. Corporate Information:

NAGARJUNA AGRICHEM LTD, is a Public Limited Company listed with Bombay Stock Exchange. It is part of the Nagarjuna group based at Hyderabad. The Company is in the business of Crop Protection and manufactures both Technicals (Active Ingredient -AI) and Formulations. It manufactures all kinds of pesticides, insecticides, acaricides, herbicides, fungicides and other plant growth chemicals. The Company's Formulation Business is mainly in the Indian Market and sells through its large retail dealer network of nearly 11000 dealers, spread across India. The Company has an impressive range of branded formulations. It also exports Technicals and formulations and does Toll Manufacture for various Multinational Companies.

2. Significant Accounting Policies:

A. Accounting Convention:

The financial statements are prepared on the basis of going concern, under the historical cost convention, in accordance with the generally accepted principles and provisions of the Companies Act, 2013, with revenues recognised and expenses accounted on accrual basis unless otherwise stated.

B. Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, the amounts of revenue and expenses during the reported period. Actual results could differ from those of estimates. Any revision to such estimates is recognized in the period the same is determined.

C. Fixed Assets:

- a) Fixed assets are stated at historical cost. (Net of Modvat/Cenvat Credit availed), less accumulated depreciation and impairment loss if any.
- b) Capital Work-in-progress is stated at amount expended upto the date of the Balance Sheet.
- c) Expenditure during construction period other than those directly related to an asset is included under "Expenditure pending allocation" to be allocated to various fixed assets at the time of commencement of commercial production, as determined in accordance with the generally accepted accounting policies.
- d) Expenditure incurred on Research & Development projects are considered as Intangible Assets on completion of the project and put into commercial use.

D. Depreciation:

Depreciation is provided based on useful life of the fixed assets as specified in Schedule II of the Companies Act, 2013.

E. Intangibles:

- a) Goodwill is amortised over a period of Ten years.
- b) SAP Upgrade License/ Implementation fees is amortised over a period of twenty four months.
- c) Intangible assets on account of R&D Projects amortised over a period of 36 months.

F. Long Term Investments:

Investments are stated at cost less any diminution in their value, which is other than temporary.

G. Inventory:

Inventories are valued at lower of cost and net realizable value.

The method of valuation of various categories of Inventories is as follows:-

- a) Raw materials - at lower of cost and net realizable value.
- b) Work-in-process - at cost.
- c) Finished goods - at lower of cost and net realisable value. Cost includes cost of direct material, labour, factory overheads inclusive of excise duty.
- d) Stores & Spares, Packing material - at lower of cost and net realizable value.
- e) Traded goods - at lower of cost and net realizable value.

Cost is ascertained on the "Weighted Average" basis.

H. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the dates of the transaction. Monetary items are translated at the year end foreign exchange rates. Resultant exchange differences arising on payment or conversion of liabilities/ assets are recognized as income or expense in the year in which they arise.

I. Capital Subsidy:

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfillment of such conditions, the subsidy is transferred to Capital Reserve.

J. Revenue:

- a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b) Sales are recognized at the point of despatch of materials to customers from plant and/or stocking points.
- c) Revenue from processing/ conversion services is recognized when the underlying goods are manufactured and ready for delivery i.e., on completion of service.

K. Employee benefits:

- a) Provident Fund is administered through Regional Provident Fund Commissioner. Company's contributions to the above fund are charged to the Profit & Loss Account, on accrual.
- b) Provision for Gratuity is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary. The Gratuity Fund is administered through a scheme of Life Insurance Corporation of India. The contribution to the said fund is charged to the Profit & Loss Account, on accrual.
- c) Provision for Leave encashment cost is made on the basis of an actuarial valuation at the Balance Sheet date carried out by an independent actuary, and is charged to Profit & Loss Account, on accrual.

L. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. Interest on Bank Borrowings and other short term and long term borrowings is recognised as an expense in the year in which they are incurred.

M. Income Taxes :

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax reflects the effect in the current period of timing differences originating and reversing between taxable income and accounting income for the period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available, except that deferred tax assets in case of unabsorbed depreciation or losses, are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

N. Impairment of Assets:

Impairment of an asset is reviewed and recognized in the event changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

O. Contingencies:

The Company recognizes provisions when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for Contingent Liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Earnings per Share:

Earnings per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Q. Segment Reporting:

Segments are identified in line with AS 17 "Segment Reporting" and segment information is disclosed if any required in accordance with the standard.

R. Research and Development:

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets.

Note No. 3: Share Capital**(₹ in Lakhs)**

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital 200,000,000 equity shares of ₹1/- each (Previous Year 200,000,000 equity shares of ₹1/- each)	200,000,000	2,000.00	200,000,000	2,000.00
Issued, Subscribed & Paid up * 155,911,508 equity shares of ₹ 1/- each (Previous Year 155,911,508 equity shares of ₹ 1/- each)	155,911,508	1,559.12	155,911,508	1,559.12
Total	155,911,508	1,559.12	155,911,508	1,559.12

a) Reconciliation of Share Capital

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Share capital at the beginning of the year (equity shares of ₹ 1/- each)	155,911,508	155,911,508	148,981,570	148,981,570
Add : Bonus Shares issued during the year (equity shares of ₹ 1/- each)	-	-	6,929,938	6,929,938
Share capital at the end of the year (equity shares of ₹ 1/- each)	155,911,508	155,911,508	155,911,508	155,911,508

b) Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

c) Shares in the Company held by the Holding Company and Other Share holders holding more than 5%

Particulars	As at 31 st March 2015			As at 31 st March 2014		
	% of share holding	Number of Shares held	₹ in Lakhs	% of share holding	Number of Shares held	₹ in Lakhs
Share Capital						
KLR Products Limited Holding Company	72.88%	113,623,500	1,136.24	72.88%	113,623,500	1,136.24

*d) During the last financial year i.e. 2013-14 In compliance with clause 40A of the Listing Agreement read with relevant Securities & Exchange Board of India's (SEBI) circulars with regard to Minimum Public Shareholding in a listed entity, pursuant to the approval by the Shareholders in the Extra-ordinary General Meeting held on 22nd May, 2013, the Company has allotted 69,29,938 equity shares of ₹ 1/- each on 03rd June, 2013 as Bonus shares by way of capitalisation of Securities Premium Account, to Public Shareholders only (to the exclusion of Promoter Shareholders).

Note No. 4: Reserves & Surplus**(₹ in Lakhs)**

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Capital Reserve		
Opening Balance	37.06	20.94
Share of Profit from Associate Company	-	16.12
Utilised	-	-
Closing Balance	37.06	37.06
	Sub Total (a)	

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
b. Securities Premium Account		
Opening Balance	178.54	247.84
Add : Securities Premium Credited on Share Issue	0.00	0.00
Less : Utilised for Issue of Bonus Shares (Ref. Note 3(d))	0.00	69.30
Closing Balance	178.54	178.54
c. General Reserve		
Opening Balance	4,175.00	4,175.00
Add: Transferred from Surplus	0.00	0.00
Deductions During the Year	0.00	0.00
Closing Balance	4,175.00	4,175.00
d. Surplus		
Opening Balance	11,484.23	13,536.06
Less: Depreciation on assets where useful life is completed as on 01 st April 2014 (Net of Reversal of Deferred Tax Liability of ₹ 145.96), pursuant to introductio of Schedule-II of Companies Act, 2013	303.91	
Add: Net Profit/(Net Loss) For the current year	834.61	(2,051.83)
Amount available for appropriations	0.00	0.00
Less: Interim Dividends	0.00	0.00
Less: Final Dividends	187.65	0.00
Transferred to General Reserve	0.00	0.00
Closing Balance	11,827.28	11,484.23
Total (a to d)	16,217.88	15,874.83

Note No. 5: Long-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2015	As at 31 st March 2014
Long-Term Borrowings				
Secured:				
(a) Term Loans from (Refer Note No.a to e)				
- Banks (Rupee Loans)	1,244.99	3,591.64	2,991.67	2,471.67
- Other Parties.	0.00	0.00	0.00	0.00
Un Secured:				
(b) Deferred Payment Liabilities (Refer Note No.f (i)&(ii))	165.42	230.79	65.37	68.46
TOTAL	1,410.41	3,822.43	3,057.04	2,540.13

Notes :

- The Term Loan availed from IDBI Bank Ltd is secured by way of equitable mortgage by deposit of title deeds of the Company's immovable properties both present and future and by way of first charge on all fixed assets of the Company as a primary security and hypothecation of movable properties of the Company ranking pari passu with other term loan lenders and are further secured by a second charge on the current assets of the Company consisting of stock in trade, book debts, stores and spares.
- Term Loan availed from State Bank of India are secured by way of first charge on fixed assets of the Company and First charge on entire current assets to be shared with other working capital lenders under Multiple Banking Arrangement and second charge on fixed assets of the Company along with other working capital lenders.
- Working Capital Term Loans availed from New India Co-operative Bank Ltd are secured by way of first charge on fixed assets of the Company including Plant & Machinery and other movable assets on pari passu basis with other term loan lenders.
- Working capital loans (Corporate Loan) from State Bank of India outstanding at ₹ 1950 lakhs included in Term Loans from Banks above, are guaranteed by Sri K.S. Raju a Director of the Company.

e) Terms of repayments are given below:

(₹ in Lakhs)

Bank / Institution	Balance as on 31.03.2015	Number of Instalments	Frequency	Repayment Commencing from
IDBI Bank Ltd.	166.67	54.00	Monthly	Jan-11
State Bank of India	949.99	12.00	Quarterly	Dec-13
State Bank of India	1,000.00	1.00	Yearly	Aug-15
New-India Co-operative Bank Ltd.	250.00	4.00	Half Yearly	Oct-13
New-India Co-operative Bank Ltd.	375.00	4.00	Half Yearly	Dec-14
New-India Co-operative Bank Ltd.	1,000.00	4.00	Half Yearly	Sep-15
New-India Co-operative Bank Ltd.	495.00	4.00	Quarterly	Feb-16
Total	4,236.66			

f) Deferred payment liabilities

- i) Sales Tax Deferment: Vide order No.10/1/5/0564/0696 dated 26th April 1995 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Monocrotophos for a period of ten years commencing from 1.7.1994; subject to a maximum of ₹ 1330.27 Lacs. Based on the Sales Tax Returns the sales tax so deferred aggregates net of repayments to -Nil- as at the balance sheet date. (Previous Year ₹ 18.65 Lacs). The repayment of deferred Sales Tax has commenced from July 2004 as prescribed in the said order the last instalment of which fell due in Jun'2014 and paid.
- ii) Further vide Revised order No.10/1/9/0023/0387/ID dated 31.01.2001 the Government of Andhra Pradesh had sanctioned Sales Tax Deferment to the Company in respect of Acephate and Profenofos for a period of fourteen years commencing from 28.09.1997 for Acephate and from 23.02.2000 for Profenofos subject to a maximum of ₹ 1028.55 Lacs. The Sales Tax deferred in a year is payable at the end of 14th year without interest. Since financial year 2006-07 the Company has decided not to avail the Sales Tax deferment. First repayment commenced from 25.09.2013 as prescribed in the order. Based on the Sales Tax Returns the sales tax so deferred aggregates to ₹ 230.79 Lacs as at the balance sheet date. (Previous Year ₹ 280.61 Lacs)

Note No. 6: Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Deferred tax liability comprises of following:		
Fixed Assets-(Depreciation)	1,985.49	2,264.97
Others	0.00	0.00
TOTAL (a)	1,985.49	2,264.97
b. Deferred tax Assets comprises of following:		
Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	49.67	46.67
Unabsorbed depreciation	88.13	283.83
Others	0.00	0.00
TOTAL (b)	137.80	330.50
TOTAL NET (a-b)	1,847.69	1,934.47

Note No. 7: Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Trade Deposits from Dealers	1,249.19	1,150.56
Others	0.00	0.00
TOTAL	1,249.19	1,150.56

Note No.8: Long Term Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Provision for Employee Benefits		
Leave Encashment (un-funded)	149.88	141.18
TOTAL	149.88	141.18

Note No.9: Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(i) Short -Term Borrowings:		
Secured:		
(a) Loans Repayable on Demand from Banks.*	17,076.46	15,569.07
Un Secured:		
(a) Other parties.	1,250.00	0.00
TOTAL	18,326.46	15,569.07

* Loans Repayable on Demand from Banks (along with Non Fund Based Limits of Letters of Credit and Bank Guarantees) from State Bank of India, IDBI Bank Ltd & HDFC Bank Ltd are secured by way of hypothecation of current assets comprising stock in trade, book debts and stores and spares, both present and future. The aforesaid facilities are further secured by second charge on the Company's immovable and hypothecation of movable properties, both present and future, ranking pari passu with other Working Capital Lenders. The above are also guaranteed by Sri K.S.Raju, a Director of the Company.

Note No.10: Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Trade Payables (Refer Note No. a)	16,396.51	12,234.02
TOTAL	16,396.51	12,234.02

Note:

a) The Company has not received confirmations for the current year about the status under The Micro, Small and Medium Enterprises Development Act, 2006, from various creditors, consequent to which, the classification of dues to such Enterprises can not be compiled as at the Balance Sheet date.

Note No. 11: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Secured		
Current maturities of long term borrowings (Refer Note No.5 (a to d))	2,991.67	2,471.67
Interest accrued but not due (Refer Note No.5 (a to d))	49.38	40.24
Interest accrued and due (Refer Note No.5 (a to d))	0.00	53.61
(b) Unsecured:		
Capital Creditors	451.14	1,047.00
Un claimed Dividends (Refer Note No.a)	60.17	79.69
Advances from customers-Domestic	1,088.57	1,475.55
Provident fund	39.12	35.43
Other Liabilities	782.00	429.42
Deferred payment liabilities.(Refer Notes 5 No. f (i) & (ii))	65.37	68.46
Total	5,527.42	5,701.08

Note:

(a) As at the date of this Balance Sheet, there are no amounts of Unclaimed dividends due for remittance to the Investor Education & Protection Fund.

Note No.12: Short Term Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Provision for employee benefits		
Gratuity Premium accrued but not due to the fund	129.11	124.20
Leave Encashment (unfunded)	3.20	2.66
(b) Provision for Taxes		
Income Tax	0.00	0.00
Wealth Tax	0.17	0.57
Proposed Equity Dividend	155.91	0.00
Corporate Dividend Tax	31.74	0.00
(c) Other Provisions	3,519.97	3,961.30
TOTAL	3,840.10	4,088.73

Particulars	Gross Block						Accumulated Depreciation/Amortisation				Net Block	
	Balance as at 01 st April 2014	Additions	Sales / adjustments	Adjustments for Exchange Fluctuation	Revaluations/ (Impairments)	Balance as at 31 st March 2015	As at 1 st April 2014	for the year	Adjustment due to revaluations/transfers	Sales / adjustments	Balance as at 31 st March 2015	Balance as at 31 st March 2014
a												
Tangible Assets												
Land	441.60	0.00				441.60	0.00	0.00	0.00	0.00	441.60	441.60
Buildings	4,817.27	229.56	5.78			5,041.05	1,121.33	141.53	220.72	1,479.76	3,561.29	3,695.94
Plant and Equipment	28,093.34	2,019.37	20.99			30,091.72	15,045.15	2,141.88	174.24	17,341.33	12,750.39	13,048.20
Furniture and Fixtures	585.58	4.68	0.95			589.31	144.27	64.16	1.59	209.12	380.19	441.30
Vehicles	227.79	0.00	43.29			184.50	119.65	28.21	5.13	122.86	61.64	108.14
Office equipment	210.31	8.35	5.08			213.58	66.59	52.85	36.61	153.43	60.15	143.73
Computers & peripherals	460.54	43.90	20.64			483.80	320.59	67.58	11.57	385.23	98.57	139.95
Total	34,836.43	2,305.86	96.74	0.00	0.00	37,045.56	16,817.58	2,496.21	449.86	19,691.73	17,353.83	18,018.86
Less : Depreciation Capitalised during the year							114.42					
Depreciation taken to Statement of Profit and Loss							2,381.78					
Note No.14												
b												
Intangible Assets												
Goodwill	121.40					121.40	121.40	0.00	0.00	121.40	0.00	0.00
SAP Upgradation licence / Implementation fee	283.70	40.50				324.20	146.58	52.05	0.00	198.63	125.57	137.12
R&D Projects	80.32	40.29				120.61	0.07	30.34	0.00	30.41	90.20	80.25
Technical Knowhow	65.00					65.00	65.00	0.00	0.00	65.00		
Total	550.42	80.79	0.00	0.00	0.00	631.21	333.05	82.39	0.00	415.44	215.77	217.37
Note No.15												
c												
Capital Work In Progress												
d												
Intangible Assets under development												
Total												
Total	35,386.85	2,386.65	96.74	0.00	0.00	37,676.77	17,150.63	2,464.17	449.86	20,107.17	18,756.56	20,034.34
Previous Year	32,618.23	6,264.43	3,495.81	0.00	0.00	35,386.85	15,403.46	2,188.23	0.00	17,152.30	20,032.66	18,306.70

Note No.16: Non Current Investments

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
a) Un quoted		
Associate : (Trade Investments)		
- Nasense Labs Pvt.Ltd.,(Formerly USP Organics Pvt Ltd) (49,36,052 equity shares of ₹ 10/- each, Previous year 49,36,052)	493.60	493.60
Add : Share of Profit for the current year	74.71	69.99
Add : Share of Profit of previous years	86.11	16.12
Net value of Investment	654.42	579.71
b) Others : (Non-Trade Investments)		
- Shubho-Tech Private Ltd. (5,00,000 10% Cumulative Redeemable Preference Shares of ₹ 100/- each, Previous year 3,30,234)	500.00	330.23
- New India Co-Operative Bank Ltd (50,000 equity shares of ₹ 10/- each, Previous year 50,000)	5.00	5.00
Total (Aggregate amount of unquoted investments)	1,159.42	914.94

Note No.17: Long Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured considered good		
Loan to an Associate Company - Nasense Labs Pvt.Ltd.,	167.00	167.00
Income Tax (Net of provisions) - Advance / Paid under Protest	494.31	700.10
Prepaid Expenses	5.02	7.80
Deposits with Government, Public Bodies and Others	18.98	12.67
Electricity and Other Deposits	205.30	199.52
Balance with Customs, Central Excise etc.,	197.15	23.22
Rental and Other Deposits	113.70	119.23
Telephone Deposit	1.21	1.28
TOTAL	1,202.67	1,230.82

Note No.18: Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(Refer Note No.2 G)		
Raw Materials	5,110.82	7,103.62
Work-in-Progress	475.77	633.23
Finished Goods	10,560.66	7,388.35
Stock in Trade	1,553.62	1,263.03
Packing Materials	489.39	700.57
Stores and Spares	451.94	541.70
TOTAL	18,642.20	17,630.50

Note No.19: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured and considered good :		
Due for a period more than six months	2,058.73	2,009.72
Others	20,088.28	13,996.91
TOTAL	22,147.01	16,006.63

Note No.20: Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Cash on hand	9.26	7.29
(b) Balances with Banks*		
1) In Current Accounts		
- Rupee Accounts	1,143.90	1,543.71
- Foreign Currency Accounts	35.25	63.99
2) Earmarked accounts - Unclaimed Dividend	60.17	79.69
3) Bank Deposits with more than 12months maturity	1.00	1.00
TOTAL:	1,249.58	1,695.68

Note No.21: Short Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured and considered good :		
Advance Income Taxes & TDS (Net of Provisions)	173.93	5.35
Prepaid Expenses	90.28	104.26
Loans and Advances to Employees	5.55	4.34
Balance with Customs, Central Excise etc.,	523.23	833.64
Capital Advances	98.61	411.00
Advance to Material Suppliers and Others	1,109.87	698.47
Trade Advance to Related Parties (Refer Note No.39 B)	340.02	489.73
TOTAL	2,341.50	2,546.79

Note No. 22: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Interest Accrued on Deposits & Others	77.57	87.65
Insurance Claims Receivable	948.15	1,928.13
Other Receivables	-	-
TOTAL	1,025.72	2,015.78

Note No. 23: Revenue From Operation

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
(a) Sale of products;		
- Agri Inputs	84,709.16	73,239.52
- Power	-	189.37
(b) Other Operating Revenues;		
- Conversion Charges	501.91	489.34
- Income from Operations	29.31	23.76
- Other Operating Income	722.80	118.53
Less:		
Excise Duty & VAT	11,411.72	10,476.15
TOTAL	74,551.46	63,584.37

Note No. 24: Other Income**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
(a) Interest Income	46.56	55.20
(b) Other Non-Operating Income		
- Excess Provisions Written Back	424.44	466.00
- Profit on Sale of Fixed Assets	3.74	0.66
- Bad Debts written off Recovered	18.09	52.59
- Dividends Received on Investments	0.55	0.50
- Others	2,102.46	1,358.55
TOTAL	2,595.84	1,933.50

Note No. 25: Cost of Materials Consumed**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Raw-Material Consumption	43,372.82	35,143.97
Packing-Material Consumption	4,032.40	3,634.52
TOTAL	47,405.22	38,778.49

Note No. 26: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Opening Work-in-Progress	633.23	1,211.47
Opening Finished Goods	7,388.35	8,227.93
TOTAL	8,021.58	9,439.40
Closing Work-in-Progress	475.78	633.23
Closing Finished Goods	10,560.66	7,388.35
TOTAL	11,036.44	8,021.58
Net (increase)/decrease in stock	(3,014.86)	1,417.82

Note No. 27: Employee Benefits Expenses**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Salaries, Wages and Bonus	4,287.89	3,763.34
Contribution to Provident and Other Funds	242.23	213.50
Workmen and Staff Welfare Expenses	376.93	363.64
TOTAL	4,907.05	4,340.48

Note No. 28: Finance Costs**(₹ in Lakhs)**

Particulars	For the Year ended 31 st March 2014	For the Year ended 31 st March 2013
Interest Expense		
(i) Interest on Term Loans	705.63	664.62
(ii) Interest on Working Capital Loans	1,688.49	1,023.93
(iii) Interest - Others	608.35	750.06
(iv) Bank Charges	271.71	175.90
(v) Financial Charges	217.51	185.18
TOTAL	3,491.69	2,799.69

Note No. 29: Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
(Refer Note No. 13 to15)		
Tangible Assets	2,381.78	2,132.88
Intangible Assets	82.39	55.35
TOTAL	2,464.17	2,188.23

Note No. 30: Other Expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2015	For the Year ended 31 st March 2014
Consumption of Stores and Spare Parts	528.14	530.49
Repairs and Maintenance		
- Buildings	36.58	34.97
- Plant & Machinery	39.29	41.65
- Others	33.88	66.26
Other Manufacturing Costs	2,054.95	1,561.19
Power and Fuel	3,723.53	3,084.61
Rent	274.97	262.44
Rates and Taxes, Excluding, Taxes on Income	44.23	30.95
Communication Expenses	109.11	103.43
Travel & Conveyance	1,038.60	919.96
Technical Consultancy	220.82	140.91
Legal & Professional Charges	189.40	179.45
Insurance	214.82	197.07
Directors' Sitting Fees	4.50	4.60
Auditors' Remuneration		
- Audit Fee	15.25	15.25
- Taxation Matters	3.00	3.00
- Certification Fees	3.75	3.75
- Out of Pocket Expenses	0.12	0.26
Cost Audit Fee	4.25	3.00
S.a.p. Annual Maintenance	33.06	32.72
R&D and Product Development Expenses	28.56	7.22
Miscellaneous Expenses	584.91	575.25
Foreign Exchange Fluctuation (Net of Gain of ₹ 56,97,289.)	196.86	238.46
Loss on Sale/Retirement of Fixed Assets	18.34	17.78
Bad Debts Written off	765.58	140.72
Marketing Expenses	3,208.72	2,514.36
Freight outward	1,605.69	1,224.04
Export and Export Related Expenses	356.26	433.84
TOTAL	15,337.17	12,367.63
DUTIES AND TAXES		
Excise Duty	8,968.60	7,533.21
Less : Adjusted to Turnover	8,435.00	7,708.49
TOTAL	533.60	-175.28
TOTAL	15,870.77	12,192.35

31. Commitments / Contingent Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2015 ₹ in Lakhs	As at 31.03.2014 ₹ in Lakhs
a.	Commitments/ Contingent Liabilities		
(i)	Letters of Credit issued by Bankers	7409.50	6797.91
(ii)	Counter Guarantees given to Bankers	270.00	414.01
b.	Claims against the Company not acknowledged as debts in respect of		
(i)	Disputed Excise Duty, Service Tax Demands (Payments made under protest ₹ 15.77 Lakhs)	33.21	23.41
(ii)	Disputed Income Tax Demands Disputed Income Tax Demands (Payments made under protest ₹ 430.40 Lakhs)	430.40	430.40
(iii)	Disputed Sales Tax Demands (Payments made under protest ₹ 8.51 Lakhs)	8.51	8.51
c.	Others	118.50	239.73
d.	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (Net of advance)	172.98	1453.09

32. The Company has prepared consolidated financial statements by incorporating the financial statements of its wholly owned subsidiaries i.e. L.R.Research Laboratories Pvt. Ltd. & Nagarjuna Agrichem (Australia) Pty. Ltd with its financial statements on line by line basis.

The investments of the Company in Nasense Labs Private Ltd., an Associate Company, have been accounted for in these consolidated statements under the Equity Method in accordance with AS 23 – “Accounting for Investments in Associates”

33. INFORMATION PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013.**STATEMENT OF FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 31.03.2015 :**

Sl. No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Pvt. Ltd.	Nagarjuna Agrichem (Australia) Pty Limited
1.	Financial period of the Subsidiary	01.04.2014 to 31.03.2015	01.04.2014 to 31.03.2015
2.	Shares of the Subsidiary held by the Company on the above date		
	(a) Number of shares	10000	15050
	(b) Face value	equity shares of ₹10/-each	equity shares of AUD 1/-each
	(c) Holding in percentage	100%	100%
3.	Net Aggregate amount of profit / losses of the Subsidiary for the above financial period of the subsidiary so far they concern Members of the Company:		
	(a) dealt with in the accounts of the Company for the period ended 31 st March, 2015 (previous year ended 31 st March, 2014)	(0.48)	(7.68)
	(b) not dealt with in the accounts of the Company for the period ended 31 st March, 2015 (previous year ended 31 st March, 2014)	NIL	NIL
4.	Net aggregate amount of Profit / losses of the subsidiary since it became a subsidiary so far as they concern Members of the Company.		
	(a) dealt with in the accounts of the Company for the period ended 31 st March, 2015 (previous year ended 31 st March, 2014)	(0.48)	(7.68)
	(b) not dealt with in the accounts of the Company for the period ended 31 st March, 2015 (previous year ended 31 st March, 2014)	NIL	NIL

34. THE DETAILS OF THE SUBSIDIARIES IN TERMS OF GENERAL CIRCULAR 2/2011 DATED 08TH FEBRUARY, 2011 ISSUED BY THE GOVERNMENT OF INDIA, MINISTRY OF CORPORATE AFFAIRS FOR THE PERIOD 31.03.2015 IS AS UNDER:

(₹ in Lakhs)

Sl.No.	Particulars of the Subsidiary	Name of the Subsidiary	
		LR Research Laboratories Private Limited	Nagarjuna Agrichem (Australia) Pty Limited
1.	Share Capital	1.00	7.72
2.	Reserves and Surplus	(0.95)	(7.68)
3.	Total Assets	1.00	0.05
4.	Total Liabilities	1.00	0.05
5.	Details of Investments	-	-
6.	Turnover and Other Income	-	-
7.	Profit / Losses Before Taxation	(0.48)	(7.68)
8.	Provisions for Taxation	-	-
9.	Profit /Losses After Taxation	(0.48)	(7.68)
10.	Proposed Dividend	-	-

35. Disclosure of loans/advances and Investments in its own shares by the listed Companies, their subsidiaries, associates etc.

The following disclosure requirements shall be complied by the Companies in the Annual Accounts

Sl. No.	Disclosures of amounts at the year end and the maximum amount of loans/ advances/Investments outstanding during the year	Amount (₹ In Lakhs)
1. Parent	Loans and advances in the nature of loans to subsidiaries by name and amount. - Nagarjuna Agrichem (Australia) Pty Limited, Australia, - LR Research Laboratories Pvt Ltd.,	NA
	Loans and advances in the nature of loans to associates by name and amount. - Nasense Labs Pvt.Ltd.,	166.67
	Loans and advances in the nature of loans where there is	-
	i) no repayment schedule or repayment beyond seven years or	-
	ii) no interest or interest below section 372A of Companies Act by name and amount.	-
	Loans and advances in the nature of loans to firm/Companies in which Directors are interested by name and amount	-
2.Subsidiary	Same disclosures as applicable to the parent Company in the accounts of subsidiary Company.	-
3. Parent	Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	-

36. A. Raw Material Consumed:

Particulars	2014-15	2013-14
	Value ₹ in Lakhs	Value ₹ in Lakhs
Raw Material *	43372.82	35143.97
TOTAL	43372.82	35143.97

* Note: There is no individual item of raw material consumed exceeding 10% of the total raw material consumed.

B. Value of Raw Material Consumed (Imported & Indigenous):

Particulars	2014-15		2013-14	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	17969.50	41.43	12271.42	34.92
Indigenous	25403.32	58.57	22872.55	65.08
TOTAL	43372.82	100.00	35143.97	100.00

C. Value of Stores and Spares consumed (Imported & Indigenous):

Particulars	2014-15		2013-14	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous	365.66	100	360.78	100
Imported	-	-	-	-

D. Value of Imports Calculated on CIF Basis:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Raw Material	14136.25	13296.37
Capital Goods	34.22	360.02

E. Expenditure in Foreign Currency:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Travelling Expenses	47.72	22.21
Consultancy Charges	157.94	58.27
Others including Commission	64.10	77.13

F. Earnings in Foreign Exchange:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Export of Goods on FOB Basis	14257.91	9204.86

37. Payments to Auditors:

(₹ in Lakhs)

Sl.No.	Particulars	2014-15	2013-14
1.	Statutory Audit *	15.25	15.25
2.	Tax Audit *	3.00	3.00
3.	Certification *	3.75	3.75
4.	Out of Pocket Expenses	0.12	0.26
	TOTAL	22.12	22.26

* Service Tax which is being claimed for set-off as input credit has not been included in the expenditure above.

38. Expenditure on Research & Development:.

(₹ in Lakhs)

Particulars	2014-15	2013-14
(A) Revenue Expenditure Capitalized during the year from respective heads :		
- Salaries & Wages	124.08	55.10
- Contribution to PF etc	7.74	3.38
- Staff Welfare Expenses	6.72	5.19
- Chemicals Consumption	49.37	28.17
- Travel & Conveyance	3.12	9.88
- Communication	2.15	0.22
- Consultancy Charges	53.71	3.26
- Depreciation	114.42	67.45
- Repairs	14.04	8.96
- Electricity	29.80	23.08
- Other Expenses	40.79	30.15
Total (A)	445.94	234.84
(B) Capital Expenditure	91.44	131.47
Total Capital Expenditure (A) + (B)	537.38	366.31
(C) Other Revenue Expenditure	51.06	138.31

39. During the year under review NACL entered into a marketing agreement for Solar Products in India with a foreign Company. Pending approvals from Government the said foreign Company unilaterally violated the contracted terms and dispatched three unauthorized consignments of unapproved solar products of a stated value of USD 2,803,625. NACL has refused to accept the said consignments and has been legally advised that there would not be any liability towards the same.

40. Exceptional Item during the year is NIL (previous year amount ₹ 330.56 lakhs - Loss on Sale of Wind Mill Undertaking)

41. Borrowing Cost:

Borrowing cost capitalized during the year is nil (Previous year ₹ 254.51 Lacs)

42. Based on the provisional insurance claim made by the Company in connection with the damages to the assets in the fire accident on 30.06.2012 at Srikakulam plant, the insurance Company has made an interim on-account payment of ₹ 10 crores. The Company has credited the same to the claims receivable account which, at the beginning of the year stood at ₹ 19.28 crores comprising ₹ 14.16 crores being the written down value of the damaged fixed assets, ₹ 5.12 crores being the estimated value of damaged inventories and others. The claim by the Company under the reinstatement value basis with the insurance Company continues to be under process as on 31.03.2015.

Pending final assessment of the damage to the partially damaged assets, the value if any to be de-capitalised therefrom, continues to be included in the gross block as on 31.03.2015.

Necessary adjustments in the accounts and the financial impact if any in respect of the aforesaid will be made on completion of final assessment.

43. Related Party Transactions:

A. Names of related parties and description of relationship:

Sl. No.	Relationship	Party
1.	Subsidiary Company	Nagarjuna Agrichem (Australia) Pty Limited, Australia, LR Research Laboratories Pvt. Ltd.
2.	Holding Company	KLR Products Limited (Formerly GSR Products Limited)
3.	Associate	Nasense Labs Pvt.Ltd. (Formerly USP Organics Pvt. Ltd.)
4.	Key Management Personnel (KMP)	Mr. V.Vijay Shankar, Managing Director Mr. R.K.S.Prasad, Chief Financial Officer Mr. Satish Kumar Subudhi, Company Secretary & Head-Legal
5.	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Indo International Fertilizers Ltd. Shubho-Tech Pvt. Ltd.
6.	a) Individuals who, indirectly have control on the voting power in the Company.	Mrs.K.Lakshmi Raju, Director
	b) Relatives of (a) above	Mr.K.S.Raju (Father)
7.	Enterprises under the significant influence of persons having significant influence over this Company	Nagarjuna Fertilizers & Chemicals Ltd. Bhagiradha Chemicals & Industries Ltd.

B. Related Party transactions are as under:

Sl. No.	Transaction	Subsidiary Company		Associates		Key Management Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Individuals who, indirectly have control on the voting power in the Company		Enterprises under the significant influence of persons having significant influence over this Company		
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	
A) TRANSACTIONS DURING THE YEAR														
1.	Sales (incl. Capital)	-	-	-	-	-	-	-	-	-	-	-	163.34	-
2.	Purchases (incl Capital)	-	-	-	-	-	-	-	-	-	-	-	1124.24	983.32
3.	Conversion charges (Indo International Fertilisers Ltd.)	-	-	-	-	-	-	505.01	425.82	-	-	-	-	-
4.	Building , Equipment & Godown rents -Expense	-	-	-	-	-	-	-	-	121.77	116.03	-	-	0.98
5.	Godown rent-Income	-	-	-	-	-	-	-	-	-	-	-	6.00	5.40
6.	Managerial Remuneration	-	-	-	-	134.74	116.91	-	-	-	-	-	-	-
7.	Advance payments	0.15	0.03	-	-	-	-	-	-	-	-	-	-	-
8.	Investments	7.68	-	-	143.61	-	-	169.77	330.23	-	-	-	-	-
B) BALANCE AS AT 31st MARCH														
9.	Credit balances outstanding as 31 st March	-	-	-	2.36	-	-	-	-	-	-	-	270.30	226.78
10.	i) Trade Debit balances outstanding as on 31 st March	-	-	86.36	87.71	-	-	340.02	489.73	-	-	-	-	-
	ii) Debit balances (Unsecured Loan) outstanding as on 31 st March	-	-	219.19	194.63	-	-	-	-	-	-	-	-	-
11	Total Investment as on 31 st March	8.72	1.05	493.60	493.60	-	-	500.00	330.23	-	-	-	-	-

44. Minimum remuneration, in accordance with the provisions of Schedule V to the Companies Act, 2013, has been paid to the Managing Director, in the absence of profits for the year.

45. Provision has been made during the year for Minimum Alternate Tax (MAT) in accordance with the provisions of The Income Tax Act, 1961. As a prudent measure MAT Credit in respect of the said provision for the current year has not been recognized and will be reviewed and recognized at the appropriate time in subsequent years.

46. Earnings per Share : The computation of EPS is as follows

(₹ in Lakhs)

S.No.	Particulars	2014-15	2013-14
a)	Profit/(Loss) after Tax (₹ in Lakhs) (There are no Extraordinary items)	834	(2052)
b)	Earnings Available to Equity Shareholders (₹ in Lakhs)	834	(2052)
c)	Weighted average No. of Shares taken for computing EPS		
	- Basic	155,911,508	155,911,508
	- Diluted of par value of ₹1/-	155,911,508	155,911,508
d)	Earnings per Share (₹) (b/c)		
	- Basic	0.54	(1.32)
	- Diluted	0.54	(1.32)

47. Employee Benefit Obligations

A. Defined Contribution Plan:

The Company makes Provident Fund contribution to defined contribution retirement benefit plan for qualifying employees. Under the scheme the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to defined contribution plan is recognized and charged off for the year as follows: (₹ in Lakhs)

Particulars	FY 2014-15	FY 2013-14
Employer's Contribution to Provident Fund	118.70	123.10
Employer's Contribution to Pension Scheme	89.38	67.27

B. Defined Benefit Plan:

Liability for retiring gratuity as on March 31, 2015 is ₹ 411.65 Lacs (as on March 31, 2014 – ₹ 416.21 Lacs) of which ₹ 300.73 Lacs (as on March 31, 2014 ₹ 292.01 Lacs) is funded with Life Insurance Corporation of India the balance is included in provision for Gratuity. Liability for Gratuity has been actuarially determined and provided in the books. The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary.

(₹ in Lakhs)

Sl. No.	Particulars	31.03.2015	31.03.2014
1.	Actuarial Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Attrition Rate	1-3%	1-3%
	Mortality Table	LIC (1994-96)	LIC (1994-96)
	Retirement Age	58 Years	58 Years
2.	Table Showing changes in present value of Obligation as on 31/03/2015		
	Present value of obligations as at beginning of year	238.50	206.96
	Interest cost	19.08	16.56
	Current Service Cost	38.83	36.60
	Benefits Paid	(16.82)	(19.27)
	Actuarial (gain)/ loss on obligations	38.63	(2.36)
	Present value of obligations as at end of year	318.22	238.50
3.	Table showing changes in the fair value of plan assets as on 31/03/2015		
	Fair value of plan assets at beginning of year	292.01	279.21
	Expected return on plan assets	25.54	24.08
	Contributions	-	7.98
	Benefits Paid	(16.82)	(19.27)
	Actuarial gain/(loss) on Plan assets	-	-
	Fair value of plan assets at the end of year	300.73	292.01

Sl. No.	Particulars	31.03.2015	31.03.2014
4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	292.01	279.21
	Actual return on plan assets	25.54	24.08
	Contributions	-	7.98
	Benefits Paid	(16.82)	(19.27)
	Fair value of plan assets at the end of year	300.73	292.01
	Funded status	(17.48)	53.51
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	-	-
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(38.63)	2.36
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss on obligations	38.63	(2.36)
	Actuarial (gain)/ loss recognized in the year	38.63	(2.36)
6.	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	318.21	238.50
	Fair value of plan assets as at the end of the year	300.73	292.01
	Funded status	(17.48)	53.51
	Net asset/(liability) recognized in balance sheet	(17.48)	(53.51)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	38.83	36.60
	Interest Cost	19.08	16.56
	Expected return on plan assets	(25.54)	(24.08)
	Net Actuarial (gain)/ loss recognized in the year	38.63	(2.36)
	Past Service Cost	-	-
	Expenses recognised in statement of Profit and loss	70.99	26.72

The obligation of Leave Encashment is recognized based on actuarial valuation made by an independent actuary at the end of the financial year.

- 48 Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.
49. Figures of the previous year have been re-grouped/recast wherever necessary to conform to the current year's presentation/classification.
50. Figures are rounded off to the nearest thousands.

Signatures to Notes 1 to 50

As per our report of even date attached
For **M.BHASKARA RAO & CO.**,
Chartered Accountants

V.Raghuandan
Partner

K.S.Raju
Chairman
(DIN:00008177)

V.Vijay Shankar
Managing Director
(DIN:00015366)

Place : Hyderabad
Dated : 30th May, 2015

R.K.S.Prasad
Chief Financial Officer

Satish Kumar Subudhi
Company Secretary & Head-Legal
(ACS 12211)

NAGARJUNA AGRICHEM LIMITED

CIN: L24219AP1986PLC016607

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

(Members authorization to receive dividend through ECS mechanism)

1.	Name of the First / Sole Shareholder	
2.	Regd. Folio No/DP ID No. and Client ID No.	
3.	Particulars of Bank Account of First / Sole Shareholder:	
	(a) Name of the Bank	
	(b) Name of the Branch	
	(c) Branch code	
	(d) Address of the Bank	
	(e) Telephone No. of the Branch	
	(f) 9-Digit Code Number of the Bank and Branch as appearing on the MICR Cheque	
	(g) Account Number (as appearing on the Cheque Book / Pass Book)	
	(h) Account Type (S.B. Account / Current or Cash Credit)	
	(i) Ledger No./ Leger Folio No.	
	(j) Effective Date of this Mandate	

I hereby declare that the Particulars / Details given above are correct and complete. If the Transaction is delayed or not effected at all for reasons of incomplete or incorrect information supplied as above, the Company / XL Softech Systems Ltd (RTA) will not be held responsible. I agree to discharge the responsibility expected of me as a participant under the Scheme. I further undertake to inform the Company any change in my Bank/ Branch and Account Number.

Place: _____

Dated: _____

(Signature of First / sole Shareholder)

- 1) Please attach a Blank Cancelled Cheque or Photocopy of a Cheque. Alternatively, these particulars may be attested by the Bank Manager.
- 2) In case of more than one Regd. Folio/Demat Account, please complete the details separately for each such Folio / Demat Account.
- 3) The information provided would be utilized only for the purpose of effecting dividend payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company with one month advance Notice.
- 4) Members of the Company holding the Shares in Dematerialized Form are requested to inform to their respective Depository Participant with regard to the following:
 - (i) Changes in particulars of Bank Mandate / Address / PAN
 - (ii) Correction in Name.

These changes as updated by the respective depository participants are automatically registered with the NSDL / CDSL from whom the Company obtains data of its Members.
- 5) Please send the duly filled in mandate Form to:
 - (i) the Depository Participant who is maintaining your Demat Account in case you hold shares in dematerialised form.
 - (ii) the Company, at the Registered Office / its Registrar and Transfer Agent (RTA).

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular no. 17/2011 Dated 21.04.2011 Issued by the Ministry of Corporate Affairs)

To
The Company Secretary & Head-Legal,
Nagarjuna Agrichem Limited,
Regd. Office: Plot no. 12-A, "C" Block, No. 8-2-248/1/7/78, Nagarjuna hills,
Panjagutta, Hyderabad-500082, Telangana State, INDIA.

Dear Sir,

Sub: Registration of E-mail

Folio No. / DP ID & Client ID:
Name of 1st Registered Holder:
Name of Joint Holder(s):
Registered Address:

E-mail ID (to be registered):

I/We Shareholder(s) of Nagarjuna Agrichem Limited agree to receive communication from the Company in Electronic Mode. Please register my above e-mail id in your records for sending communication through E-mail.

Place: _____

Dated: _____

Signature:

- On registration of e-mail, all the communications, including the Annual Reports, will be sent to the said registered mail.
- Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail.



NAGARJUNA AGRICHEM LIMITED

Corporate Identity No.L24219TG1986PLC016607
Registered Office: Plot No.12-A "C" Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta,
Hyderabad-500082, Telangana State, INDIA
Tel. No. 040-33605123/124 Fax No. 040-23350234
Email address: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com

Please fill up this Attendance slip and hand it over at the entrance of the Meeting hall. Please also bring your copy of the enclosed annual report.

ATTENDANCE SLIP

I hereby record my presence at the 28th Annual General Meeting of the Company held at 10 a.m. on Monday, 28th September, 2015 at Surana Udyog Auditorium, M/s Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, P.B No.14, Red Hills, Hyderabad – 500004.

REGD. FOLIO NO/ CLIENT ID

NO.OF SHARES

Name of the Share holder (In block letters)

Note: Member / Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and handover at the entrance at the Meeting hall duly signed .



NAGARJUNA AGRICHEM LIMITED

Corporate Identity No.L24219TG1986PLC016607
Registered Office: Plot No.12-A "C" Block, Lakshmi Towers,
No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta,
Hyderabad-500082, Telangana State, INDIA
Tel. No. 040-33605123/124 Fax No. 040-23350234
Email address: investors@nagarjunaagrichem.com Website: www.nagarjunaagrichem.com

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No/DP ID - Client ID :

I/We, being the Member (s) of shares of the above named Company, hereby appoint

- Name :
Address :
E-mail Id :
Signature : or failing him
- Name :
Address :
E-mail Id :
Signature : or failing him
- Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general Meeting of the Company, to be held on Monday, the 28th day of September, 2015 at 10.00 AM at Surana Udyog Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry (FTAPCCI), Federation House, Red Hills, Hyderabad - 500004, Telangana State and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	No. of shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Ordinary Business:				
1.	To consider, approve and adopt the Audited Profit and Loss Account for the year ended 31 st March, 2015, the Balance Sheet as at that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon.			
2.	Declaration of dividend on equity shares for the financial year ended 31 st March, 2015.			
3.	To appoint a Director in place of Mrs. Lakshmi Raju (DIN 00545776), who retires by rotation and being eligible offers himself for re-appointment.			
4.	Ratification of Appointment of M/s M.Bhaskara Rao & Co., Chartered Accountants, as Auditors and fix their remuneration.			
Special Business:				
5.	To ratify the remuneration of M/s K.Narasimha Murthy & Co., Cost Auditors of the Company.			
6.	Adoption of new set of Articles of Association			
7.	To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company.			
8.	To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the subsidiary Companies, holding Companies and associate Companies of the Company			

Signed thisday of September, 2015

Signature of Shareholder

Signature of Proxy holder(s)

Affix ₹1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



NACL's Ethakota plant honored with 'Best Management Award' for the year 2015 by the Govt. of AP



The restored Block-5 of Srikakulam plant

Nagarjuna - Pride of the Indian Farmer



Nagarjuna Agrichem Limited

CIN : L24219TG1986PLC016607

Regd. Office :

Plot No. 12-A, 'C'-Block, Lakshmi Towers,
Nagarjuna Hills, Punjagutta,
Hyderabad-500 082 (T.S) INDIA.

Ph: +91-40 33605123 / 24 / 25 / 26 & 27

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Website : www.nagarjunaagrchem.com

E-mail : info@nagarjunaagrchem.com

