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

NAGARJUNA
GROUP
Nagarjuna Fertilizers
and Chemicals Limited

September 01, 2017

The Executive Director
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C / 1, Block – 'G'
Bandra – Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir,

Scrip Code : NAGAFERT

Sub : 11th Annual General Meeting of the Company

We are hereby enclosing the Annual Report for the year ended March 31, 2017, containing the Notice convening the 11th Annual General Meeting scheduled to be held at 10.00 hrs., on Tuesday, September 26, 2017, at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073, Directors' Report, Auditors Report and the Audited Annual Accounts of the Company.

Notice convening the 11th Annual General Meeting has been mailed/dispatched to all the Shareholders of the Company.

Thanking you,

Yours faithfully,
for Nagarjuna Fertilizers and Chemicals Limited

M Ramakanth
Sr. Vice President – Legal & Company Secretary

Encl : as above

nagarjuna fertilizers
and chemicals limited

empowering farmers

from farming to fair trade

annual
report
2016-17

Empowering Farmers from Farming to Fair Trade

Profitable Farming

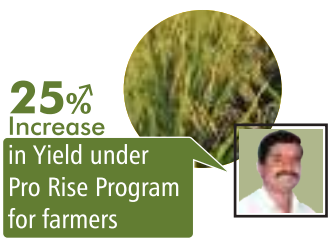
Farming in India is constrained by poor yields and stagnant returns. In most cases crop yields are lower than global averages (across major crops from Rice, Wheat, Maize, Cotton, Pulses and Vegetables).

The lack of improvement in returns is in spite of adopting high yielding seeds, next generation pesticides and farm mechanisation. Increasing input costs without commensurate increase in returns is hurting farmers.

To address the problem Nagarjuna Fertilizers and Chemicals Limited in collaboration with Fertis has launched a proprietary crop management program called ProRise to :

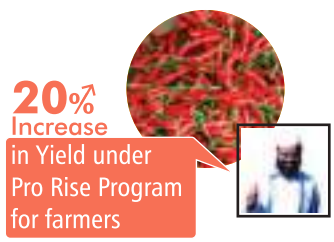
- Maximize Crop Yields
- Reduce Pesticide and Fertilizer Use (towards saving cost, farming sustainably and produce products with low residue)
- Improve Crop Quality (for better price realisation)
- and Produce more Nutritious Food for Customers (containing more vitamins and minerals)

Testimonials from Pro Rise Farmers



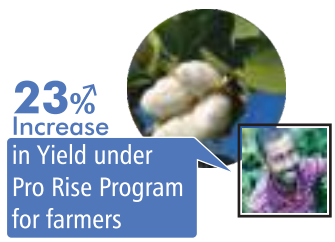
ProRise solution used for Paddy resulted in a 25% increase in yield with better quality of grains (reduced chalky grains, increased filling and reduced grain breakage) and better price realization.

– B Venkat Reddy,
Suryapet



ProRise usage in Chilli resulted in a yield increase of 20%, better quality (even size, enhanced colour and shine) and better price realization.

– Anwar Basha Pacharla
Gadwal



ProRise use in for Cotton resulted in a yield increase of 23%, better quality (Larger and uniform boll size) and better price realization.

– Shriram Deshmukh
Buldhana

BOARD OF DIRECTORS

K S Raju
Chairman

Chandra Pal Singh Yadav
Nominee of KRIBHCO

Shailendra Govind Nadkarni
Nominee of IDBI Bank

Syed Shahabuddin
Nominee of SBI

Anil Kumar P R
Nominee of ICICI Bank Ltd

O Ramesh Babu
Nominee of IFCI

N C B Nath

S R Ramakrishnan

Lalitha Raghuram

Uday Shankar Jha

C B Mouli

D Ranga Raju

K Rahul Raju
Managing Director

Registered Office
D.No 8-2-248,
Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082
INDIA

CIN : L24129AP2006PLC076238

Website
www.nagarjunafertilizers.com

Manufacturing Facilities

Urea
Kakinada, East Godavari Dist,
Andhra Pradesh

Micro-Irrigation
Nacharam, Hyderabad,
Telangana

Sadashivpet Mandal,
Medak Dist, Telangana

Halol, Panchmahal Dist.,
Gujarat

Auditors
M/s. M Bhaskara Rao & Co.,
Chartered Accountants
Hyderabad

Company Secretary
M Ramakanth

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 11TH ANNUAL GENERAL MEETING OF NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED WILL BE HELD AT 10.00 HOURS ON TUESDAY, SEPTEMBER 26, 2017 AT SRI SATYA SAI NIGAMAGAMAM, 8-3-987/2, SRINAGAR COLONY, HYDERABAD - 500 073 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the 11th Annual Report of the Company, Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the Financial Year ended March 31, 2017, Statement of changes in Equity for the Financial Year ended March 31, 2017, the Cash Flow Statement for the Financial Year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Chandra Pal Singh Yadav with DIN No.00023382 who has consented to retire by rotation in compliance with the requirements of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

3. 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 139 of the Companies Act, 2013 and the Rules made thereunder, the consent of the members be and is hereby accorded for the ratification of the appointment of Statutory Auditors of the Company, M/s. M Bhaskara Rao and Co. (Firm Registration No-000459S), Chartered Accountants, Hyderabad, to hold office from the conclusion of the 11th Annual General Meeting up to the conclusion of the 12th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors during the term of appointment i.e., from the conclusion of the 8th Annual General Meeting to the conclusion of the 13th Annual General Meeting."

SPECIAL BUSINESS

4. 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), remuneration of Rs. 4 lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses paid to M/s. Sagar & Associates (Firm Registration No-000118), Cost Auditors, Hyderabad, appointed by the Board of Directors of the Company, to conduct the Cost Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ended March 31, 2017, be and is hereby approved and ratified"

5. 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), M/s. Sagar & Associates, (Firm Registration No-000118) Cost Auditors, Hyderabad, appointed by the Board of Directors of the Company, to conduct the Cost Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ending March 31, 2018, be paid the remuneration as may be fixed by the Board of Directors of the Company"

6. 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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. D Ranga Raju who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. D Ranga Raju for the office of Director of the Company, who meets the criteria for independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office upto the conclusion of the 16th Annual General Meeting, not liable to retire by rotation"

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

   "RESOLVED THAT subject to Sections 196, 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013 Mr. K S Raju be and is hereby re-appointed as Director and Chairman of the Company for a period of 3 years with effect from August 1, 2017 subject to the approval of the financial institutions and the Central Government."

   "RESOLVED FURTHER THAT Mr. K S Raju, be and is hereby paid the following remuneration and perquisites during the term of his office and the same also be paid as minimum remuneration in the event of inadequacy or absence of profits in any Financial Year, during his term of office."

   1. Salary

      a. Salary (including dearness allowance and all other allowances) – Rs. 5 lakhs per month.

      b. Commission : 0.5% of the net profits of the Company, limited to his annual salary.

   2. Perquisites

      Perquisites other than medical reimbursement shall be restricted to an amount equal to the annual salary

      i. Housing:

         a. The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or

b. In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company; or

c. In case no accommodation is provided by the Company, Mr. K S Raju shall be entitled to house rent allowance subject to the ceiling laid down in clause (a)

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of ten per cent of the salary.

ii. Medical Reimbursement:

Reimbursement of the expenses incurred for self and family subject to a ceiling of Rs. 5 lakhs per year.

iii. Leave Travel Concession:

Leave travel concession for self and family once in a year, incurred in accordance with the Rules of the Company.

Explanation: Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

iv. Club Fees:

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

v. Personal Accident Insurance:

Personal accident insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

vi. a. Company's contribution towards Provident Fund as per the Rules of the Company.

b. Gratuity as per the Rules of the Company.

c. Company's contribution towards Superannuation Fund as per the Rules of the Company.

The aforesaid perquisites stated in (vi)(a), (vi)(b) and (vi)(c) shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

vii. Earned Leave:

On full pay and allowances and perquisites, as per the Rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

viii. Car for use on Company's business and telephone at residence shall not be considered as perquisites."

"RESOLVED FURTHER THAT the remuneration specified above for Mr. K S Raju, Chairman may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act, 2013 and the approval of the Central Government, be modified as may be agreed to by the Company and Mr. K S Raju, Chairman."

"RESOLVED FURTHER THAT the perquisites mentioned above shall be interchangeable within the overall ceiling of the annual salary of Mr. K S Raju, Chairman."

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. M Ramakanth, Company Secretary, take necessary actions to give effect to the above resolution."

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

"RESOLVED THAT subject to Sections 196, 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013, Mr. K Rahul Raju be and is hereby re-appointed as Director and Managing Director of the Company for a period of 3 years with effect from August 1, 2017 subject to the approval of the financial institutions and the Central Government"

"RESOLVED FURTHER THAT Mr. K Rahul Raju, be and is hereby paid the following remuneration and perquisites during the term of his office and the same also be paid as minimum remuneration in the event of inadequacy or absence of profits in any Financial Year, during his term of office."

1. a. Salary **:** Salary (including dearness allowance and all other allowances) - Rs. 5 lakhs per month

b. Commission : 0.5% of the net profits of the Company, limited to his annual salary.

2. Perquisites

Perquisites other than medical reimbursement shall be restricted to an amount equal to the annual salary

i. Housing :

a. The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or

b. In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company; or

c. In case no accommodation is provided by the Company, Mr. K Rahul Raju shall be entitled to house rent allowance subject to the ceiling laid down in clause (a).

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962, subject to a ceiling of ten per cent of the salary.

ii. Medical Reimbursement:

Reimbursement of the expenses incurred for self and family subject to a ceiling of Rs. 5 lakhs per year.

iii. Leave Travel Concession:

Leave travel concession for self and family once in a year, incurred in accordance with the Rules of the Company.

Explanation: Family for (ii) and (iii) means the spouse, the dependant children and dependant parents.

iv. Club Fees:

Fees of clubs subject to a maximum of two clubs. No admission and life membership fee shall be paid.

v. Personal Accident Insurance:

Personal accident insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

vi. a. Company's contribution towards Provident Fund as per the Rules of the Company.

b. Gratuity as per the Rules of the Company.

c. Company's contribution towards Superannuation Fund as per the Rules of the Company.

The aforesaid perquisites stated in (vi)(a), (vi)(b) and (vi) (c) shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

vii. Earned Leave:

On full pay and allowances and perquisites, as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the minimum remuneration.

viii. Car for use on Company's business and telephone at residence shall not be considered as perquisites".

"RESOLVED FURTHER THAT the remuneration specified above for Mr. K Rahul Raju, Managing Director may, subject to overall ceiling specified above and subject to Schedule V of the Companies Act, 2013 and the approval of the Central Government, be modified as may be agreed to by the Company and Mr. K Rahul Raju, Managing Director."

"RESOLVED FURTHER THAT the perquisites mentioned above shall be interchangeable within the overall ceiling of the annual salary of Mr. K Rahul Raju, Managing Director."

"RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. M Ramakanth, Company Secretary, take necessary actions to give effect to the above resolution."

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

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) in terms of the Articles of Association of the Company, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors), to (i) mortgage/charge/encumber/hypothecate/dispose off; and/ or (ii) continue to maintain the mortgages/charges/ encumbrances/hypothecations previously created by the Company, by deposit of title deeds or otherwise, in such form and in such manner, on such terms and conditions and with such ranking and at such time as the Board may determine, on all the movable and immovable properties of the Company together with all buildings and structures thereon, fixtures, fittings and all plant and machinery attached to the earth or permanently fastened, where so ever situated both present and future and/or whole or substantially the whole of the undertaking(s) of the Company and/or to assign all rights, title, interest, benefits, claims and demands of the Company thereof, both present and future, in favour of the its lender(s) (including IDBI Bank Limited, UCO Bank, ICICI Bank Limited and State Bank of India (collectively "JLF Lenders")) for securing the borrowings of Rs. 800 crores (Rupees Eight Hundred crores) availed/to be availed by the Company from the JLF towards the Corrective Action Plan sanctioned, by way of loan(s) (in foreign currency and/or rupee currency), from time to time, within the limits approved under Section 180(1)(c) of the Companies Act, 2013, being presently Rs.7500 crores (Rupees Seven Thousand Five Hundred crores only) approved by the members of the Company at their meeting held on September 30, 2016 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the facility agreement(s), or any other document, entered into/to be entered into between the Company and the Lender(s), in respect of the said loans/ borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s) (including the JLF Lenders)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and are hereby authorized to finalize, settle and execute such documents/ deeds/writings/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

"RESOLVED THAT pursuant to Section 135, Section 181 of the Companies Act, 2013 and other applicable provisions and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to approve the contribution not exceeding Rs. 1 crore during the Financial Year 2017-2018 to Nagarjuna Foundation, a Section 25 Company under the Companies Act, 1956 (now Section 8 Company under the Companies Act, 2013) with Registered Office at D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082, to be paid in one or more tranches as required from time to time for undertaking Corporate Social Responsibility activities on behalf of the Company."

By Order of the Board

M. Ramakanth
Company Secretary
Membership Number : FCS 1851

Hyderabad
August 9, 2017

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 AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

3. Instrument of proxies in order to be effective must be deposited at the Company's registered office not less than 48 hours before the meeting.

4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility as an alternative, to enable members to cast their vote electronically on all the resolutions set forth in the Notice to the 11th Annual General Meeting to be held on Tuesday i.e., September 26, 2017 at 10.00 Hours. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting platform to the members.

   Please refer to the detailed instructions on remote e-voting at page no. 177 of the Annual Report 2016-17.

   Members holding shares in demat form and members who have registered their email id with the Company will also receive the remote e-voting instructions by email.

5. Members who do not have access to remote e-voting facility may use the enclosed Ballot Form and send their assent or dissent on or before close of business hours of September 25, 2017.

6. Members are requested to notify immediately the change, if any, of the address/ change in bank details to the Company's registered office, quoting their ledger folio number registered with the Company.

7. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.

8. The Register of Members and the Share Transfer Books will remain closed from September 19, 2017 to September 26, 2017 (both days inclusive).

9. The Company has paid the listing fees to The Bombay Stock Exchange and The National Stock Exchange of India Limited, Mumbai, where the securities of the Company are listed.

10. Members whose shareholding is in the electronic mode are requested to inform change of address, notifications and updates of bank account details to their respective Depository Participants only.

11. Members are requested to update the Bank account number allotted after implementation of Core Banking Solutions (CBS) to the Company in case of shares held in physical form and to Depository Participant (DP) in case of shares held in demat form.

12. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company while transacting in the securities market including transfer, transmission or any other corporate action.

    Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company while transacting in the securities market including transfer, transmission or any other corporate action.

13. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, (Section 205C of the Companies Act, 1956).

    The Company in accordance with the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2016 (date of last Annual General Meeting) on the website of the Company (www.nagarjunafertilizers.com), as also on the website of the Ministry of Corporate Affairs.

14. Pursuant to the provisions of the Companies Act, 2013 and the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which the dividend remains unpaid or unclaimed and has been transferred to Investor Education and Protection Fund (IEPF) shall be transferred to IEPF in the name of IEPF Suspense Account at the end of seven years.

    The Company had paid dividend to the shareholders for the Financial Year 2011-12 on September 27, 2012. Accordingly, the Company shall transfer unpaid and unclaimed dividend and thereafter the shares of the shareholders during September, 2019 of such shareholders who do not claim dividend in terms of the above guidelines.

The shares, unclaimed dividend so transferred to the Fund may be claimed by the shareholder from the Fund by making an application in Form IEPF 5 available online on website www.iepf.gov.in along with the requisite fee.

Members may accordingly take steps to claim the dividend to avoid transfer of their shares in terms of the above guidelines.

15. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to mail soft copies of the Annual Report to all those members who have registered their e-mail addresses with the Company/Depository Participant. The Annual Report 2016-2017 along with the Notice of the 11th Annual General Meeting, instructions on remote e-voting, ballot form, attendance slip and proxy form is being mailed in electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant unless communication is received to the contrary. Printed copies of the documents shall be mailed to members who have not registered their email addresses with the Company/ Depository Participant or have requested for the same.

    The Notice of the 11th Annual General Meeting along with the Annual Report 2016-2017 will be available on the Company's website, www.nagarjunafertilizers.com.

16. Members requiring a printed copy of the Annual Report may forward their request to the Company in writing.

17. Members are requested to address all correspondences, including dividend matters, to Nagarjuna Fertilizers and Chemicals Limited, Investors Services Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082.

18. To support green initiative, the members holding shares in Physical/ Demat form, who have not furnished their email addresses are requested to register/update their e-mail addresses with the Company/Depository Participants.

19. As per Section 72 of the Companies Act, 2013 facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Company Members, in particular those holding shares in single name, are requested to avail the above facility by furnishing to the Company the particulars of their nomination. Members holding shares in electronic form may forward duly filled nomination form to their respective depository.

20. The Company has designated an exclusive e-mail ID titled investors@nagarjunagroup.com for redressal of shareholders complaints/grievances. In case of any queries/ complaints or unresolved grievances, please write to us at ramakanthm@nagarjunagroup.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4 and 5

The Board of Directors vide resolution dated October 14, 2016 approved the appointment of M/s. Sagar & Associates, Cost Auditors, Hyderabad as Cost Auditors of the Company in place of Mr. Dantu Mitra, who ceased to be the Cost Auditor of the Company with effect from October 3, 2016.

The Board of Directors at their meeting held on May 26, 2017, on the recommendation of the Audit Committee, have approved the re-appointment of M/s. Sagar & Associates, Cost Auditors, Hyderabad as the Cost Auditor to conduct the audit of the cost records of the Company for the Products - Fertilizers (Plant–I and 2 at Kakinada) and other Machinery and Plastics & Polymers (Micro-Irrigation-Products) for the Financial Year 2017-18 by virtue of the Companies (Cost Records and Audit) Rules, 2014.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing Ordinary Resolutions as set out in Item No.4 and 5 of the Notice for payment of remuneration.

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 4 and 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item 4 and 5 of the Notice for approval of the members.

Item No. 6

The Board of Directors of the Company at their meeting held on May 26, 2017 appointed Mr. D Ranga Raju as Additional Director of the Company.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member alongwith deposit of Rs.1 lakh proposing the candidature of Mr. D Ranga Raju as Independent Director as per the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. D Ranga Raju, the following:

a) Consent in writing to act as Director in Form DIR- 2

b) Declaration in Form DIR-8 confirming that he is not disqualified under Section 164(2) of the Companies Act, 2013.

c) Declaration as per Section 149(6) of the Companies Act, 2013, that he meets the criteria of independence.

It is proposed to appoint Mr. D Ranga Raju as Independent Director of the Company not liable to retire by rotation upto conclusion of 16th Annual General Meeting pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. D Ranga Raju fulfills the conditions for appointment as Independent Director as specified in the Act, Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. D Ranga Raju is independent of the management.

Mr. D Ranga Raju is a commerce graduate and has over 44 years of work experience in manufacturing and marketing of fertilizers and agrochemicals.

Details in relations to names of companies in which he holds directorships and Memberships/ Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the letter of appointment of Mr. D Ranga Raju as Independent Director setting out terms and conditions are available for inspection by members at the Registered Office of the Company during normal working hours on any working day upto the date of the Annual General Meeting.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions except Mr. D Ranga Raju

The Board commends the Ordinary Resolutions set out at Item No. 6 of the Notice for approval of the members.

Item No. 7 & 8

Mr. K S Raju and Mr. K Rahul Raju were appointed as Chairman and Managing Director of the Company respectively from August 1, 2011 and thereafter re-appointed for a period of three years effective August 1, 2014. Their term of appointment expires on July 31, 2017.

The Board of Directors based on recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. K S Raju as Chairman and Mr. K Rahul Raju as Managing Director of the Company for a period of 3 years with effect from August 1, 2017.

The Company has incurred a loss as on March 31, 2017. It is proposed to consider for re-appointment Mr. K S Raju as Director and Chairman of the Company for a further period of three years with effect from August 1, 2017 to July 31, 2020, in view of the present financial position of the Company, the on-going restructuring exercise and his immense experience and expertise.

In view of the defaults in repayment of its debts/ debentures/ interest payable thereon for a continuous period of thirty days during the Financial Year 2016-17, the proposed remuneration to Mr. K S Raju and Mr. K Rahul Raju is not in compliance with Schedule V to the Companies Act, 2013. The remuneration so paid as stated above requires the approval of the members and Central Government.

The Company is in the process of obtaining the approval of the financial institutions and consortium of working capital banks for the reappointment of Mr. K S Raju as Chairman and Mr. K Rahul Raju as Managing Director of the Company for a period of three years effective from August 1, 2017 and payment of proposed remuneration as minimum remuneration even in the event of inadequate profit or loss as per the provisions of the Companies Act, 2013.

The Company shall make necessary applications to Central Government for the payment of remuneration to Mr. K S Raju and Mr. K Rahul Raju.

The Board commends the re-appointment of Mr. K S Raju as Chairman and Mr. K Rahul Raju as Managing Director of the Company for a period of 3 years with effect from August 1, 2017 and the remuneration to be paid to them as per the terms and conditions stated in the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. K S Raju and Mr. K Rahul Raju (being related to each other), for themselves and each other, are concerned or interested in these resolutions.

Statement of disclosure pursuant to Schedule V to the Companies Act, 2013, in relation to Item No 7 & 8 of the Notice:

The following disclosures are being made in relation to the reappointment and payment of remuneration to Mr. K S Raju as Chairman and Mr. K Rahul Raju as Managing Director, respectively

I. General Information:

1. Nature of the Industry

   The Company is in the fertilizer sector and manufactures Urea and Micro-irrigation systems and also is in the business of sale of other fertilizers.

   The Company is the second largest manufacturer of Urea in the private sector and is the largest fertilizer manufacturer in South India. The Company is also the second largest manufacturer of Micro-Irrigation systems in India.

   The production and marketing of Urea is controlled under the Essential Commodities Act, 1955. The Company's main product viz Urea continues to be regulated under Government policy.

2. Date of Commencement of Commercial Production (includes data of Erstwhile NFCL since merged into Kakinada Fertilizers Limited now named as Nagarjuna Fertilizers and Chemicals Limited)

   a. Urea and ammonia plants.

      The Plant 1 of the Company commenced commercial production in August 1992 and Plant 2 commenced commercial production in March 1998.

b. Revamp / de-bottlenecking with Carbon-dioxide recovery unit under Clean Development Mechanism of the plants at Kakinada

During the years 2007 - 2008 the Company carried out a major revamp/ de-bottlenecking with carbon-dioxide recovery unit under clean development mechanism of the plants at Kakinada with the technical collaboration with Mitsubishi Heavy Industries Ltd, Japan and Tecnimont ICB Pvt Ltd, Mumbai, which is an Indian subsidiary of Technimont S. P. A., Italy.

c. Micro Irrigation Plants

The Company also acquired the Micro irrigation business from one of its group companies through a scheme of merger.

The Micro Irrigation Plant at Nacharam commenced commercial production in March 1998, at Sadasivapeta, Hyderabad in December 2009 and at Halol, Gujarat, which merged with the Company through a Composite Scheme of merger and amalgamation, in May 2011.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Foreign investments or collaborators, if any.

a. Foreign Investments

Saipem SpA holds 44,00,000 equity shares of Rs.1/- each aggregating to Rs. 44 lakhs which amounts to 0.74 % of the total equity capital of the Company.

As on March 31, 2017 out of the total paid up equity capital, foreign Promoters account for 2.21%, 0.79% to Foreign Institutional Investment and Foreign Portfolio Investment and Non resident Indians hold 0.93% of the total paid up equity capital.

b. Foreign collaborators

(i) Urea and ammonia plants.

Technical collaborators:

The Company's ammonia and urea plants were established with Foreign technical collaboration. The ammonia plants were established with technical collaboration of Haldor Topsoe, Denmark and the urea plants were established with the technical collaboration of Saipem, SpA, Italy.

(ii) Revamp / de-bottlenecking

Revamp / de-bottlenecking under Clean Development Mechanism of the Plants at Kakinada was carried out with technical collaboration with Mitsubishi Heavy Industries Ltd., Japan and Tecnimont ICB Pvt. Ltd., Mumbai.

II. Information about the appointee:

a. Background details

Mr. K S Raju is a Graduate in Mechanical Engineering from University of Mysore. He started his professional career as Project Manager in NSL Limited (formerly Nagarjuna Steels Limited and now merged with Pennar Steels Limited). He was appointed the Whole-time Director of Erstwhile Nagarjuna Fertilizers and Chemicals Limited in the year 1987 and was appointed as Managing Director in 1993 and Vice Chairman in 1994. Mr. K S Raju was appointed as Chairman and Managing Director of Erstwhile NFCL with effect from April 27, 2006. Mr. K S Raju has been associated with the Erstwhile NFCL since 1985 and the Company since August 2011 and has made significant contributions to the progress of the Company. His experience and expertise would be of immense value to the Company.

Mr. K Rahul Raju entered the Group as the head of Nagarjuna Group's Emerging Business initiatives from 1997 to 2000. In the year 2000 he started Bijam Biosciences Ltd and was its CEO for 4 years. The Company had several firsts to its record. When Erstwhile NFCL entered CDR, Mr. K Rahul Raju was asked to join as Director - Business Development and Strategic Planning of Erstwhile Nagarjuna Fertilizers and Chemicals Limited since 2004 in order to help steer the Company back to profitability. Several initiatives under his leadership have resulted in the Company's re-emergence as a formidable player in the Indian fertilizer industry. He was later appointed to the position of Joint Managing Director w.e.f. November 1, 2008. He was appointed as the Managing Director of the Company from August 1, 2011.

The remuneration proposed to be paid to Mr. K S Raju and Mr. K Rahul Raju is much lower than the industry standards. Mr. K S Raju and Mr. K Rahul Raju besides receiving remuneration for his services as Chairman and Managing Director of the Company respectively do not receive any other monetary or non-monetary benefit from the Company.

b. Past remuneration

Mr. K S Raju and Mr. K Rahul Raju are presently receiving remuneration of Rs 2.5 lakhs per month respectively and perquisites restricted to an amount equal to annual salary. The proposed re-appointment provides for payment of remuneration of Rs. 5 lakhs per month and perquisites restricted to an amount equal to annual salary.

c. Recognition or awards

-

d. Job profile and suitability

Mr. K S Raju is a Graduate in Mechanical Engineering from University of Mysore. He started his professional career as Project Manager in NSL Limited and was associated with Erstwhile NFCL since 1987 as Whole-time Director and was appointed as Managing Director

in 1993, Vice Chairman in 1994 and Chairman and Managing Director with effect from April 27, 2006. He has been associated with the Company since August 2011 as Chairman and has made significant contributions to the progress of the Company.

Mr. K Rahul Raju is a Honors Graduate in Commerce, Post Graduate Diploma in Management and has over 20 years experience. He has been associated with the Erstwhile NFCL since 1997 as Whole-time Director and Managing Director of the Company since August 2011 and made significant contribution to Erstwhile NFCL and the Company.

e. Remuneration proposed to Mr. K S Raju and Mr. Rahul Raju

Salary : Rs.5.00 lakhs p.m. (including dearness allowance and all other allowances)

Commission : 0.5% of the net profits of the Company, limited to annual salary

Perquisites : restricted to an amount equal to the annual salary.

f. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The remuneration being paid to Mr. K S Raju and Mr. K Rahul Raju is much lower compared to the fertilizer industry standards and companies of similar size and turnover. i.e., is around 25% of the remuneration being paid by similar fertilizer companies to their managerial personnel.

g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. K S Raju and Mr. K Rahul Raju are related to each other.

Other than the remuneration proposed they does not receive any other pecuniary benefits.

III. Other Information:

1. Reasons for loss

The Company recorded losses during the Previous Financial Year on account of lower production of Manufactured urea due to short supply of Natural Gas by GAIL and RIL during quarter 1 and plants shutdown during quarter 4 resulting in contribution loss and energy incentive loss. Further, lower demand for Urea, Specialty Fertilizers and CFG coupled with lower sales of Micro Irrigation due to lack of project orders and recognition of Income as per Ind AS resulted in loss.

2. Steps taken or proposed to be taken for improvement

The Company's plants continue to operate efficiently and the fertilizers operations of the Company are viable and profitable. Owing to the reasons stated above, the Company has incurred a loss and the Company proposes to improve its profitability by taking measures such as

a. Make efforts to secure additional availability of Natural Gas.

b. Improve energy efficiency

c. Further improve the operations of the Company

d. Cost control

3. Expected increase in productivity and profits in measurable terms.

The availability of additional Natural Gas will result in increase in the production and consequent increase in profit.

The energy efficiency would also improve and this would lead to higher productivity and profits. The Company also proposes to take adequate measures to control costs.

IV. Disclosures:

The following disclosures are mentioned in the Corporate Governance Report for the Financial Year 2016-17.

The details are as under :

i. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;

a. the Executive Directors are entitled to the following remuneration :

1. Salary : Rs.5.00 lakhs p.m. (including dearness allowance and all other allowances)

2. Perquisites : restricted to an amount equal to the annual salary.

3. Commission : 0.5% of the net profits of the Company, limited to annual salary

b. the Non-Executive Directors are not entitled to any remuneration except payment of Sitting Fees of Rs.15,000/- per Board / Committee Meetings, attended by them.

ii. details of fixed component and performance linked incentives along with the performance criteria - Nil

iii. service contracts, notice period, severance fees- The Managerial Personnel are subject to service Rules as other employees of the Company. The Rules and Regulations governing service contracts, notice periods and severance fees are detailed in the H R Policy of the Company.

iv. stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Not applicable as no stock option schemes are provided.

Details of remuneration proposed to be paid to Mr. K S Raju and Mr. K Rahul Raju are provided in the resolution No. 7 & 8 of the Notice convening the 11th Annual General Meeting.

Item No. 9

The members of the Company at their meeting held on September 29, 2015 approved through Special Resolution borrowing not exceeding Rs. 7500 crores and creation of charge in accordance with Section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013.

The Company proposes to avail Rupee Term Loan facilities to the tune of Rs. 800 crores as modified/renewed from time to time from its Rupee Term Loan lenders including IDBI Bank Limited, UCO Bank, ICICI Bank Limited and State Bank of India such other lenders who may accede to the Entire Loan from time to time (collectively JLF Lenders) on the terms of their respective sanction letters

The Company needs to create security in favour of JLF Lenders for securing the borrowings of Rs.800 crores availed/to be availed by the Company towards the Corrective Action Plan subject to the limits approved earlier under Section 180(1)(a) of the Companies Act, 2013, i.e. Rs.7500 crores with the JLF and hence specific resolution is proposed.

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 9 of the Notice.

The Board commends the Special Resolution set out at Item 9 of the Notice for approval of the members.

Item No. 10

The Company has been undertaking various Corporate Social Responsibility (CSR) activities since the year 2008 under the aegis of Nagarjuna Foundation, a not-for-profit company under Section 25 Company under the Companies Act, 1956 (now Section 8 Company under the Companies Act, 2013). In terms of Section 135 of the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years on CSR activities.

In view of inadequate profits, the Company need not contribute towards Corporate Social Responsibility in accordance with Section 135 of the Companies Act, 2013 but is undertaking the same to maintain the CSR activities already commenced and the need to sustain the same.

Nagarjuna Foundation is a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013. The transaction is not a material related party transaction and being on arms length basis need not be placed before the members for approval under Section 188 of the Companies Act, 2013.

The Company is placing the resolution before members for approval pursuant to Section 181 of the Companies Act, 2013 wherein the Board of Directors of a company may contribute to bona fide charitable and other funds with prior permission of the company in general meeting in case the amount exceeds 5% in any Financial Year of its average net profits for the three immediately preceding financial years.

Accordingly, despite the losses incurred by the Company in the previous Financial Years and its continued commitment to society, the approval of the members pursuant to Section 181 of the Companies Act, 2013 is sought.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. K Rahul Raju and Mr. K S Raju are concerned or interested in the resolution.

The Board commends the Special Resolution set out at Item 10 of the Notice for approval of the members.

Inspection of Documents

The documents pertaining to Special Business are available for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on any working day prior to the meeting.

By Order of the Board

M Ramakanth
Company Secretary
Membership Number : FCS 1851

Hyderabad
August 9, 2017

DIRECTORS' REPORT

Your Directors present the 11th Annual Report together with the Audited Accounts of your Company for the year ended March 31, 2017.

The Financial Results and the Consolidated Financial Results of the Company for the year ended March 31, 2017 are as under:

A. BUSINESS AND FINANCIAL HIGHLIGHTS

Financial Results — ` in Crores

Particulars	2016-2017 Current year	2015-2016 Previous year
Net Sales/Income from Operations	3385.07	3977.64
Other Income	35.27	31.93
Total Expenditure		
a. Changes in inventories of finished goods, stock-in-trade and work in progress	13.10	(60.08)
b. Cost of materials consumed	1164.58	1154.34
c. Employee Benefits expense	154.52	147.95
d. Purchase of Stock-in-Trade	461.56	909.49
e. Power and Fuel	840.68	864.00
f. Excise duty	8.79	7.80
g. Other expenses	521.09	691.05
Total	3164.32	3714.55
Finance cost	324.90	328.90
Depreciation and amortization	89.20	92.65
Profit/ (Loss) before exceptional items, extra-ordinary items and tax	(158.08)	(126.53)
Exceptional Items	-	-
Profit/ (Loss) before extra-ordinary items and tax	(158.08)	(126.53)
Extra-ordinary items	-	-
Profit/(Loss) before tax	(158.08)	(126.53)
Provision for tax	(6.29)	-
Deferred tax	(30.02)	(33.79)
Profit / (Loss) after tax	(121.77)	(92.74)
Other Comprehensive income (net of tax)	0.30	0.39
Total Comprehensive income	(121.47)	(92.35)
Dividend – equity shares	-	-
Tax on proposed dividend	-	-
Balance c/d to Balance Sheet	(121.47)	(92.35)
Paid Up equity share capital (Face value of Re.1/- per share)	59.81	59.81
Reserves excluding revaluation reserve	1032.57	1154.05
Earnings per share (annualized)-in Rs. Basic and Diluted	(2.04)	(1.55)

Consolidated Financial Results — ` in Crores

Particulars	2016-2017 Current year	2015-2016 Previous year
Net Sales/Income from Operations	3385.07	3977.64
Other Income	35.28	31.94
Total Expenditure		
a. Changes in inventories of finished goods, stock-in-trade and work in progress	13.10	(60.08)
b. Cost of materials consumed	1164.58	1154.34
c. Employee Benefits expense	154.54	148.03
d. Purchase of Stock-in-Trade	461.56	909.49
e. Power and fuel	840.68	864.00
f. Excise Duty	8.79	7.80
g. Other expenses	521.09	687.20
Total	3164.34	3710.78
Finance cost	324.90	328.90
Depreciation and amortization	89.21	92.99
Profit/ (Loss) before exceptional items, extra-ordinary items and tax	(158.10)	(123.09)
Exceptional Items	-	-
Profit/ (Loss) before extra-ordinary items and tax	(158.10)	(123.09)
Extra-ordinary items	-	-
Profit/(Loss) before exceptional items, and Tax	(158.10)	(123.09)
Provision for tax	(6.29)	-
Deferred tax	(30.02)	(33.79)
Profit/(Loss) after tax before minority interest	(121.79)	(89.30)
Share of Loss transferred to Minority Interest	-	-
Share of Loss from Associate Company	-	-
Profit / (Loss) for the year	(121.79)	(89.30)
Other Comprehensive Income (Net of tax)	0.30	0.39
Total Compreshensive Income	(121.49)	(88.91)
Dividend – equity shares	-	-
Tax on proposed dividend	-	-
Balance c/d to Balance Sheet	(121.49)	(88.91)
Paid-up equity share capital (Face value of Re.1/- per share)	59.81	59.81
Reserves excluding revaluation reserve	1032.57	1154.02
Earnings per share (annualized) – in Rs. Basic and Diluted	(2.04)	(1.49)

The financials for the Financial Year 2015-16 have been redrawn in line with Ind AS for the Financial Year 2016-17. Therefore the financials referred herein for Financial Year 2015-16 are different from the published annual accounts of 2015.

Consolidated financial statements are also attached along with the financial statements of the Company.

Financial Summary

The loss after tax for the year was Rs. 121.78 crores against loss after tax of Rs.92.74 crores for the previous year.

The Company recorded losses during the current year on account of lower production of Manufactured urea due to short supply of Natural Gas by GAIL and RIL during quarter 1 and plants shutdown during quarter 4 resulting in contribution loss and energy incentive loss. Further, lower demand for Urea, Specialty Fertilizers and CFG coupled with lower sales of Micro Irrigation due to lack of project orders and recognition of Income as per Ind AS resulted in loss.

Share Capital and Debentures

The paid-up equity capital of the Company as on March 31, 2017 is Rs.59,80,65,003/- consisting of 59,80,65,003 equity shares of Re.1/- each.

Reserves

There has been no transfer to Reserves during the Financial Year in view of losses incurred by the Company.

Restructuring

The Bombay Stock Exchange and The National Stock Exchange of India Limited commenced trading of the equity shares of the Company effective from June 15, 2016 with Scrip Code 539917 and NAGAFERT respectively.

The members of the Company at the 10th Annual General Meeting held on September 30, 2016 had approved by Special Resolution for sale of Fractional entitlements arising out of Composite Scheme and transfer of net proceeds due for distribution to the shareholders of the Company who are eligible to receive the same to Investor Education and Protection Fund (IEPF) established by the Government of India in terms of Companies Act, 2013 in view of the inadequate realization of the net sale proceeds.

The Company has sold 16,510 shares arising out of fractional entitlement on February 1, 2017 at an average net rate of Rs.12.40/- and transferred a sum of Rs. 218,258/- to IEPF.

Plant Operations

Urea

Your Company during the year manufactured 14.98 LMT of urea as against 13.42 LMT in the previous year.

Micro-Irrigation

Your Company achieved a production of 1,236 Lakh Mtrs against 1,071 Lakh Mtrs during the previous year.

MARKETING

Urea

Your Company achieved a sale of manufactured urea of 15.27 LMT compared to 12.47 LMT in the previous year.

The total urea sales for both manufactured and imported Urea was 18.91 LMT compared to 22.69 LMT of previous year.

Other Traded Products

Traded Bulk Products

Your Company sold 29675 MT of Traded Bulk Products during the year in comparison with sales of 1165 MT during the previous year.

Specialty Fertilizers

Your Company sold 19127 MT of Speciality Fertilizer during the year in comparison with sales of 17031 MT during the previous year.

Micro-nutrients

Your Company sold 5547 MT of Micro-nutrients during the year in comparison with sales of 6237 MT during the previous year.

Supplements

Your Company sold 26162 MT of Supplements during the year in comparison with sales of 24297 MT during the previous year.

Customized Fertilizers

Your Company sold 18368 MT of Customized Fertilizers during the year in comparison with sales of 14569 MT during the previous year.

Environment and Safety

Environment

Your Company continues its mission of protecting the environment and has inculcated the concept right down the organization.

The statutory compliance on environmental matters are being complied from time to time.

Safety

Your Company as on March 31, 2017 completed 94,85,077 accident-free man-hours by employees and contractors of the Company.

Gas Supply

Subsequent to Nagaram incident, the complex started receiving adequate Natural Gas Supplies from May 2016 onwards. The first two months of the Financial Year i.e. during April and May 2016, the Company experienced shortage of Natural Gas.

Presently, the Company is getting the required Natural Gas supplies from both RIL and GAIL.

Kakinada Maintenance Scheme

The Company is taking necessary steps in relation to the revised Energy Norms and Target set by Department of Fertilizers (5.50 Gcal/MT Urea from 2018-19 onwards)

Research and Development

The Company's Research and Development is actively pursuing development of cutting edge technologies to propel core business and commercialize new and allied business.

The focus areas for technology development are in the areas of Plant Nutrition, Green Chemicals, Nutraceuticals and Renewable fuels. In each area, Company has made substantial progress. The new products and processes will provide a sustainable competitive advantage to the Company. All the technology developed shall be protected through robust IP network.

Change in the nature of business

There is no change in the nature of business.

Subsidiaries, Joint Ventures or Associate Companies

The changes in relation to any subsidiary, joint venture or associate Company during the year are mentioned below:

Subsidiary Company

The Domiciliation Agents of Nagarjuna Industrial Services and Investments Private Limited (NISIPL) had initiated the procedure for closure of NISIPL and have put NISIPL under Voluntary Liquidation. NISIPL has received No Objection Certificate (NOC) from Financial Services Commission for closure and NOC from Tax Authorities. The Registrar of Companies, Mauritius has approved the application to close the Company on March 20, 2017. The Company has been removed from the Register of the Registrar of Companies at Mauritius with effect from April 25, 2017.

Step Down Subsidiary Company

Spawnt Private S.a.r.l, the step down subsidiary of the Company at Luxembourg has been struck off from the Trade Register with effect from November 9, 2016. The Patents held by Spawnt Private Sarl have been transferred and assigned to Nagarjuna Industrial Services and Investments Private Limited (NISIPL), the wholly owned subsidiary and thereafter from NISIPL to the Company.

Accounts of Subsidiaries

Consolidated financial statements incorporating the accounts of the subsidiary company, Jaiprakash Engineering and Steel Company Limited are enclosed alongwith the financial statements of the Company.

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures appears as **Annexure I** to this Report.

There is no material fact that requires mention on the performance and financial position of the subsidiaries in view of the details given as following:

Jaiprakash Engineering and Steel Company Limited (JESCO)

JESCO is considering implementing various projects to utilize the available land appropriately and gainfully.

Material changes and commitments

There are 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.

B. DIRECTORS, BOARD COMMITTEES, KEY MANAGERIAL PERSONNEL AND REMUNERATION

Directors

Nominee Directors

Mr. O Ramesh Babu, Deputy General Manager, IFCI Limited has joined the Board as Nominee Director of IFCI Limited with effect from April 27, 2016 in place of Mr. Pawan Kumar.

Mr. Syed Shahabuddin has joined the Board as Nominee Director of State Bank of India with effect from May 26, 2017 in place of Mr. M P Radhakrishnan.

The Board placed on record the valuable contribution made by Mr. Pawan Kumar and Mr. M P Radhakrishnan, during their tenure as Directors on the Board.

Non-Executive Directors

Mr. Chandra Pal Singh Yadav, retires at the forthcoming Annual General Meeting in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.

The Board of Directors recommend the re-appointment of Mr. Chandra Pal Singh Yadav for consideration of the members.

Independent Directors

Mr. Arjun Kumar Arora resigned as an Independent Director of the Company with effect from June 17, 2016.

Mr. Uday Shankar Jha and Mr. C B Mouli had been appointed as Independent Directors of the Company not liable to retire by rotation at the 10th Annual General Meeting.

Mr. D Ranga Raju resigned as an Independent Director of the Company with effect from February 1, 2017 in view of personal reasons.

In accordance with Section 149, 152 and Schedule IV read with relevant Rules of the Companies Act, 2013, Mr. D Ranga Raju was appointed as Additional Director and Independent Director by the Board of Directors at the meeting held on May 26, 2017. It is proposed to appoint Mr. D Ranga Raju as Independent Director of the Company not liable to retire by rotation upto the conclusion of 16th Annual General Meeting pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration by Independent Directors

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements of independence so as to qualify as an Independent Director under Section 149(6) of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Executive Directors

Mr. K S Raju and Mr. K Rahul Raju were re-appointed as Chairman and Managing Director of the Company respectively for a period of three years effective from August 1, 2014. Their term of appointment expires on July 31, 2017.

The Board of Directors vide resolution date July 19, 2017 based on the commendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. K S Raju as Chairman of the Company for a period of 3 years with effect from August 1, 2017 and payment of remuneration subject to approval of members of the Company, Financial Institutions and Central Government.

The Board of Directors at their meeting held on May 26, 2017 based on commendation of Nomination and Remuneration Committee approved the re-appointment of Mr. K Rahul Raju as Managing Director of the Company for a period of 3 years with effect from August 1, 2017 and payment of remuneration subject to approval of members of the Company, Financial Institutions and Central Government.

The re-appointment of Mr. K S Raju and Mr. K Rahul Raju and payment of remuneration is being placed before the members of the Company at the 11th Annual General Meeting to be held on September 26, 2017 for their approval.

Key Managerial Personnel

Mr. M Ramakanth, Company Secretary and Mr. Sudhir Bhansali, Chief Financial Officer are the other Key Managerial Personnel of the Company. There were no changes in relation to the Key Managerial Personnel during the year.

Meetings of the Board

The Board of Directors of the Company had met five times during the year on May 12, 2016, August 6, 2016, September 8, 2016, December 2, 2016 and February 9, 2017.

Remuneration and other particulars of the Directors/ Key Managerial Personnel/ Employees

The information relating to remuneration and other particulars of the Directors / Key Managerial Personnel / Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 appears as **Annexure - II (a).**

Personnel

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules appears as **Annexure - II (b).**

Committees

Audit Committee

In compliance with the provisions of Section 177 of the Companies Act, 2013 and the Erstwhile Listing Agreement entered into with the Stock Exchanges, the Company had constituted on July 27, 2011 an Audit Committee consisting of highly qualified and experienced members from various fields.

The Audit Committee was re-constituted and the terms of reference enlarged with effect from May 29, 2014 to bring it in line with the provisions of Companies Act, 2013 and Erstwhile Listing Agreement entered into with the Stock Exchanges (now Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

The Chairman of the Committee is Dr. N C B Nath, an Independent Director and the Committee consists of Four Independent Directors, One Nominee Director and one Whole-time Director.

The Committee meets periodically to review the internal audit report, quarterly financial statements and annual financial statements and recommends its findings to the Board apart from taking action independently whenever required. The Statutory Auditors, Company Secretary and the Internal and Cost Auditors attend and participate in the Audit Committee Meetings.

The Audit Committee comprises of

Dr. N C B Nath	Chairman and Independent Director
Mr. S R Ramakrishnan	Member and Independent Director
Mrs. Lalitha Raghuram	Member and Independent Director
Mr. C B Mouli*	Member and Independent Director
Mr. K S Raju	Member and Chairman of the Company
Mr. Arjun Kumar Arora#	Member and Independent Director
Mr. Syed Shahabuddin@	Member and Nominee Director
Mr. M P Radhakrishnan$	Member and Nominee Director

* - Inducted as Member with effect from August 22, 2016
\# - Ceased to be a Member with effect from June 17, 2016
@ - Inducted as Member with effect from May 26, 2017
$ - Ceased to be a Member with effect from May 26, 2017

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted with effect from April 22, 2014 in compliance with the provisions of the Companies Act, 2013 and Erstwhile Listing Agreement entered into with the Stock Exchanges (now Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Company has adopted a Nomination and Remuneration Policy with effect from October 1, 2014 for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted with effect from April 22, 2014 in compliance with the provisions of the Companies Act, 2013 and Erstwhile Listing Agreement entered into with the Stock Exchanges (now Regulation 20 of

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

C. DISCLOSURES

Company Policy Matters

Your Company's endeavor has always been to maintain transparency and accountability to its stakeholders. In this direction, various policies mentioned in the Corporate Governance Report have been implemented to enable the stakeholders to appreciate the various interventions the Company has taken.

The implementation of these policies are reviewed periodically by the Board of Directors and updated regularly.

The Company has set up a Grievance Redressal Mechanism for all its associates. The Grievance Redressal Mechanism is aimed to redress the grievances of associates expeditiously to ensure good working atmosphere and culture in the organization.

The Company has drawn-up Policy on Bio-diversity, Gift Policy, Health Safety and Environment Policy and Human Rights Policy.

Risk Management Policy

The Board of Directors of the Company in accordance with the Erstwhile Listing Agreement entered into with the Stock Exchanges (now Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) had constituted a Risk Management Committee of the Board of Directors which frames, implements and monitors risk management plan of the Company and lays down procedures to inform the Board of the risk assessment and risk minimization procedures in the Company.

The Company has an Enterprise Risk Management System set up as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the Risk Management System, the risks of the Company are being regularly identified/assessed and documented by way of individual profiles and risk registers. The Company is also maintaining web based risk management application by each department/division at Plant as well as Corporate Office to manage and control the risk in structured manner.

The Risk Management Organization Structure consists of Risk Management Steering Committee (RMSC) at apex level, and at divisional level, Corporate Risk Management Committee (CRMC) and Plant Risk Management Committee (PRMC) were formed to facilitate monitoring and governance of the ERM process under the purview of Chief Risk Officer on an ongoing basis.

Periodical meetings of the CRMC and PRMC are being held wherein the critical, cautionary and acceptable risks are presented by the departments through web based RMS application. During such presentations, various cross-functional deliberations take place on the contributing factors and the control measures to mitigate the risks. The outcome of CRMC and PRMC deliberations and the analysis of risks are presented to RMSC on a quarterly basis.

The Chief Risk Officer of the Company and the Compliance Officer attend all the meetings of the Risk Management Committee.

Policy on Board Evaluation

The Policy on Board Evaluation was adopted with effect from October 1, 2014 by the Board of Directors in compliance of Companies Act, 2013 and the Erstwhile Listing Agreement entered into with the Stock Exchanges (now Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Individual Directors on regular basis and to take necessary steps for improving the effectiveness of the Board.

The Nomination and Remuneration Committee has devised the methodology, identified sample tools for evaluation and also laid down the parameters for evaluation of Directors, Independent Directors, Managing Director, Chairman, Committees of the Board and the Board.

The Nomination and Remuneration Committee, based on the responses received from Directors, evaluated the Directors, and conveyed the opinion of the Committee to the Board.

In view of the evaluation not linked to payment of remuneration, as the Company has opted only for payment of sitting fees, the evaluation has no financial implications on the Company.

Whistle Blower Policy/Vigil Mechanism

The Company formulated the policy in compliance with Clause 49 of Erstwhile Listing Agreement. The same is in conformity with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177(9) of the Companies Act, 2013. The Policy aims to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, misappropriation of public funds among others.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company was denied access to the Audit Committee.

Corporate Social Responsibility

The Company has always desired to play a proactive role in societal development with an intention to bring positive change in the lives of many. The Company under the aegis of Nagarjuna Foundation started several CSR activities since seven years and continues to support the initiatives.

An initiative started in 2009 with the spirit of making a difference, has today deepened its roots and is making a bigger impact and changing many more lives.

The dedicated support, strength, initiative and encouragement from the associates of the Group to be part of this initiative gave impetus to the movement.

Your Company during the year spent a sum of around Rs.70,86,988/- (Rupees Seventy Lakhs Eighty Six Thousand Nine Hundred and Eighty Eight only) towards the CSR activities.

The Company, in view of its inadequate profits, is not required to statutorily contribute towards CSR. The Company, however, contributes to undertake CSR to meet its continuing commitment for welfare of the society.

The report on CSR activities and the CSR Responsibility statement signed by Managing Director and Chairman of CSR Committee, appears as **Annexure - III** to this Report.

Your Company made contribution in areas of education, sports, healthcare and community welfare under the aegis of Nagarjuna Foundation and during the year proposes to collaborate with various leading organizations, charitable and other funds or trusts.

Corporate Governance

Your Company driven by a desire to be more competitive and recognized globally, had inculcated more than a decade ago rules defining ethical business, much before it was introduced as statutory compliance.

Your Company firmly believes that building a culture of compliance is more than meeting regulations and standards. Your Company has always proactively met mandated standards and practiced Corporate Governance in spirit and not just as letter of the law.

The Secretarial Auditor in the Corporate Governance Report has invited attention as emphasis that in view of having an Executive Chairman, though the Company is presently in compliance with the provisions Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is falling short of having one Independent Director on the Board as on March 31, 2017.

The Company has since appointed Mr. D Ranga Raju as Additional Director and Independent Director, with effect from May 26, 2017 and is in compliance with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sustainability Report

The Company, as a good governance practice, has compiled a Sustainability Report.

A detailed report on the sustainability initiatives taken up by the Company is published in the Nagarjuna Sustainability Report. The report is available on the Company's website www.nagarjunafertilizers.com.

Business Responsibility Report

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has voluntarily prepared a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective

A detailed Business Responsibility Report forms part of the Directors Report as **Annexure - IV**

Related Party Transaction

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) of Companies Act, 2013 appears as **Annexure - V.**

The transactions with related party are at arms length basis and not material as defined in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Particulars of loans, guarantees or investments

There were no loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the Financial Year 2016-17 other than a sum of Euro 35,000 provided to Nagarjuna Industrial Services and Investments Private Limited (NISIPL), the wholly owned subsidiary of the Company.

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

Disclosure in terms of Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption, earnings and outgo of foreign exchange is attached as **Annexure - VI** to this Report.

Extract of Annual Return

Extract of Annual Return appears as **Annexure - VII** to this Report

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

Arbitration Awards have been passed against the Company for the following amounts:

1. Payment of USD 18,40,000 + interest at 5% pa w.e.f September 12, 2013 and costs of USD 237,500 plus CHF 16,359.83 plus GBP 79,178.95
2. (a) Cost for Interim Final Award - GBP 465,630 + USD 43,187.79 with interest at 1% above Bank Rate with 3 monthly rests wef January 7, 2016 + GBP 15,000
   (b) Cost ordered by the Court at London - GBP 100,000
   (c) Final Award for a sum of
      (i) USD 1,18,25,000 towards DAP contracts and
      (ii) USD 25,30,000 towards NPS contracts taking the total sum awarded to USD 1,43,55,000 apart from the sum awarded in the Interim award
   (d) Third Interim Final Award of GBP 110,000

The Company is taking necessary steps to contest in relation to the Awards.

Adequacy of Internal Financial Controls with reference to Financial Statements

The Company maintains all its records in SAP system and the work flow and approvals are routed through SAP.

The Company's Internal Auditors scrutinize on periodical basis and ensure that the internal controls and the work flow of the organization is being done through the approved policies of the Company. In every quarter, the Internal Auditors present the Internal Audit Report and Management comments on the Internal Audit observations to the Audit Committee.

The Board of Directors of the Company have adopted various policies like the Related Party Transaction, Whistle Blower Policy etc for ensuring the orderly and efficient conduct of its business for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Auditors, in their Report of Internal Financial Controls (Annexure A to the Independent Auditors' report) have opined that the Company has, in all material respects, an adequate Internal Financial Controls System over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Registrar and Share Transfer Agents

The Company has been functioning as Category II Share Transfer Agent (in-house) pursuant to the Securities and Exchange Board of India (SEBI) approval to the Company.

Deposits

The Company has not accepted any deposits during the year nor are there any unpaid /unclaimed deposits at the end of the year.

D. AUDITORS AND AUDIT REPORT

Statutory Auditors

M/s. M Bhaskara Rao & Co., Chartered Accountants (Firm Registration No-000459S), Hyderabad, the Company's auditors were appointed at the 8th Annual General Meeting for a term of five years from the conclusion of 8th Annual General Meeting to the conclusion of 13th Annual General Meeting subject to ratification by the members of the Company every year.

M/s. M Bhaskara Rao & Co have signified their willingness to accept ratification of their appointment and have further confirmed their eligibility under Section 141 of the Companies Act, 2013.

The Company's Statutory Auditors have also furnished a certificate from the Peer Review Board of the ICAI confirming that they have undergone the process of peer review.

The Board of Directors in accordance with the provisions of Section 139 of the Companies Act, 2013 and Rules made there under commend the ratification of the appointment of Statutory Auditors for the Financial Year 2017-18 for consideration of the shareholders.

Auditors Report

The Statutory Auditors' of the Company have invited attention as emphasis on the matter in relation to:

a. Note 5.1 regarding the provision for diminution in the value of investment made for a value of investment in Jaiprakash Engineering and Steel Company Limited (JESCO), a susidiary and its adequacy based on management assessment for the reason stated in the said note.

b. Note 25.1 regarding recognising income from urea operations including reimbursement claims for additional fixed cost, input escalation and for production beyond reassessed capacity based on prices and provisions applicable under NPS-III, modified NPS-III, pending notification of the final prices under New Urea Policy 2015 and consequential adjustments, if any that may arise.

c. Note 35.1.1 regarding Arbitration awards passed against the Company for USD 1,43,98,188 and GBP 6,90,630 the impact of which has not been recognized in the Financial Statements for reasons stated in the said note.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder the Central Government has directed that the cost accounts maintained by the Company be audited by a Cost Auditor.

Mr. Dantu Mitra, Cost Accountant ceased to be the Cost Auditor of the Company with effect from October 3, 2016.

The Board of Directors of the Company have appointed M/s Sagar & Associates, Cost Auditors, (Firm Registration No. 000118) Hyderabad as Cost Auditor of the Company with effect from October 14, 2016 for the Financial Year 2016-17 for the manufactured Fertilizer Products and for the manufactured Micro Irrigation products at a remuneration as may be approved by the members of the Company.

The Board of Directors at their meeting held on May 26, 2017 re-appointed M/s. Sagar & Associates as Cost Auditors of the Company for the Financial Year 2017-18 at a remuneration as maybe fixed by the Board of Directors of the Company.

Accordingly, ratification of remuneration paid to the Cost Auditor for the Financial Year 2016-17 and approval for the remuneration payable to the Cost Auditor for the Financial Year 2017-18 is being placed before the members at the 11th Annual General Meeting of the Company to be held on September 26, 2017 for approval.

Secretarial Auditor

The Board of Directors at their meeting held on May 26, 2017 pursuant to the provisions of Section 203 of the Companies Act, 2013 have appointed Mr. C S S Krishna, Partner, M/s KBG Associates, Company Secretaries, Hyderabad as the Secretarial Auditor of the Company to undertake Secretarial Audit for the Financial Year 2017-18.

Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report for the Financial Year 2016-17 appears as **Annexure - VIII** to this Report.

The Secretarial Auditor in his report has invited attention as emphasis that in view of having an Executive Chairman, though the Company is presently in compliance with the provisions Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is falling short of having one Independent Director on the Board as on March 31, 2017.

The Company has since appointed Mr. D Ranga Raju as Additional Director and Independent Director, with effect from May 26, 2017 and is in compliance with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Internal Audit

The Company has a well established system of Internal Audit which carries out audit on Risk Management framework covering the gamut of financial, marketing, plant operations and service functions.

The Company's Internal Audit function has obtained Quality Management System (ISO 9001: 2000) certificate in December 2006 and the same has been confirmed.

A Chief Internal Auditor of the Company has been appointed by the Board of Directors, in compliance with Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

E. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013 your Directors hereby report that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had 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 at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government of India, Government of Andhra Pradesh, Government of Telangana and the Financial Institutions and Company's bankers for their assistance and cooperation.

Further, the Company places on record its sincere appreciation for the continuing support and unstinting efforts of investors, dealers and associates and all stakeholders in ensuring an excellent all round operational performance.

By Order of the Board

Hyderabad
August 9, 2017

K S Raju
Chairman

ANNEXURE - I

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 - Form AOC-I)

Part "A" : Subsidiaries **Rs. in lakhs**

Particulars	Subsidiary Company Jaiprakash Engineering and Steel Company Limited (JESCO)
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	March 31, 2017
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR
Share capital	2,30,00,000 shares of Rs.10/- each
Reserves and Surplus	(464.23)
Total assets	1830.87
Total Liabilities	1830.87
Investments	-
Turnover	1.25
Profit/(Loss) before taxation	(1.65)
Provision for taxation	-
Profit after taxation	(1.65)
Proposed Dividend	-
% of shareholding	99.84

Part "B" : Associates and Joint Ventures **Rs. in Lakhs**

	Particulars	Nagarjuna Agricultural Research and Development Institute	KVK Raju International Leadership Academy
1.	**Latest Audited Balance Sheet Date**	**March 31, 2017**	**March 31, 2017**
2.	**Shares of Associate/Joint Ventures held by the Company at the year end**		
	Number	25,020	1,50,000
	Amount of Investment in Associates/Joint Venture	2.50	15.00
	Extent of Holding %	25%	42.85%
3.	**Description of how there is significant influence**	Common Directors	
4.	**Reason why the associate/joint venture is not consolidated**	The investments in associates are not considered for consolidation as the Companies are registered under Section 8 of the Companies Act, 2013, and by law are not allowed to transfer any funds to the investing Company. These investments are accounted for in accordance with Accounting Standard 13 - "Accounting for Investments".	
5.	**Net worth attributable to Shareholding as per latest Audited Balance Sheet**	(0.063)	(4.12)
6.	**Profit / Loss for the year**	-	(0.073)
	Considered in Consolidation	-	-
	Not considered in Consolidation	-	(0.073)

By Order of the Board

Hyderabad
May 26, 2017

K S Raju
Chairman

ANNEXURE - II (a)

Particulars of Remuneration of Directors / Key Managerial Personnel / Employees

(Pursuant to Sec.197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year- 2016-17.

S. No.	Name of the Director	Median Remuneration (Rs.)	Directors Remuneration (Rs.)	Median Remuneration in %
1.	Mr. K S Raju	448600	6856619	15.28
2.	Mr. K Rahul Raju	448600	6680199	14.89

2. The Percentage increase in remuneration of Manager, Chief Financial Officer, Company Secretary in the Financial Year- 2016-17

S. No.	Name	Designation	2015-16 (Rs.)	2016-17 (Rs.)	Percentage Increase of salary
1.	Mr. K S Raju	Chairman	7117582	6856619	-3.67
2.	Mr. K Rahul Raju	Managing Director	7006259	6680199	-4.65
3.	Mr. M Ramakanth	Company Secretary	6901573	8796418	27.46
4.	Mr. Sudhir Bhansali	CFO	8227322	9419258	14.49

3. The percentage increase in the median remuneration of employees in the Financial Year 2016-17.

Particulars	2015-16 (Rs.)	2016-17 (Rs.)	Percentage Increase of Median salary
Median Salary	421900	448600	6.33

4. The number of permanent employees on the rolls of the Company.

Particulars	2015-16	2016-17
No. of Employees	1550	1605

5. The explanation on the relationship between average increase in remuneration and Company Performance

The average increase in remuneration is marginal and aimed to protect the employees remuneration from inflation and not related to Company performance.

6. Comparison of the remuneration of the Key Managerial Personnel against performance of the Company

The average increase in remuneration is marginal and aimed to protect the employees remuneration from inflation and not related to Company performance.

7. 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 and 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 in case of listed companies, and in case of unlisted companies , the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year .

The equity shares of the Company were not traded as on closing date of the previous Financial Year i.e., March 31, 2016.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

9.71% including Managerial personnel except directors.

9. The key parameters for any variable component of remuneration availed by the directors

There is no variable component paid during the year in the remuneration of the directors.

10. 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- 2016-17.

Emp No	Name	Designation	Ratio		Salaries (Rs.)	
			2015-16	2016-17	2015-16	2016-17
5002	Mr. K S Raju	Chairman	1.00	1.00	7117582	6856619
1825	Mr. Banibrata Pandey	President-Performance Biomaterials and Fuels	1.12	1.43	7944714	9827302
50578	Mr. Sudhir Bhansali	CFO	1.16	1.37	8227322	9419258
90323	Mr R S Nanda	Sr.Advisor to Chairman & MD	1.07	1.27	7609202	8700370
90414	Mr. J Mahalingam	Executive Director-Corporate Affairs	1.15	1.47	8169134	10081813
90060	Mr. R.M. Deshpande	Executive Director-FICC	0.90	1.13	6399626	7767311
1425	Mr. M Ramakanth	Company Secretary	0.97	1.28	6901573	8796418

11. Affirmation that the remuneration is as per the remuneration policy of the Company

The Remuneration paid is as per the remuneration policy of the Company.

ANNEXURE - II (b)

Statement of particulars of employees

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

S. No.	Name	Designation	Remuneration received (Rs.)	Nature of Employment	Qualifications	Years of experience	Date of commencement of employment	Age	Last employment held by employee before joining	No. of equity shares held	Relation with Director or Manager
1	Mr . K S Raju	Chairman	6,856,619	Refer Note 1	B.E(Mech)	42	01-08-11	66	Chairman & MD, Nagarjuna Fertilizers and Chemicals Ltd., (Merged)	Nil	Father of Managing Director
2	Mr. K Rahul Raju	Managing Director	6,680,199	Refer Note 1	B.Com(Hons)	19	01-08-11	40	JMD, Nagarjuna Fertilizers and Chemicals Ltd., (Merged)	Nil	Son of Chairman
3	Mr. M Ramakanth	Company Secretary	8,796,418	Refer Note 1	B.Sc., FCS,LLB, Dip. In Public Relations P.G.Dip in Business Admn. PG Dip. in Personnel Management	32.5	14-09-94@	60	Company Secretary Nagarjuna Investment Trust Ltd.,	Nil	-
4	Dr.Banibrata Pandey	President Performance Biomaterials and Fuels	9,827,302	Refer Note 1	M.Sc. (Micro), Ph.D(Sc),M.B.A	34	19-09-02@	57	Sr. Manager, Bamby Technologies, USA	Nil	-
5	Mr. Sudhir Bhansali	CFO	9,419,258	Refer Note 1	B.Com, ACS, ACA	36	13-05-08@	59	President & CFO, Andhra Pradesh Paper Mills Ltd.,	Nil	-
6	Mr. R S Nanda	Sr. Advisor to Chairman & MD	8,700,370	Refer Note 1*	B.Sc., (Eng.) Mech	51	26-06-04@	73	President & MD, Coromandel Fertilizers Ltd.,	2420	-

S. No.	Name	Designation	Remuneration received (Rs.)	Nature of Employment	Qualifications	Years of experience	Date of commencement of employment	Age	Last employment held by employee before joining	No. of equity shares held	Relation with Director or Manager
7	Mr. J Mahalingam	Exec. Director-Corporate Strategy	10,081,813	Refer Note 1*	B.A, C.A	38	01-10-90@	63	DGM-Finance, Andhra Cement Company	Nil	-
8	Mr. R M Deshpande	Exec. Director - Coordination	7,767,311	Refer Note 1*	M.Com, LLB	45	03-04-07@	69	Advisor to MD, GSFC	Nil	-
9	Mr. D Jayarami Reddy	Senior Vice President - Operations	6,743,359	Refer Note 1	B.Sc(Ag)	33	10-07-14	58	Vice President, Indo Gulf Fertilisers	550	-
10	R Raghavan	Sr. Vice President-Urea Manufacturing	6,679,230	Refer Note 1	B.Tech, BOE	35	04-01-99@	58	Day Co-Ordination Urea Plant, SAFCO - SABIC Group	Nil	-
11	K Pradeep Kumar	Vice President-HPD	6,292,343	Refer Note 1	M.Tech, Phd.	23	02-11-15	45	HR Head, India, Middle East, Africa - Signode India Ltd	Nil	-
12	K Himakara Dharudu	Vice President Projects	6,499,215	Refer Note 1*	M.A	47	29-01-08@	71	GM Business Development - Inspection - PDIL	Nil	-
13	Navinchadra M Suthar	Chief Operating Officer-Captive Power Project	6,053,665	Refer Note 1*	Diploma in Mech.Engg.	52	05-01-15	73	Sr. Vice President (Thermal Power), SEW Infrastructure	Nil	-
14	K Radha Krishna	VP-Operations & Marketing	6,000,557	Refer Note 1	B.Tech, Specialisation in Plastic Engg CIPET.	29	09-02-95@	52	Manager - Plastics, Timex Watches Ltd	Nil	-
15	G V Jagadeesh Kumar	Sr. G M - Business Strategy & Corp Planning	6,278,612	Refer Note 1	M. Tech, MBA	18	23-09-09@	41	Sr. Manager, Business Analyst, RIL	Nil	-
16	M S N Murthy	Chief Risk Officer	6,137,926	Refer Note 1	B.Com, CA	24	23-05-12	50	CFO, Sujana Towers Ltd.	Nil	-

All the above mentioned appointments are non-contractual except marked "*" and are terminatable by notice.
@ - Continue employment from Erstwhile NFCL

ANNEXURE III

Annual Report on CSR activities
(Pursuant to Section 135 of Companies Act, 2013)

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken is mentioned below ;

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

We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

The Nagarjuna Group under the aegis of Nagarjuna Foundation, a not-for-profit Company incorporated under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), with Registered Office at Nagarjuna Hills, Punjagutta, Hyderabad, undertakes various activities under Corporate Social Responsibility.

At Nagarjuna, we define CSR as :

- Conducting affairs of our Company in a socially acceptable manner
- Understanding, supporting and developing the communities and the cultures within which we work
- Protecting the environment and safety of the people connected with the Company and the surroundings.
- Enhancing the value of the Company through sustainable growth

Our CSR Framework :

Nagarjuna's CSR Framework consists of following four important dimensions:

- Investors and other stakeholders
- Customers
- Employees
- Community

Compliance :

Compliance with this policy is continuously monitored and subject to review by the Company.

In the ensuing year, the major focus will be on development of the Communities located in and around the Plants of the Company with continued support to Investors and other stakeholders, Customers and Employees.

2. Web-link

The Web-link to the CSR policy and projects or programs is http://www.nagarjunafertilizers.com/social.htm

3. CSR Committee

The CSR Committee comprises of the following Directors :

Dr. NCB Nath	:	Chairman
Mr. K S Raju	:	Member
Mr. K Rahul Raju	:	Member

4. Financial Details

a) The Average net loss of the Company as per section 135 of the Companies Act, 2013 for the last three Financial Years, that is 2014-15, 2015-16 and 2016-17 is Rs. 17,174,94 lakhs.

b) The prescribed CSR Expenditure for the financial year 2016-17 (two per cent, of the amount as in item 3 above) is Nil.

i. Total amount spent for the financial year: approximately Rs.70,86,988/- (Rupees Seventy Lakhs Eighty Six Thousand Nine Hundred and Eighty Eight only)

ii. Amount unspent, if any : Nil

iii. Manner in which the amount spent during the financial year is detailed below :
The CSR activities were undertaken in areas of social welfare, health care, public health, education, natural calamities, upliftment of society, sports, etc.,

* The Company continues to undertake CSR activities though not required to do so in terms of Companies Act, 2013 to meet its continuing commitments.

S.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken.	Amount spent : Direct or through implementing agency (Rs.)
A	1 Supply of Drinking Water	Social Welfare	Hyderabad, Telangana	35,628.00
	2 Supply of Water to Kondelpeta, Kakinada	Social Welfare	Kakinada, Andhra Pradesh	66,000.00
	3 Supply of Infrastructure / Books/ Stationery Items / school uniforms / linen / medicines / sports items/ cooking vessels and Groceries to 86 Centers covering Orphanages, Homes for the Aged, Government Schools, Homes for differently abled children, Homes for the aids infected patients, unwed mothers children, short stay homes and tuition centers on June 29, 2016	Social Welfare	Throughout India	13,37,952.00
	4 Supply of Infrastructure / Books/ Stationery Items / school uniforms / linen / medicines / sports items/ cooking vessels and Groceries to 101 Centers covering Orphanages, Homes for the Aged, Government Schools, Homes for differently abled children, Homes for the aids infected patients, unwed mothers children, short stay homes and tuition centers on November 28, 2016	Social Welfare	Throughout India	16,04,281.57
	5 Supported various organizations by providing nutritious needs to inmates	Social Welfare	Hyderabad, Telangana	1,94,952.00
	6 Continue to maintain the lawns in the Kakinada Railway station	Social Welfare	Kakinada, Andhra Pradesh	42,500.00
B	1 Financial support to the early intervention children center being maintained by Uma Manovikasa Kendram	Health Care	Kakinada, Andhra Pradesh	3,00,000.00
	2 Seethamma Health Chariot and Kondelpeta Primary Health Care	Health Care	Kakinada, Andhra Pradesh	12,83,882.57
	3 Leprosy patients at Vimukthi colony Kakinada	Health Care	Kakinada, Andhra Pradesh	37,368.00
	4 Financial support to the blind children center being maintained by The Aided School for the Blind & Hostel	Health Care	Kakinada, Andhra Pradesh	80,000.00
C.	Financial support for public-awareness programmes of Mohan Foundation with respect to Multi-Organ Donations and Life Savers Programme.	Public Health	Hyderabad, Telangana	5,22,000.00
D	Salary Paid to CSR Consultant			7,26,000.00
E	Nagarjuna Management Development Centre			8,56,424.60
	Total			**70,86,988.14**

The CSR activities of the Company are conducted by Nagarjuna Foundation, a Section 8 Company under the Companies Act, 2013.

5. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the Company :

We, the members of the Corporate Social Responsibility Committee of the Board of Directors of Nagarjuna Fertilizers and Chemicals Limited confirm and affirm that in accordance with Section 135 of the Companies Act, 2013 and applicable Rules, we complied with the following :

1) Formulated and recommend to the Board a CSR Policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013.

2) Recommended the amount of expenditure to be incurred.

3) Instituted a transparent monitoring mechanism for the implementation of the Policy from time to time.

Hyderabad
May 26, 2017

K Rahul Raju
Managing Director

Dr NCB Nath
Chairman, CSR Committee

ANNEXURE IV

Business Responsibility Report

Section A : General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L24129AP2006PLC076238
2.	Name of the Company	:	Nagarjuna Fertilizers and Chemicals Limited
3.	Registered address	:	D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad, Telangana – 500 082
4.	Website	:	www.nagarjunafertilizers.com
5.	E-mail id	:	investors@nagarjunagroup.com
6.	Financial Year reported	:	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	C6, E1
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	: :	Manufactured Urea, SpecialtyFertilizers, Customized Fertilizers
9.	Total number of locations where business activity is undertaken by the Company		
	a. Number of International Locations (Provide details of major 5)	:	NA
	b. Number of National Locations	:	All the states in India
10.	Markets served by the Company – Local/State/National/International	:	National

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	:	59,80,65,003
2.	Total Turnover (INR)	:	3,38,506.62
3.	Total profit after taxes (INR)	:	(12,177.71)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	NIL
5.	List of activities in which expenditure in 4 above has been incurred:-		a. Health Care b. Social Welfare c. Education d. Environmental Sustainability

Section C : Other Details

1. Does the Company have any Subsidiary Company/ Companies?
   The Company has one Subsidiary Company as on March 31, 2017
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)
   No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
   No

Section D : BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
00015990	K. Rahul Raju	Managing Director

b. Details of the BR head

No	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	M Ramakanth
3.	Designation	Sr. Vice President - Legal and Company Secretary
4.	Telephone number	040-23357200/204
5.	e-mail id	ramakanthm@nagarjunagroup.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principles as per NVG:

Principle 1	Businesses should conduct and govern themselves with Ethics,Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well being of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the Environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, they are in line with NVG principles.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

6.	Indicate the link for the policy to be viewed online?	www.nagarjunafertilizers.com/inv_corp.htm								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	NA								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Annually. www.nagarjunafertilizers.com/inv_corp.htm

Section E: Principle-Wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   The Policy covers the Company and also its interface with suppliers, contractors, etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

Stakeholders Complaints

No of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
0	0	0

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a. Customized Fertilizers – Specific to product and specific to Region based on soil condition.

   b. Tracssure(Organic)

   c. Multi C (Organic)

   d. Dormulin (Organic)

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional) :**

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      The products mentioned in Sl.No.1 above improves the productivity of crop by enriching the soil nutrients and plant growth conditions

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      NA

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes: Most of the products are either purchased from small manufacturers. Also, we have own manufacture facility and unit taken on lease for the production of CF grades (Crop & Soil specific grades).

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes. Company took steps to procure goods and services from local & small producers, including communities surrounding Kakinada. The major step is Sourcing Urea Bags (Package material) from local Suppliers. Similarly chemicals etc are being sourced from nearby local industries.

   The Company as part of Responsible Care management, is extending necessary support to the Chemical suppliers for safe transit of material to NFCL site.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

NFCL has been built using best available technology and many eco-friendly measures have been adopted in design stage itself. The Company has been built on the concept of "Zero Liquid Effluent Discharge outside the Complex" and the entire liquid effluent generated is being used for sustenance of vast Greenbelt (789 acres) surrounding the plant. NFCL adopted best Ammonia-Urea Process, presently operating on Natural Gas Feedstock (The cleanest feedstock available) and in the manufacturing process no waste product is generated. The tail gas and off gas generated in the process are used as fuel in Reformer / Auxiliary Boilers. The spilled Urea / damaged Urea bags are being recovered and reprocessed. The Hazardous waste (such as Spent Catalyst, Spent Carbon, Used Batteries, e-waste, spent oil etc) are being disposed to APPCB Authorized vendors. Similarly there is well placed procedure / mechanism for segregation of e-waste and proper disposal of the same.

Principle 3 - Businesses should promote the well being of all employees.

1.	Please indicate the Total number of employees.	:	1791
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	:	Outsourced : 2026
3.	Please indicate the Number of permanent women employees.	:	79
4.	Please indicate the Number of permanent employees with disabilities	:	2
5.	Do you have an employee association that is recognized by management	:	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	:	164 members

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

S.No.	Description	Total Strength	No. of employees undergone Safety & Skill Up-gradation during 2015-16	% of employees undergone Safety & skill Up-gradation during 2015-16
a	Permanent Employees	767	666	86.83%
b	Permanent Women Employees	14	4	28.57%
c	Casual/Temporary/Contractual Employees	587	511	87.00%
d	Employees with Disabilitieis	0	0	0

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?
   Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
   Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

   Yes. Company has identified stakeholders who could be vulnerable and marginalized viz., society at large, employees including women employees, vendors etc., Special initiatives have been taken by the Company to engage with the said stakeholders through set up of unique mechanisms.

   CSR initiatives, Whistleblower mechanism, Prevention of sexual harassment at work place, vendor grievances redressal mechanism are a few of them.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   The Policy on Human Rights covers the Company and its interface with suppliers, contractors, etc., wherever possible.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The Company has not received any stakeholder complaint during the previous financial year.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   The Policy covers the Company and its interface with suppliers, contractors, etc., wherever possible.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

   Yes. The Policies of the Company have strategic initiatives on Health, Safety & Environment, Bio diversity etc., to mention a few of them.

3. Does the Company identify and assess potential environmental risks?

   Yes

4. Does the Company have any project related to Clean Development Mechanism? whether any environmental compliance report is filed?

   NFCL is having two registered CDM Projects

   1. UNFCCC Ref No. 1893, "Energy efficiency improvement of the existing Frame V Gas Turbine by steam injection and change of drive (from steam to electricity) of Ammonia cooling water pumps at NFCL"

   2. NFCL is always proactive in implementing CDM Project and in fact, tried for developing a new CDM methodology titled "Baseline methodology for Carbon Dioxide Recovery from Primary Reformer flue gases for manufacturing of Urea by Installation of CDR plant in integrated Ammonia-Urea manufacturing units."

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

   The Company has implemented many Eco-friendly measures in design stage itself. In the year 2009, with the availability of additional Natural Gas in the KG Basin. NFCL switched its entire operations to Natural Gas feedstock and phased out the use of liquid fuels such as Naphtha and LSHS. Also, during the year 2009, NFCL Installed Carbon Dioxide Recovery Unit, which recovers 450 MTPD CO2 from Flue Gases. As part of continual improvement, to reduce the Complex Energy further, various Energy efficiency schemes are being studied for implementation during FY 2018-19.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes. All the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   The Company has not received any Show Cause notices from CPCB/SPCB

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association?

   1. Fertilizer Association of India (FAI)
   2. International Fertilizer Association (IFA)
   3. Indian Chemical Council (ICC)
   4. The Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry (FTAPPCI)
   5. Godavari EHS Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

   The Company has sought the support of the various associations to address issues that impact the Company and the Industry.

   The Company through FAI has raised various issues with Government particularly in areas related to "Inclusive Development Policies", "Government Policies", "Energy Security" etc.

   Similarly through Godavari EHS Association working with District Administration very closely and working for improvement of EHS among the association industries.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company has always focused on the Guidelines of the CSR Charter framed by the Company and operated within the Charter.

   The Company has identified the below mentioned stakeholders and has supported them in a structured and sustainable manner:

   (a) the community at large
   (b) the environment
   (c) investors
   (d) regulators
   (e) customers
   (f) suppliers
   (g) employees

S.No.	Focus Area	Broad Head as per Schedule VII
1.	Social Welfare	Eradicating hunger, poverty and malnutrition and making available safe drinking water
2.	Health Care	Preventive health care and sanitation
3.	Natural Calamities	Contribution to the Prime Minister's National Relief Fund and Disasters
4.	Environment	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The Company Corporate Social Responsibility activities under the aegis of Nagarjuna Foundation, a Nagarjuna Group Company incorporated under Section 25 of the Companies Act, 1956 (Section 8 of Companies Act, 2013).

   The CSR Activities are undertaken with the support of Employees who work in Teams. There are 108 Team Leaders and 315 members. The Team Leaders and members are Pan-India.

   At NFCL, our Associates (employees) are encouraged to participate voluntarily in developmental activities initiated by the Company. The employees give their time, experience and talent to serve communities.

   The Company promotes the concept of Volunteerism and it is the Associates who spear-head most of its CSR initiatives. The Associates plan and execute the CSR activities throughout the year with a major thrust twice a year wherein 110 centers pan-India are benefitted and thousands of lives touched.

   Our Associates are the powerful communication engine that helps fostering the culture of giving. Employees are actively sensitized to the Corporate Social Responsibility and function in the ambit of the Policy not only in words but in spirit.

   The CSR Charter is known to all the employees to enable them understand the framework within which the Company undertakes the CSR activities.

   Quarterly CSR Newsletters are circulated to all the employees to spread awareness on the CSR activities undertaken during the quarter.

   The Annual Report of the Company also features the CSR activities undertaken where the participation of employees is focused upon, which motivates them to further the common purpose of Serving Society through Industry.

   The employees spend considerable time and energy with the community it supports and understands their basic needs before initiating any CSR activity.

3. Have you done any impact assessment of your initiative?

   All initiatives undertaken by Nagarjuna Foundation are constantly monitored.

   Nagarjuna Foundation's presence is an indicator to the people and the public at large that here is a Company which meets its commitments.

   The Company is looked upon as concerned with the Environment where it operates, stakeholders, suppliers and others.

   This has given a boost to the Brand "Nagarjuna" and NFCL is a name to reckon with in the field of CSR in the niche area where it operates.

   The impact is powerful and sustained that the Company receives requests for support on daily basis from all over India, which the Company is unable to meet in view of financial constraints.

   The CSR Programmes of the Company are itself an indicator of the strength of the Company in meeting the needs of the stakeholders to their satisfaction.

   Nagarjuna Foundation directly caters to the requirements of NGOs associated with it without any intervention of implementing agencies.

   The Company plans its CSR activities after thorough assessment of the requirement of its stakeholders.

   The Company undertakes frequent inspections to the centers it supports to assess the impact of its contributions.

   The Company has always been motivated by the positive response it has received and has so far, never come across any negative impact of its CSR projects.

   The stakeholders have lauded the Company for the support and stood by the Company at times of reduction in the contribution due to financial constraints faced by the Company.

   The projects are monitored on a regular basis especially at times when recurring expenditure is incurred.

   Further, a quarterly report is submitted to the CSR Committee of the Board of Directors, who review the same.

   Visits to all Centers at regular intervals is carried out which enables understand the progress and improvement consequent to the Company's intervention.

   Further a feedback from the inmates as to the support received by them from the Company is an indicator of the improvement.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Company has provided need based capital goods such as Community safe drinking water plants, drilling of borewell for the Government General Hospital, infrastructure support, providing mobile health vans, providing school infrastructure and buses, providing tree guards, solar water heaters, water purifiers, geysers, computers, inverters, refrigerators, furniture to enhance the quality of every-day life.

   The Company continues to undertake CSR activities though not statutorily required to do so in terms of the Companies Act, 2013 to meet its continuing commitments on a sustainable basis.

   It may be noted that the Company during the period of loss has not stopped the support to the Benefactors.

   The total amount spent on CSR activities for the year is Rs.70,86,988/- (Rupees Seventy Lakhs Eighty Six Thousand Nine Hundred and Eighty Eight only)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

   All initiatives undertaken by Nagarjuna Foundation are successfully completed and constantly monitored. Nagarjuna Foundation directly caters to the requirements of NGOs associated with it without any intervention of implementing agencies.

   The Company plans its CSR activities after thorough assessment of the requirement of its stakeholders. The Company undertakes frequent inspections to the centers it supports to assess the impact of its contributions. Further the Company operates within the norms of the CSR Charter.

   The projects are monitored on a regular basis especially at times when recurring expenditure is incurred and a quarterly report is submitted to the CSR Committee of the Board of Directors, who reviews the same.

   Visits to all Centers at regular intervals is carried out which enables understand the progress and improvement consequent to the Company's intervention. Further a feedback from the inmates as to the support received by them from the Company is an indicator of the improvement.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There are no customer complaints pending at the end of the Financial Year

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

   YES – Company displays all its product information as per the local laws.

   The Company provides information beyond mandatory details such as name of the Company, address etc. The information relating to brand name / product specifications / visuals etc. on product packaging are also displayed.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   YES the Company carries out survey of farmers, take their feedback and address their concerns.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   YES we carry out survey of farmers, take their feedback and address their concerns.

ANNEXURE V

Particulars of Contracts / Arrangement made with Related Parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – Form AOC-2)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis** - NIL

2. **Details of material contracts or arrangement or transactions at arm's length basis -** NIL

By Order of the Board

Hyderabad
May 26, 2017

K S Raju
Chairman

ANNEXURE – VI

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

(A) Conservation of energy:

During the Financial Year 2016-17, the following Energy Saving Schemes as well as Reliability Improvement Measures were implemented-

i. Upgradation of Refrigeration Ammonia Condenser (E-510C) in Ammonia-I (Investment: Rs. 100 Lakhs)

ii. Upgradation of Methanated Gas final cooler in Ammonia-I (E-312 A/B) (Investment: 60 Lakhs)

iii. Replacement of Hydrogenerator (R-201) catalyst & Installation of Deep Desulphurization Catalyst in Guard Zink Oxide Bed (R-202B). (Investment: Rs. 60 Lakhs)

iv. Upgradation of Refrigeration Ammonia Condenser (EE-510C) in Ammonia-II (Investment: Rs. 125 Lakhs)

v. Replacement of Hydrogenerator (R-201) catalyst & Installation of Deep Desulphurization Catalyst in Guard Zink Oxide Bed (ER-202B). (Investment: 60 Lakhs)

vi. Replacement of LT Shift (ER-205) Catalyst in Ammonia-II (Investment: Rs. 870 Lakhs)

vii. Replacement of Methanator (ER-301) Catalyst in Ammonia-II (Investment: 215 Lakhs)

viii. CO2 Compressor 3rd Inter-stage Cooler (EE-127) tube bundle replacement. (Investment: Rs. 30 Lakhs)

(B) Technology absorption:

A. Research and Development (R & D):

1) Specific areas in which R & D was carried out by the Company:

a) Production Facility at Kakinada:

There is no separate R & D department at the production facility at Kakinada. However, the Engineers engaged in Technical Services, Production, General Engineering and Maintenance Departments undertake activities which are aimed at improvements in the following areas:

i. Energy Conservation
ii. Capacity Enhancement
iii. Environmental Protection
iv. Process and Personnel Safety
v. Enhancement of Plant Reliability
vi. Rain Water Harvesting for Conserving Raw Water Intake
vii. Exploration for Usage of Renewable Energy Sources like Solar, etc.

b) Production Facility at MI and PVC Plants:

i. Developed cost effective Mini LIN 2 LPH dripper indigenously for low wall thickness products called ECOLINES.
ii. Moderated input raw material cost for PVC pipes with in house development of new mandrel.
iii. Developed new Ecoline 20-4-40(0.30) at Halol plant and supplied commercially.
iv. Introduced new cost effective carbon black master batch for HDPE sprinkler pipes.
v. Various tools & Spare parts have been developed locally to reduce the dependency on Imports.

2) Benefits derived as a result of the above efforts:

a) Production Facility at Kakinada:

The improvements achieved in the areas of Production Performance, Treated Effluent Generation, Environmental Protection, Process & Personnel Safety are given below:

i. Complex achieved lowest Specific Effluent Generation of 0.549 m^3 / MT of Urea, surpassing the previous best of 0.578 m^3 / MT of Urea achieved during 2015-16.
ii. Replacement of Ammonia condenser in Ammonia-I & Ammonia-II, Methanator Final gas coolers (E-312A/B) in Ammonia-I and Urea-II CO2 Compressor 3rd Inter-stage Cooler (EE-127) tube bundle resulted in improvement of reliability

b) Production Facility at MI and PVC Plants:

i. Cost of manufacturing reduced and product Quality improved.
ii. Product range has been increased.
iii. Reduced field complaints and warranty claims.
iv. Improved Customer satisfaction.
v. With the development of new 2 lph Mini LIN drippers, there is a saving of 17 % in dripper cost.
vi. With the introduction of new cost effective raw material (master batch) the input cost of HDPE production is reduced.

Expansion / Developments:

i. New chiller unit of 80T and compressor have been organized at Halol plant to improve the productivity.
ii. Successfully developed 32 cavity semi hot runner mold to manufacture 2 LPH mini LIN drippers and commercial production started.

3) Future Plan of Action:

a) Production Facility at Kakinada:

The following action plan has been made to improve Production, Plant Reliability, Specific Energy Consumption & in EHS areas as mentioned below:

i. U-II CO2 Compressor 2nd Inter-stage Cooler (EE-126) Replacement.
ii. Ammonia-I Backend Boiler (E-501) Replacement.
iii. Ammonia-I Combustion Air Pre-heater (E-204) replacement.
iv. Ammonia-I Purge Gas Recovery Unit (PGRU) upgradation study by OEM, M/s Costain.
v. Ammonia-I Process air compressor First inter stage cooler replacement.
vi. Ammonia-II Front-end Boiler (EE-208) replacement.
vii. Methanator catalyst replacement in Ammonia-I.
viii. HT Shift catalyst Replacement in Ammonia-II.
ix. Upgradation of PAC/ARC turbo-log speed/ anti-surge control system in Ammonia-I & II.
x. Fine Filters in HP NG Network in both Ammonia Plants.
xi. Urea-I stripper Ferrules modification.
xii. Upgradation of GT - C, Mark V Control System to Mark VI-E System.
xiii. Upgradation of Unit-I DCS/EDS systems.
xiv. Compressor Rotor for GT-C & Stator blades and related hardware.
xv. Re-conditioning of CT cells

Energy Reduction Study:

i. To meet the revised Energy Target Set by DoF (5.50 Gcal / MT Urea from 2018-19 onwards), necessary correspondence has been initiated with Technology Suppliers.
ii. Accordingly, Order was placed on M/s Saipem to study the feasibility of Energy Saving Project alone targeting Energy Saving of 0.190 Gcal / MT Urea with total investment of less than Rs 216 crores.
iii. M/s Saipem submitted Energy saving project study report. The major schemes are addition of Dehydrator scheme in both Ammonia Plants' Back-end, replacement Urea-I & II CO2 Compressor Turbines & Ammonia-I Syn Gas Compressor Turbine and Urea-I & II Carbamate condenser & MP Decomposer.

iv. Technical & Commercial discussions are in progress with vendors.

b) Production Facility at MI and PVC Plants:

i. Proposal for setting up of Injection molding facility to manufacture HDPE couplers at Nacharam and Halol plants.

ii. Proposal for arranging downstream equipment to enable HDPE Pipe production for improving the top line and capacity utilization.

iii. Proposal for setting up of PVC Pipe manufacturing facility at Halol plant to obtain Logistical advantage.

iv. Proposal to setup Dripper (Non PC) manufacturing facility at Nacharam and Halol Plants in a phased manner.

4) Research and Development (R & D):

a. Specific areas in which R & D was carried out by the Company

The Company's Research and Development is actively pursuing development of cutting edge technologies to propel core business and commercialize new and allied business. The focus areas for technology development are in the areas of Plant Nutrition, Green Chemicals, Nutraceuticals and Renewable fuels. In each area, Company has made substantial progress. The new products and processes will provide a sustainable competitive advantage and better market share thereby propelling the business growth in terms of a better top line and much healthier bottom line. All the technology developed is protected through robust IP network.

Plant Nutrition

The research efforts are aimed at improving nutrition use efficiency of macro and micronutrients, biofertilizers, bio- stimulants, soil conditioners and slow release fertilizers. The Company has forged alliance with reputed institutions to assess the efficacy of the developed products through extensive field trials. Some products are currently at R & D stage and few others are tested at field. Some products have been shortlisted for the next level, where test marketing is being conducted.

Green Chemicals

Research efforts involve development of economical, renewable and sustainable chemicals such as ammonia and nitric acid using novel processes. The objective is to move away from centralized and hydrocarbon based production methods. The technology proof of value has been established and the Company has forged alliance with reputed technology institution for scaling the technology to pilot plant levels.

Nutraceuticals

Technology development has been undertaken for next generation nutraceutical products including rare sugars, rhamnolipids and DAG Oils. Presently they are at various stages of development and some of the products are undergoing commercialization.

Renewable Fuels

The technology platform has been designed to use all the components of the biomass resulting in complete conversion of biomass to sugars for further conversion to various products such as Ethanol, Organic acids etc. The Company along with active support from Department of Biotechnology (DBT), Government of India, has successfully completed the Pilot Plant for cellulosic fuels and feed stocks project and is now actively engaged in commercial roll- out of the technology.

b. Benefits derived as a result of the above efforts:

Plant Nutrition

The new products and processes developed will provide a sustainable competitive advantage and better market share thereby propelling the business growth.

Green Chemicals, Nutraceuticals and Renewable Fuels

Development of economical, renewable and sustainable chemicals, fuels and feedstocks, Rare Sugars, Rhamnolipids etc. will open up new business opportunities and enable diversification of business revenue streams.

c. Future Plan of Action

In the areas of nutraceuticals and renewable fuels, Company has entered into pre- commercial stage. The Company has initiated process of monetization of the IP Portfolio to open up further investment in these areas to undertake further development and commercialization.

d. Expenditure on R&D

Separate record of the expenditure incurred in R & D is maintained for the R & D division.

B. Technology Absorption, Adaptation and Innovation:

1) Efforts, in brief, made towards technology absorption, adaptation and Innovation:

a) Production Facility at Kakinada:

Installation of JSC NIIK Vortex Mixer in Urea-II Reactor: This scheme was implemented during PTA 2014 in Urea II Reactor. NFCL is the first Fertilizer Industry in India to adopt this technology.

b) Production Facility at MI and PVC Plants:

i. Developed Mini Lin drippers successfully for Non ISI laterals to achieve cost optimization.

ii. Indigenization of imported spare parts carried out to reduce the dependency on imported parts and optimize the cost.

iii. Installed Uninterrupted power supply (UPS) at PVC plant to save process rejection due to frequent power failure and safety of equipment.

2) Benefits derived as a result of the above efforts, example Product Improvement, Cost Reduction, Product Development Import Substitution etc.

a) Production Facility at Kakinada:

i. Installation of Vortex Mixer in Urea-II Reactor improved conversion thereby resulted in energy savings.

ii. With the implementation of "Energy Reduction and Capacity Enhancement Project", The complex Sp. Energy Consumption is targeted for improvement of at least 0.1 Gcal/MT of Urea

b) Production Facility at MI and PVC Plants:

i. Logistical cost has been reduced by developing the product at different locations.

ii. Consumed 100% process scrap within BIS norms in non-prime products.

iii. Continuously reduced the input costs by optimizing the processes.

iv. Improved the efficiency of production lines.

v. Warranty claims have been reduced by improving quality of products.

3) In case of import technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:

a) Production Facility at Kakinada:

Vortex Mixer installed in Urea II Reactor during PTA 2014. JSC NIIK is the supplier of Vortex Mixer. With this installation Urea conversion increased & Plant reliability improved.

b) Production Facility at MI and PVC Plants:

The attachments for superlin dripper have been imported from Metzerplas and commissioned successfully at Nacharam and Halol plants.

C. Foreign exchange earnings and Outgo

a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, export plans: NIL

b. 1. Foreign Exchange Outgo:	**Rs. in lacs**
i. Technical know-how (net of Tax)	-
ii. Interest	141.02
iii. Dividend (net of taxes)	
a. Equity	-
b. Preference	-
iv. Others	1030.79
2. Foreign Exchange earnings	**845.83**

ANNEXURE – VII

EXTRACT OF ANNUAL RETURN (MGT-9) as on the financial year ended on March 31, 2017

[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	L24129AP2006PLC076238
ii.	Registration Date	November 7, 2006
iii.	Name of the Company	Nagarjuna Fertilizers and Chemicals Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	D.No 8-2-248, Nagarjuna Hills, Punjagutta,Hyderabad – 500082 Mr. M Ramakanth, Vice President – Legal & Company Secretary Ph No.(040) 23355317. Fax (040) 23350247 Email :ramakanthm@nagarjunagroup.com
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Nagarjuna Fertilizers and Chemicals Limited, Investors Service Cell, Plot No 1, Punjagutta, Nagarjuna HillsHyderabad - 500 082, Telangana, IndiaTel: (040) 23358405Email: Investors@nagarjunagroup.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

There are business activities contributing 10% or more of the total turnover of the Company - manufacture and sale of urea.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Urea	20121	85.27

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 of Companies Act, 2013
1	Jaiprakash Engineering and Steel Company Limited (JESCO)	U00337KA1993 PLC014694	Subsidiary	99.84	2(87)
2	Nagarjuna Industrial Services and Investments Private Limited (NISIPL) - Since wound up	094708 C1/GBL	Subsidiary	100	2(87)
3	Nagarjuna Agricultural Research and Development Institute (NARDI)	U80100TG1995 NPL022409	Associate	25	2(6)
4	KVK Raju International Leadership Academy	U80101TG1995 NPL022410	Associate	42.85	2(6)

IV. SHARE HOLDING PATTERN

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	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	21427989	-	21427989	3.58	21427989	-	21427989	3.58	0.00
d) Bodies Corp.	270328548	-	270328548	45.20	296072140	-	296072140	49.51	4.30
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other ... (Trust)	25743525	-	25743525	4.30	-	-	-	-	4.30
(Co-op Society)	11000000	-	11000000	1.84	11000000	-	11000000	1.84	0.00
Sub-total (A) (1):-	328500062	-	328500062	54.93	328500129	-	328500129	54.93	0.00
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4400000	-	4400000	0.74	4400000	-	4400000	0.74	0.00
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other									
NRI based Company	-	8800000	8800000	1.47	8800000	-	8800000	1.47	0.00
Sub-total (A) (2):-	4400000	8800000	13200000	2.21	13200000	-	13200000	2.21	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	332900062	8800000	341700062	57.13	341700129	-	341700129	57.13	0.00

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	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	718300	455125	1173425	0.20	108250	233915	342165	0.06	-0.14
b) Banks / FI	5634	62013	67647	0.01	5720	62013	67733	0.01	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8865432	330	8865762	1.48	8867412	110	8867522	1.48	0.00
g) FIIs	10049669	33275	10082944	1.69	4666463	33275	4699738	0.79	-0.90
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	19639035	550743	20189778	3.38	13647845	329313	13977158	2.34	-1.04
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	57051530	380124	57431654	9.60	56263163	371929	56635092	9.47	-0.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual share holders holding nominal share capital upto Rs. 1 lakh	122920028	43444580	166364608	27.82	125201183	42600140	167801323	28.06	0.24
ii) Individual share holders holding nominal share capital in excess of Rs. 1 lakh	6454978	-	6454978	1.08	12232157	-	12232157	2.05	0.97
c) Others (specify) NRI	4716680	1060311	5776991	0.97	4561786	1015926	5577712	0.93	-0.04
Trusts	15510	131422	146932	0.02	10230	131202	141432	0.02	0.00
Sub-total (B)(2):-	191158726	45016437	236175163	39.49	198268519	44119197	242387716	40.53	1.04
Total Public Shareholding (B)=(B)(1)+ (B)(2)	210797761	45567180	256364941	42.87	211916364	44448510	256364874	42.87	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	543697823	54367180	598065003	100.00	553616493	44448510	598065003	100.00	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change 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	
	Core Promoter							
1	Amlika Mercantile Private Limited	296072073	49.5 *	43.74	296072140	49.5	43.74	0.00
	Co- Promoter							
1	Governor of Andhra Pradesh	21427989	3.58	-	21427989	3.58	-	0.00
2	KRIBHCO	11000000	1.84	-	11000000	1.84	-	0.00
3	Fireseed Limited	8800000	1.47	-	8800000	1.47	-	0.00
4	Saipem SPA	4400000	0.74	-	4400000	0.74	-	0.00
	TOTAL	**341700062**	**57.13**	**43.74**	**341700129**	**57.13**	**43.74**	**0.00**

Notes:

* Shares were pending transfer prior to the commencement of trading of equity shares.

(a) from Nagarjuna Corporation Limited in terms of the Composite Scheme of Arrangement and Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Management Services Private Limited, Nagarjuna Holdings Private Limited, Baron Properties Private Limited and White Stream Properties Private Limited

(b) from Nagarjuna Corporation Limited in terms of Scheme of Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Staff Betterment Company Private Limited

(c) from NFCL Employee Welfare Trust

Pursuant to the commencement of trading of equity shares, the shares have been transferred to Amlika Mercantile Private Limited.

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholders Name	Shareholding		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				
	Core Promoter				
1	Amlika Mercantile Private Limited	296072073 *	49.5 *	296072073	49.5
	Co-Pomoters				
1	Governor of Andhra Pradesh	21427989	3.58	21427989	3.58
2	KRIBHCO	11000000	1.84	11000000	1.84
3	Fireseed Limited	8800000	1.47	8800000	1.47
4	Saipem SPA	4400000	0.74	4400000	0.74

Sl. No.	Shareholders Name	Shareholding		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 End of the year				
	Core-Promoters				
1	Amlika Mercantile Private Limited	296072140 *	49.5 *	296072140*	49.5*
	Co-Promoters				
1	Governor of Andhra Pradesh	21427989	3.58	21427989	3.58
2	KRIBHCO	11000000	1.84	11000000	1.84
3	Fireseed Limited	8800000	1.47	8800000	1.47
4	Saipem SPA	4400000	0.74	4400000	0.74

* Please refer notes above in point IV (ii)

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

Sl. No.	Shareholders Name	Shareholding		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				
1	Zuari Global Ltd.	32267741	5.40	32267741	5.40
	Sold 32267741 shares between 20.03.2017 & 24.03.2017			0	0.00
2	Life Insurance Corporation of India	5911262	0.99	5911262	0.99
3	Lok Prakashan Ltd	2684862	0.45	2684862	0.45
4	Dimensional Emerging Markets Value Fund	2082494	0.35	2082494	0.35
	Sold 123834 shares between 19.12.2016 and 23.12.2016			1958660	0.33
	Sold 146023 shares between 16.01.2017 and 20.01.2017			1812637	0.30
5	United India Insurance Company Limited	2064415	0.35	2064415	0.35
6	Jai-Vijay Resources Pvt Ltd	1320000	0.22	1320000	0.22
7	Credit Suisse (Singapore) limited	1067596	0.18	1067596	0.18
	Sold 51377 shares between 13.06.2016 and 17.06.2016			1016219	0.17
	Sold 99561 shares between 27.06.2016 and 30.06.2016			916658	0.15
	Sold 66658 shares between 01.07.2016 and 01.07.2016			850000	0.14
	Sold 10559 shares between 01.08.2016 and 05.08.2016			839441	0.14
	Sold 2579 shares between 29.08.2016 and 02.09.2016			836862	0.14
	Sold 6862 shares between 05.09.2016 and 09.09.2016			830000	0.14
	Sold 38950 shares between 12.09.2016 and 16.09.2016			791050	0.13
	Sold 91050 shares between 19.09.2016 and 22.09.2016			700000	0.12

Sl. No.	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sold 300000 shares between 03.10.2016 and 07.10.2016			400000	0.07
	Sold 145 shares between 14.11.2016 and 18.11.2016			399855	0.07
	Sold 4845 shares between 28.11.2016 and 02.12.2016			395010	0.07
	Sold 24823 shares between 05.12.2016 and 09.12.2016			370187	0.06
	Sold 84628 shares between 19.12.2016 and 23.12.2016			285559	0.05
	Sold 195572 shares between 26.12.2016 and 30.12.2016			89987	0.02
	Sold 89987 shares between 02.01.2016 and 06.01.2017			0	0.00
8	Arvind Mehta	948200	0.16	948200	0.16
	Acquired 1800 shares between 07.11.2016 and 11.11.2016			950000	0.16
9	Karvy Stock Broking Ltd	681048	0.11	681048	0.11
	Sold 376438 shares between 13.06.2016 and 17.06.2016			304610	0.05
10	Ajmera Associates Ltd.	668158	0.11	668158	0.11
	Sold 10000 shares between 13.06.2016 and 17.06.2016			658158	0.11
	Sold 45000 shares between 20.06.2016 and 24.06.2016			613158	0.10
	Sold 5000 shares between 27.06.2016 and 30.06.2016			608158	0.10
	Sold 10320 shares between 04.07.2016 and 08.07.2016			597838	0.10
	Sold 4500 shares between 11.07.2016 and 15.07.2016			593338	0.10
	Sold 5000 shares between 05.09.2016 and 09.09.2016			588338	0.10
	Sold 20000 shares between 20.03.2017 and 24.03.2017			568338	0.10
	Sold 30000 shares between 27.03.2017 and 31.03.2017			538338	0.09
	At the End of the year (or on the date of separation, if separated during the year)				
1	Zuari Global Ltd.	0	0.00	0	0.00
2	Life Insurance Corporation of India	5911262	0.99	5911262	0.99
3	Lok Prakashan Ltd	2684862	0.45	2684862	0.45
4	Dimensional Emerging Markets Value Fund	1812637	0.30	1812637	0.30
5	United India Insurance Company limited	2064415	0.35	2064415	0.35
6	Jai-Vijay Resources Pvt Ltd	1320000	0.22	1320000	0.22
7	Credit Suisse (Singapore) limited	0	0.00	0	0.00
8	Arvind Mehta	950000	0.16	950000	0.16
9	Karvy Stock Broking Ltd	304610	0.05	304610	0.05
10	Ajmera Associates Ltd.	538338	0.09	538338	0.09

(v) Shareholding of Directors and Key Managerial Personnel:

Particulars 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
At the beginning of the year	-	-	-	-
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	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted-ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79,167.80	4904.78	-	84072.58
ii) Interest due but not paid	917.52	-	-	917.52
iii) Interest accrued but not due	71.33	-	-	71.33
Total (i+ii+iii)	**80156.65**	**4904.78**	**-**	**85061.43**
Change in Indebtedness during the financial year				
Addition	1248.54	445.16	-	1693.70
Reduction	14301.36	832.69	-	15134.05
Net Change Indebtedness at the end of the financial year				
i) Principal Amount	66113.30	4517.25	-	70630.55
ii) Interest due but not paid	739.46	-	-	739.46
iii) Interest accrued but not due	251.07	-	-	251.07
Total (i+ii+iii)	**67103.83**	**4517.25**	**-**	**71621.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. K S Raju Chairman	Mr. Rahul Raju Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,58,334	30,58,334	61,16,668
	(b) Value of perquisites u/s 17(2)A Income-tax Act, 1961	28,44,054	26,67,634	55,11,688
	(c) Profits in lieu of salary under section 17(3)A Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	(a) as % of profit	-	-	-
	(b) others, specify	-	-	-
5	Others, please specify	9,54,231	9,54,231	19,08,462
	Total (A)	68,56,619	66,80,199	1,35,36,818

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors							Total Amount
1.	**Independent Directors**	**Dr. NCB Nath**	**S R Rama krishnan**	**D. Ranga Raju**	**Uday Shankar Jha**	**Lalitha Raghuram**	**Arjun Kumar Arora**	**C B Mouli**	
	- Fee for attending board / committee meetings - Commission - Others, please specify	337500	202500	-	27000	108000	40500	67500	783000
	Total (1)	337500	202500	-	27000	108000	40500	67500	783000
2.	**Other Non-Executive Directors**	**Chandra Pal Singh Yadav**	**M.P.Radha krishnan**	**Ramesh Babu***	**Shailendra Govind Nadkarni****	**Anil Kumar P.R*****			
	- Fee for attending board / committee meetings - Commission - Others, please specify	40500	229500	54000	189000	54000			567000
	Total (2)	40500	229500	54000	189000	54000			567000
	Total	378000	432000	54000	216000	162000	40500	67500	1350000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. M. Ramakanth Company Secretary	Mr. Sudhir Bhansali CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,21,439	71,41,578	1,40,63,017
	(b) Value of perquisites u/s 17(2)A Income-tax Act, 1961	14,52,167	12,95,065	27,47,232
	(c) Profits in lieu of salary under section 17(3)A Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	(a) as % of profit	-	-	-
	(b) others, specify	-	-	-
5	Others, - PF, Superannuation Gratuity Insurance	4,22,812	9,82,615	14,05,427
	Total (A)	87,96,418	94,19,258	1,82,15,676

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE – VIII

SECRETARIAL AUDIT REPORT

[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 Fertilizers and Chemicals Limited
Nagarjuna Hills, Punjagutta
Hyderabad, Telangana
India – 500 082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nagarjuna Fertilizers and Chemicals Limited** (hereinafter called 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.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2017, 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:

S.No.	Particulars

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. 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;
   (d) 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;
   (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. We have also examined compliance with the applicable clauses of the following:

   Secretarial Standards issued by The Institute of Company Secretaries of India.

1. Under the Companies Act, 2013, we report that

A. That based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company that the Company has, in our opinion, complied with the provisions of the Companies Act. 2013 ("the Act") and the Rules made under the Act and Memorandum, and Articles of Association of the Company, inter alia with regard to :

a. Maintenance of various statutory registers and documents and making necessary entries therein;

b. Closure of Register of Members / Debenture holders;

c. Forms, returns, documents and resolutions required to be filed with the Register of Companies and the Central Government;

d. Service of documents by the Company on its Members and Registrar of Companies.

e. Notices and minutes of the meetings of the committees of directors;

f. The meetings of Board of Directors and Committees of Directors (including passing of resolutions by circulation) held on 12-05-2016, 06-08-2016, 08-09-2016, 02-12-2016 and 09-02-2017;

g. The Annual General Meeting held on 30th September, 2016;

h. Minutes of proceedings of General Meetings and of the Board and its Committee meetings;

i. Approvals of the Members, the Board of Directors, the Committees of Directors wherever required;

j. Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

k. Payment of remuneration to Directors including the Managing Director and Whole-time Directors;

l. Appointment and remuneration of Auditors and Cost Auditors;

m. Transfer of Shares if any is duly taken care of.

n. The Company was unable to recommend any dividend on the equity capital of the Company. Hence there was no requirement to comply with the provisions for declaration and payment of dividend;

o. There is unclaimed dividend and there is no requirement for transfer of amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs.

p. Borrowings and registration, modification and satisfaction of charges wherever applicable;

q. Investment of the Company's funds including investments and loans to others;

r. Form of Balance Sheet as prescribed under Part I, form of statement of Profit and Loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;

s. Directors' Report;

t. Contracts, common seal, registered office and publication of name of the Company; and

B. Under the Companies Act, 2013, We further report that

i. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

ii. Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes

iii. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers. However, it is brought to our notice that:

iv. As required under Section 152(6)(a) of the Companies Act, 2013, the Company does not have any Director who can be subjected to retirement by rotation for compliance of the said Section. We have been informed by management that in this regard, the Company has filed a Suo Moto Compounding Application with Registrar of Companies as per Section 621A of the Companies Act, 1956 read with Sec 172 of the Companies Act, 2013 dated 9th December, 2015. The application is pending with Registrar of Companies for approval However, the Company filed a fresh application in form GNL-1 on January 5th, 2017, under section 152(6) of the Companies Act, 2013 The application is approved.

v. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

2. Under the Securities Contracts (Regulation) Act, 1956, we report that

The Company has complied with the requirements of Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act.

3. Under the Depositories Act, 1996, we report that

The Company has complied with the provisions of the Depositories Act, 1996 and the byelaws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. Under FEMA, 1999, we report that

The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

5. Under the SEBI Act, we report that

a. The Company has complied with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However it is noted;The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, since the composition of board has undergone change, pursuant to the resignation of Mr. D. Ranga Raju from the Board w.e.f. February 1st, 2017, the Company needs to appoint one additional Independent Director to comply with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.In accordance with Regulation 25(6) of SEBI (LODR), the Company has time till the next Board Meeting to fill the vacancy and is in the process of identifying One Independent Director for appointment to the Board

b. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to the disclosures and maintenance of records required under the Regulations and we note that there are no transactions falling under the purview of these regulations during the financial year under review.

c. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with regard to disclosures and maintenance of records required under the Regulations.

d. The Company is not required to comply with the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of' Employees Stock Option Scheme, Grant of Options and related disclosures and other aspects as no such transaction had arisen in this respect during the year under review.

e. The Company is not required to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 as there was no issue and no allotment of convertible warrants on preferential basis to entities in the Promoters Group.

6. We report further that, the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For KBG Associates
Company Secretaries

(**Srikrishna S Chintalapati**)
Partner
CP # 6262

Hyderabad
May 26, 2017

'ANNEXURE - A'

To,
The Members,
Nagarjuna Fertilizers and Chemicals Limited
Nagarjuna Hills, Punjagutta
Hyderabad - 500 082
Telangana

Our report for the even date to be read with the following Letter;

S.No.	Particulars
1.	Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.	We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.	We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4.	Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.	The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.	The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7.	Pursuant to analysis made; we have been given to understand that the scope of the audit is restricted to a) Companies Act, 2013 b) SEBI Act, 1992 c) The Depositories Act, 1996 d) Foreign Exchange Management Act, 1999 e) Securities Contracts (Regulation) Act, 1956

For KBG Associates
Company Secretaries

(**Srikrishna S Chintalapati**)
Partner
CP # 6262

Hyderabad
May 26, 2017

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016 - 2017

(Annexure to the Directors' Report)

A. COMPANY'S PHILOSOPHY

At Nagarjuna, we believe in the philosophy of 'Serving Society through Industry', with the Nagarjuna Culture being 'We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society'.

This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its interactions with stakeholders, customers, associates and community at large which has always propelled the Group towards newer horizons.

Owing to the changing business environment in which the Company today operates, your Company has drawn up a Vision

'To be global leaders in plant nutrition' with a Mission

'We shall pioneer transformation in plant nutrition, deliver wholesome plant nutrition solutions to the farmers and be the organization to be associated with'.

At Nagarjuna, we continually strive to transform our business environment. We are committed to continuously evoke customer delight through constant review, monitoring and delivering proactive value-added solutions. We are also committed to provide satisfaction of all stakeholders in a balanced manner through sustainable growth and profitability. We also aim to create an environment where work becomes an enjoyable experience aligning individual goals with organizational goals, share knowledge and information, be proactive and responsible, pursue excellence and be committed, transforming the society. We aim 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.

At Nagarjuna, we believe that it is not the latest technology or management practice (as important as they are) that makes an organization successful as it ought to be. However, what makes it an enterprise worthy of emulation is that it shapes the environment in which it grows through active fostering of creativity, innovation, entrepreneurship and knowledge sharing.

We believe in the principles of trusteeship, fair play and transparency in all our dealings. We endeavour to have a work culture, which is performance- driven and conducive to improving discipline, accountability, character, team spirit and honesty, personally and professionally.

We also believe that mutual care and concern among the employees and the organization acts as a guiding principle.

GOVERNANCE PHILOSOPHY

Your Company firmly believes that building a culture of compliance is more than meeting regulations and standards. Your Company is always proactive in meeting mandated standards and practicing Corporate Governance in spirit and not just the letter of the law.

Your Company's philosophy on Corporate Governance is based on following principles:

i) Preserving core values and ethical business conduct.

ii) Commitment to maximizing shareholder value on a sustained basis.

iii) To enhance the efficacy of the Board and inculcate a culture of transparency, accountability and integrity across the Company.

iv) Perceiving and mitigating the various risks that impact the Company.

v) Make timely and transparent disclosures.

vi) Legal and statutory compliances.

Your Company's ethos is self-regulatory system of prompt reporting, monitoring, certification and voluntary code of practice and standards improving management effectiveness, supervision and accountability to stakeholders.

CORPORATE ETHICS

As a responsible corporate the Company consciously follows corporate ethics in business and corporate interactions. The various Codes and Policies adopted by the Company that determine its functioning are:

- Code of Conduct and Ethics for Senior Management
- Code of Conduct for Prevention of Insider Trading
- Policy on Corporate Social Responsibility
- Policy on Corporate Governance
- Policy on Related Party Transactions
- Legal Compliance Policy
- Whistle Blower Policy
- Policy on Vendor Grievances
- Policy on Supply Chain
- Policy on Succession Planning
- Policy on Employee Participation in Management
- Policy on Conflict Management
- Policy on Training for Board of Directors
- Policy on Induction of Directors
- Board Charter
- Forex Risk Management Policy
- Policy on Corporate Sustainability
- Policy on Sexual Harassment at Workplace
- Policy on Board Evaluation
- Policy on Nomination and Remuneration
- Policy for determining Material Subsidiaries
- Policy for Preservation and Archival of Documents

- Policy on Disclosure of Material Events
- Policy on Bio-diversity
- Gift Policy
- Health Safety and Environment Policy
- Human Rights Policy

The effective implementation of these codes/policies underpins the commitment to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance stakeholder value. These codes/policies are briefly described in the report.

DATE OF REPORT

The information provided in the Corporate Governance Report for the purpose of unanimity is as on March 31, 2017.

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

B. BOARD OF DIRECTORS

ROLE OF BOARD OF DIRECTORS

The Board has its own charter which sets out the role, structure, responsibilities and operation of the Board.

The primary role of the Board is that of trusteeship to protect the interest of Company, its stakeholders and enhance their value. As trustee, the Board ensures that the Company has clear goals and policies for achievement which are in alignment with the Vision and Mission of the Company.

The Board provides strategic direction, reviews corporate performance, authorizes and monitors strategic decisions, ensures regulatory compliances and safeguards interest of stakeholders.

The Board is responsible for maintaining and nurturing high levels of Corporate Governance in the Company.

PECUNIARY RELATIONSHIP

Non-Executive Directors/Independent Directors are committed to maintain a high level of Corporate Governance and as such they do not have any material pecuniary relationship with the Company except as stated in the Corporate Governance report.

COMPOSITION

The Board of Directors of the Company consists of an optimum combination of Executive, Non Executive Directors and Independent Directors from eminent and diverse fields including one woman director.

The members of the Board of Directors of the Company include nominees of IDBI Bank Limited, IFCI Limited, ICICI Bank Limited, State Bank of India and our co-promoters Krishak Bharathi Cooperative Limited and nominees of core promoter companies.

The Board believes that the current size is appropriate based on the present circumstances and periodically evaluates the need for change in composition and size of the Board. As on March 31, 2017 the Company needs to appoint one additional independent director in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The table below shows the composition of the Board as on March 31, 2017.

Category	No. of Directors	% of total No. of Directors
Executive Directors	2	16.66%
Non-Executive Directors	1	8.33%
Nominee Directors	4	33.33%
Independent Directors	5	41.66%

The composition of the Board has since undergone a change, pursuant to Mr. D Ranga Raju being appointed as Additional and Independent Director with effect from May 26, 2017.

DIRECTORS ATTENDANCE AND DIRECTORSHIP HELD

None of the Directors of your Company are Directors on the Board of more than 20 companies or 7 listed companies or 10 Board level committees or Chairman in more than 5 Committees, across all companies in which they are Directors.

The table on the next page gives the details of the Board and AGM attendance, membership in all the Committees of Board of the Company and Directorships and committee positions held in other companies, for the year 2016-17.

Director	DIN No.	Attendance Particulars			Committees of Board of NFCL	No. of Board, all the Committee Memberships & Chairmanship (other than NFCL) in Public, Pvt., Sec.8 of Companies Act, 2013 etc			
		Board Meetings		Attended Last AGM held on Sep.29, 2016		Board		Board Committees	
		Held	Attended			Chairman	Director	Chairman	Director
INDEPENDENT									
Dr. N. C. B Nath	00026509	5	4	No	- Audit - Management - Nomination & Remuneration - Stakeholders Relationship - Corporate Social Responsibility - Risk Management	-	1	3	1
Mr. S. R. Ramakrishnan	00015839	5	4	No	- Audit - Management - Nomination & Remuneration - Risk Management	1	2	2	6
Ms. Lalitha Raghuram	07161344	5	4	Yes	- Audit Committee	-	1	-	1
Mr. Uday Shankar Jha	00056510	5	2	Yes	Nil	-	-	-	-
Mr. C B Mouli	00042949	5	3	Yes	- Audit Committee	-	6	1	-
Mr. D Ranga Raju *	00066546	5	0	Yes	Nil	3	3		6
NON EXECUTIVE									
Mr. Chandra Pal Singh Yadav	00023382	5	3	No	Nil	6	8	3	1
NOMINEE									
Mr. Anil Kumar P R	06802394	5	4	Yes	- Asset Sale	-	1	-	-
Mr. S G Nadkarni	03401830	5	4	No	- Management - Stakeholders Relationship - Risk Management - Asset Sale	-	-	-	-
Mr. O Ramesh Babu	05149448	5	4	Yes	Nil	-	-	-	-
Mr. M. P. Radhakrishnan **	00129222	5	4	No	- Management - Stakeholders Relationship - Investment - Nomination & Remuneration - Risk Management - Asset Sale	-	-	-	-
Mr. Syed Shahabuddin***	00985532	-	-	-	- Audit Committee - Risk Committee - Management Committee - Asset Sale Committee	-	-	-	-

Director	DIN No.	Attendance Particulars			Committees of Board of NFCL	No. of Board, all the Committee Memberships & Chairmanship (other than NFCL) in Public, Pvt., Sec.8 of Companies Act, 2013 etc			
		Board Meetings		Attended Last AGM held on Sep.29, 2016		Board		Board Committees	
		Held	Attended			Chairman	Director	Chairman	Director
EXECUTIVE DIRECTORS									
Mr. K. S. Raju	00008177	5	5	Yes	- Audit - Management - Shares & Debentures - Banking - Investment - Nomination & Remuneration - Risk Management - Corporate Social responsibility - Asset Sale	4	10	10	4
Mr. K. Rahul Raju	00015990	5	4	Yes	- Shares & Debentures - Banking - Management - Investment - Risk Management - Corporate Social responsibility - Asset Sale	-	10	-	5

* - Mr. D Ranga Raju has resigned from office with effect from February 1,2017 and was appointed as Additional Director and Independent Director with effect from May 26, 2017.

** - Mr. M P Radhakrishnan ceased to be a Director with effect from May 26, 2017

*** - Mr. Syed Shahabuddin was inducted as a Director with effect from May 26, 2017

BOARD AGENDA AND MINUTES

As a system, Agenda, Notes on Agenda and information to directors are generally circulated not less than seven days before the meeting of the Board of Directors. All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting.

The Company is in compliance of Secretarial Standard – I and II issued by the Institute of Company Secretaries of India.

The Board of Directors meets at least once in every quarter to review the quarterly financial results and operations of the Company. Apart from this, Board Meetings are convened by giving appropriate notice to address specific needs and business requirements of the Company.

Matters of urgent nature are approved by the Board by passing resolutions through circulation

The dates of the Board Meeting are decided well in advance and are communicated to the directors to enable them make it convenient to attend the meeting.

During the year under review the Board of Directors met five times during the year on May 12, 2016, August 06, 2016, September 08, 2016, December 02, 2016 and February 9, 2017.

The Company has a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and Committees of the Board. The Company presents a comprehensive Action Taken Report of the previous meeting to the Board of Directors at the ensuing Meeting of the Board of Directors.

INFORMATION TO THE BOARD

The Board has complete access to all the information within the Company inter alia the following information is regularly provided to the Board as part of the agenda papers.

- Monthly operations report and quarterly results of the Company.
- Annual operating plans, budgets, capital budgets, cash flow, updates and all variances.
- Contracts in which Directors are deemed to be interested.
- Materially important show-cause notices, demand, prosecutions or other legal notices.
- Materially relevant default in financial obligations to and by the Company.
- Significant labour problems and their proposed solutions and other significant developments.
- Compliance of any regulatory, statutory nature or listing requirements.
- Minutes of the meetings of the Board of Directors and Committees of the Board of Directors.
- Status of subsidiary companies.

- Minutes of meetings of the Board of Directors of subsidiary companies.
- Details of related party transactions.
- Quarterly compliance report in terms of SEBI (Listing Obligation and Disclosure Requirements) and any non-compliance.
- Report on risk assessment and minimisation procedures.
- Information on recruitment and remuneration of senior managerial personnel below the Board level.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Issues which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Significant sale of investments, subsidiaries, assets, which are not in the normal course of business.
- Details of any joint ventures or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.

REVIEW OF LEGAL COMPLIANCE REPORTS

The Board periodically reviews the compliance reports in respect of the various statutory enactments applicable to the Company.

REMUNERATION TO DIRECTORS

Remuneration to Directors

The Company has adopted a Nomination and Remuneration Policy in compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements). The Policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The Company has adopted a Policy on Board Evaluation in compliance of Companies Act, 2013 and the Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Directors on regular basis and to take necessary steps for improving the effectiveness of the Board. The Nomination and Remuneration Committee of the Board is responsible for the evaluation of the Board, Committee and Directors.

Remuneration to Non-Executive Directors/Independent Directors

The Non-Executive Directors of the Company, whether Independent or Non-Independent, are paid sitting fees for attending the meetings of the Board of Directors/Committees of Board of Directors which is within the limits prescribed under the Companies Act, 2013 and the Company has not paid any other fee or compensation to the Non-Executive Directors.

The table below shows the details of remuneration paid to Non- Executive/ Independent Directors of the Company during 2016-17 as sitting fees for attending the Meetings of the Board of Directors or Committees of the Board of Directors.

Name of the Director	Sitting Fees paid for attending meetings of the Board of Directors/ Committees of Directors
INDEPENDENT	
Dr N. C. B. Nath	3,37,500
Mr. S. R. Ramakrishnan	2,02,500
Ms. Lalitha Raghuram	1,08,000
Mr. Arjun Kumar Arora	40,500
Mr.Uday Shankar Jha	27,000
Mr. C B Mouli	67,500
Mr. Ranga Raju	-
NON-EXECUTIVE	
Mr. Chandra Pal Singh Yadav	40,500
NOMINEE	
Mr. M. P. Radhakrishnan	2,29,500
Mr. O.Ramesh Babu*	54,000
Mr. S G Nadkarni **	1,89,000
Mr. P R Anil Kumar ***	54,000

* Paid to IFCI Limited
** Paid to IDBI Limited
*** Paid to ICICI Limited

Remuneration to Executive Directors

The Executive Directors remuneration is subject to compliance of Schedule V of the Companies Act, 2013 and other applicable provisions. The Board, on the recommendations of the Nomination and Remuneration Committee of the Board of Directors, considers the remuneration of the Executive Directors. The Board recommends the remuneration of Executive Directors, for approval of the shareholders, at the General Body Meeting or any such authority as may be required.

The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company and on review of remuneration packages of CEO's of other organizations in the industry.

Apart from the above, the Executive Directors do not receive any other remuneration.

Perquisites include housing, medical reimbursement; leave travel concession, club fees, personal accident insurance, earned leave and car among others.

The Company has not entered into any contract with the managerial personnel and the notice period is governed by the rules of the Company and no severance fees is payable.

The Company does not have any stock option scheme for the managerial personnel.

The table below shows the details of remuneration approved by the members of the Company for payment to Executive Directors of the Company during 2016-17.

Directors Name	Salary p.m. and Commission	Perquisites
Mr. K. S. Raju	Rs. 2,50,000/- Commission of 0.5% of the net profits of the Company limited to annual salary	@ perquisites are restricted to an amount equal to the annual salary.
Mr. K. Rahul Raju	Rs. 2,50,000/- Commission of 0.5% of the net profits of the Company limited to annual salary	@ perquisites are restricted to an amount equal to the annual salary.

During the year 2016-17 the Company has not increased the remuneration of any of its Directors.

The Board of Directors at their meeting held on May 26, 2017 and vide resolution dated July 19, 2017 based on commendation of Nomination and Remuneration Committee approved the re-appointment of Mr. K Rahul Raju as Managing Director and Mr. KS Raju as Chairman of the Company for a period of 3 years with effect from August 1, 2017 subject to approval of members of the Company and Central Government.

The appointments of Mr. K Rahul Raju and Mr. K S Raju is being placed before the members of the Company at the 11th Annual General Meeting to be held on September 26, 2017 for their approval.

APPOINTMENT OF THE DIRECTORS

Non-Executive Director

Mr. Chandra Pal Singh Yadav, Director of the Company is liable to retire by rotation in compliance with the requirement of Section 152 of the Companies Act, 2013 and being eligible offers himself for reappointment as Director.

Name of the Directors	Date of Birth	Last reappointment Date	Qualification & Experience	Directorships in other companies (Only Public Cos.,)	Membership of Committees of the Board in other Companies
Mr. Chandra Pal Singh Yadav	March 19, 1959	September 29, 2015	MSC, B.Ed, LLB	- Nagarjuna Oil Refinery Limited - Krishak Bharati Co-operative Limited - KRIBHCO Shyam Fertilizers Limited - National Coop. Union of India - Kribhco Infrastructure Ltd. - Continental Multimodal Terminals Ltd. - Bundelkhand Krishi Utpadan Vipanan Sehkari Samiti - National Agricultural Cooperative Marketing Federation (NAFED) - Co-operative Bank of India - Gramin Vikas Trust (GVT) - Kribhco Gramin Vikas Sanstha - Kisan Bahudesiya Vipnan Sehkari Samiti Ltd. - The Anupama Coop. Veg. & Fruit Growers Mktg. Society Ltd. - National Coop. Consumer Federation of India Ltd. (NCCF) - National Federation of Urban Coop. Banks & Credit Societies (NAFCUB) - General Council of NCDC - National Film & Fine Arts Coop. Ltd. (NAFFAC)	**National Cooperative Union of India** - Executive Committee **Kribhco Shyam Fertilizers Limited** - Remuneration Committee - Audit & Finance Committee **National Agricultural Cooperative Mktg. Federation (NAFED)** - Executive Committee

Independent Director

In accordance with Section 149, 152 and Schedule IV read with relevant Rules of the Companies Act, 2013, it is proposed to appoint Mr. Ranga Raju as Independent Director of the Company not liable to retire by rotation upto the conclusion of the 16th Annual General Meeting pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The appointment is being placed before the members of the Company at the 11th Annual General Meeting for their approval.

Name of the Directors	Date of Birth	Last Appointment Date	Qualification & Experience	Directorships in other companies (Only Public Cos.,)	Membership of Committees of the Board in other Companies
Mr. Ranga Raju	June 20, 1934	May 26,2017	B.Com.,	- Nagarjuna Agrichem Limited - Bhagiradha Chemicals and Industries Limited	Nagarjuna Agrichem Limited - Audit Committee Bhagiradha Chemicals and Industries Limited - Audit Committee - Share Transfer Committee

PERFORMANCE EVALUATION OF DIRECTORS AND CRITERIA FOR EVALUATION:

The Directors Report contains information in this regard.

DETAILS OF FAMILIARIZATION PROGRAMMES TO DIRECTORS

The Company as a practice ensures that all Directors are briefed on matters of the Company on their induction into the Board of Directors of the Company. The Company also issues a Letter of Appointment in case of Independent Directors detailing their terms and conditions of appointment.

The Memorandum and Articles of Association of the Company, copies of Annual Reports for the previous financial years, half year reports, organization structure, Company policies including Code of Conduct, Insider Trading Policy and Board Charter, Whistle Blower Policy etc. are provided to the directors at the time of induction.

The Board of Directors are also familiarized at regular intervals on any changes that takes place in the organization and also updations on statutory enactments effecting them as Directors or impacting the Company.

REMUNERATION POLICY

The Nomination and Remuneration Policy has been adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in compliance of Section 178 of the Companies Act, 2013 and the Erstwhile Listing Agreement entered into by the Company with Stock Exchanges (now SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

This Policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

RELATED PARTY TRANSACTIONS

The Directors Report contains information in this regard.

MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors of the Company even before the notification by SEBI, been having informal meetings before every Board Meeting to discuss the issues impacting the Company.

The Independent Directors met on May 11, 2016 and August 6, 2016 and apart from other matters, connected to the operations and strategy of the Company evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

RETIREMENT POLICY OF THE DIRECTORS

The Company does not have a Retirement Policy for the members of the Board of Directors of the Company and complies with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

RESPONSIBILITIES OF THE DIRECTORS

Responsibilities of the Board

The primary role of the Board is that of trusteeship to protect and enhance shareholder value. As a trustee, the Board ensures that the Company has clear goals and policies for achievement. The Board oversees the Company's strategic direction, makes strategic intervention, reviews corporate performance, authorises and monitors strategic decision, ensures regulatory compliance and safeguards interests of stakeholders.

Responsibilities of the Chairman and Managing Director

The Board of Directors at their Meeting held on July 27, 2011 delegated powers to Mr. K. S. Raju, Chairman and Mr. K. Rahul Raju, Managing Director to enable them to carry out the day-to-day operations of the Company. The powers encompass all areas such as finance, personnel, legal, general and miscellaneous powers.

SHARES HELD BY EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Mr. K. S. Raju, Chairman and Mr. K. Rahul Raju, Managing Director do not hold any shares in the Company as on March 31, 2017.

None of the Non-Executive Directors held shares in the Company as on March 31, 2017.

CODE OF CONDUCT AND ETHICS

The Company adopted the Code of Conduct and Ethics for Directors and Senior Management Personnel. The Code was circulated to all the members of the Board and Senior Management and the same has been put on the Company's website www.nagarjunafertilizers.com.

The Board of Directors and Senior Managerial Personnel have affirmed their compliance with the Code and a declaration to this effect signed by Managing Director and Company Secretary appears as annexure to the Corporate Governance report.

LEAD INDEPENDENT DIRECTOR

Dr. N. C. B. Nath, the Chairman of the Audit Committee of Board of Directors, is the Lead Independent Director. The Lead Independent Director on behalf of the Independent Directors provides structural feedback to the Board to encourage healthy discussions and openness among the Board members.

TRAINING FOR THE BOARD MEMBERS

As part of ongoing knowledge sharing, the Board of Directors are updated with relevant statutory amendments and landmark judicial pronouncements encompassing important laws such as Company law, SEBI Law, Income Tax Law, among others at meetings of the Board of Directors.

The Board of Directors meet periodically with Senior Managerial Personnel and discuss areas of interest of the Company.

The Company, as a good governance practice, put in place a "Policy on Training of Board of Directors".

COMMITTEES TO THE BOARD

The Board of Directors constituted various committees with adequate delegation to focus on specific areas and take decisions so as to discharge the Company's day-to-day affairs. Each committee is guided by its charter, which defines the composition, scope and powers of the committee. All decisions and recommendations of the committees are placed before the Board of Directors.

The Committees constituted by the Board as on date are:

1. SHARES AND DEBENTURES COMMITTEE

The Shares and Debentures Committee comprises of:

Name of the Member	Category
Mr. K. S. Raju	Chairman
Mr. K. Rahul Raju	Member

The Committee met 33 times during the year 2016-17 apart from considering the matters through circulation.

The quorum is two Members present in person.

Terms of reference:

Allotment of shares, debentures, securities, accept calls in advance and/or share capital not called up, approve/ reject or otherwise deal with applications for transfer, transmission, transposition, mutation of shares and debentures, issue share and debenture certificates including duplicate, split, sub-divide or consolidated certificates and to deal with all related matters.

2. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee met five times during 2016-17.

The table below lists the Members of the Committee and the various dates on which meetings were held and their attendance particulars.

Name of the	Category	Date of Meeting and attendance particulars				
		12.05.2016	06.08.2016*	08.09.2016	02.12.2016	09.02.2017
Dr. N. C. B. Nath	Chairman	✓	✓	X	✓	✓
Mr. S G Nadkarni	Member	✓	X	✓	✓	✓
Mr. M. P. Radha krishnan **	Member	✓	X	✓	✓	✓

* - Meeting was not held as there was no requisite quorum present

** - Ceased to be a Member with effect from May 26, 2017

The quorum is two Members present in person.

Terms of reference:

The matters that are considered necessary in relation to shareholders, debenture holders, investors and various other stakeholders of the Company in relation to Transfer of shares, Non- receipt of declared dividends, Non-receipt of balance sheet, Complaints directly concerning the shareholders/ investors as stakeholders of the Company but not limited to the above mentioned matters.

3. MANAGEMENT COMMITTEE

The Management Committee of Directors met four times during 2016-17 apart from considering matters through circulation.

The table below lists the Members of the Management Committee and the various dates of meetings and their attendance particulars.

Name of the Member	Category	Date of Meeting and attendance particulars			
		12.05.2016	06.08.2016*	02.12.2016	09.02.2017
Mr. K. S. Raju	Chairman	✓	✓	✓	✓
Dr N C B Nath	Member	✓	✓	✓	✓
Mr. S. R. Ramakrishnan	Member	✓	✓	X	✓
Mr. K. Rahul Raju	Member	✓	✓	✓	X

Mr. S G Nadkarni	Member	✓	X	✓	✓
Mr. M. P. Radhakrishnan *	Member	✓	X	✓	✓
Mr. Syed Shahabuddin **	Member	N.A	N.A	N.A	N.A

* - Ceased to be a Member with effect from May 26, 2017

** - Inducted as a Member with effect from May 26, 2017

The quorum is two Members present in person.

Terms of reference:

1. To review the operations of the Company from time to time and also formulate and review corporate objectives and strategies including long range plans for expansion/ diversification of the Company's activities.
2. To formulate annual budgets/business plans for the Company.
3. To approve capital expenditure other than proposals for expansion, diversification, modernisation and de bottle necking, including Research Projects and R&D division and investment in immovable property, above `5 crores upto `10 crores per proposal, excluding the authority already delegated to Managing Director or Internal Management, as the case may be, as per Delegation of Authority.
4. To approve revenue expenditure above `5 crores upto `10 crores in case of procurements on a single tender basis or above ` 10 crores upto ` 15 crores on multi-tender basis excluding the authority already delegated to Managing Director or Internal Management, as the case may be, as per Delegation of Authority.
5. To make donations/contributions to charitable and other funds other than to any political party or for political purposes upto an aggregate amount of ` 10 lakhs in any financial year.
6. To lay down and review from time to time the Company's employment policy.

4. AUDIT COMMITTEE

The Audit Committee of Directors comprises well-qualified and Independent Directors. All the Members of the Committee possess adequate knowledge of finance and accounts. The scope of the activities of the Committee are in conformity with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013.

The table lists the Members of the Audit Committee and the various dates on which meetings were held and the attendance particulars.

Name of the Memer	Category	Date of Meeting and attendance particulars				
		12.05.2016	06.08.2016*	08.09.2016	02.12.2016	09.02.2017
Dr. N. C. B. Nath	Chairman	✓	✓	X	✓	✓
Mr. S. R. Ramakrishnan	Member	✓	✓	✓	X	✓
Mr. K. S. Raju	Member	✓	✓	✓	✓	✓
Smt. Lalitha Raghuram	Member	✓	✓	X	✓	✓
Mr. C B Mouli **	Member	N.A.	N.A.	X	✓	✓
Mr. Syed Shahabuddin ***	Member	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Arjun Kumar Arora ****	Member	✓	N.A.	N.A.	N.A	N.A
Mr. M P Radhakrishnan *****	Member	N.A	N.A	✓	✓	✓

* - Meeting was not held as there was no requisite quorum present.

** - Inducted as Members with effect from August 22, 2016

***- Inducted as Members with effect from May 26, 2017

**** - Ceased to be a Member with effect from June 17, 2016

***** - Ceased to be a Member with effect from May 26, 2017

The Company Secretary of the Company functions as Secretary to the Committee.

The Statutory Auditors, the Cost Auditor, the Head-Internal Audit and such other executives as the committee considers appropriate are present as invitees for the Meetings of the Audit Committee.

The quorum is two independent Members present in person.

The quorum for the Audit Committee is two Members or 1/3rd of the strength of the Audit Committee, whichever is higher with atleast two independent directors present at the meeting.

Terms of Reference

a. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommending to the Board, the appointment, re-appointment remuneration and terms of appointment of auditors of the Company.

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

   i. Matters required to be 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 judgement 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 any related party transactions.

   vii. Qualifications in the draft audit report.

e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f. 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, and

making appropriate recommendations to the Board to take up steps in this matter

g. Review and monitor the auditor's independence and performance and effectiveness of audit process.

h. Approval or any subsequent modification of transactions of the Company with related parties.

i. Scrutiny of inter-corporate loans and investments.

j. Valuation of undertakings or assets of the Company, wherever it is necessary.

k. Evaluation of internal financial controls and risk management systems.

l. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

m. 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.

n. Discussion with internal auditors any significant findings and follow up thereon.

o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

p. 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.

q. 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.

r. To review the functioning of the Whistle Blower mechanism.

s. To approve the appointment of CFO / Whole time Finance Director.

t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

u. To consider and commend to the Board appointment of Cost Auditor of the Company.

REPORT OF THE AUDIT COMMITTEE OF DIRECTORS FOR THE YEAR ENDED MARCH 31, 2017

To the shareholders of Nagarjuna Fertilizers and Chemicals Limited

a. During the year under review, the Company's various departments, divisions spread all over India were audited by the In-house Internal Audit Department of the Company and the reports placed before the Audit Committee for consideration.

b. The audits were carried out pursuant to an Audit Calendar prepared by the Internal Audit Department of the Company and approved by the Audit Committee at the beginning of the year.

c. The Audit Committee noted the Audit Report, the view of the Auditee and the management on the observations of the Internal Audit Department.

d. The Audit Committee's suggestions from time to time were implemented by the Company during the course of the year.

e. The Internal Audit Department adopted a risk-based approach to the Internal Audit in accordance with the recommendations of the Institute of Chartered Accountants of India. This was in comparison to the earlier system of transaction mode of Audit.

f. The Audit Committee sought clarifications from the Auditors, Cost Accountant and the Management of the Company, whenever required, in relation to the financial matters of the Company as per the scope and powers of the Audit Committee.

g. The Audit Committee meetings were interactive.

h. The Committee is recommending to the Board the ratification of the appointment of M/s. M Bhaskara Rao & Co., Chartered Accountants as statutory auditors of the Company for the Financial Year 2017-18. M/s M Bhaskara Rao & Co., have been appointed as Statutory Auditors of the Company, to carry out audit of the accounts of the Company for a term of five years commencing from the conclusion of 8th Annual General Meeting to the conclusion of 13th Annual General Meeting subject to ratification at every Annual General Meeting. M/s. M Bhaskara Rao & Co., have confirmed their eligibility under Section 141 of the Companies Act, 2013.

i. M/s. M Bhaskara Rao & Co., have also confirmed that they have a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as per the requirements of Regulation 33 (1) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j. The Committee is recommending to the Board, the reappointment of M/s. Sagar & Associates as Cost Accountant of the Company, for the financial year 2017-18.

k. M/s. Sagar & Associates have confirmed that:

   a. They are eligible to be appointed as Cost Auditor of the Company pursuant to Section 141 of the Companies Act, 2013.

   b. They holds a valid certificate of practice.

   c. They are not disqualified under any of the provisions of Section 148 of the Companies Act, 2013 and that they are having an arm's length relationship with the Company.

Sd/-
Chairman
Audit Committee

Hyderabad
May 26, 2017

5. BANKING COMMITTEE

The Banking Committee of Directors met seven times during 2017-18 on May 20, 2016, May 28,2016, June 14,2016, June 20,2016, October 3, 2016, February 8, 2017 and February 28, 2017.

The Banking Committee comprises of

Name of the Member	Category
Mr. K. S. Raju	Chairman
Mr. K. Rahul Raju	Member

The quorum is two Members present in person.

Terms of reference:

Availment of fund-based and non-fund-based credit facilities by the Company from financial institutions and banks as per the limits delegated by the Board of Directors of the Company.

6. INVESTMENT COMMITTEE

The committee has not met during the year under review 2016-17.

The Investment Committee comprises:

Name of the Member	Category
Mr. K. S. Raju	Chairman
Mr. K. Rahul Raju	Member
Mr. M. P. Radhakrishnan*	Member

* - Ceased to be a Member with effect from May 26, 2017

The quorum is two Members present in person.

Terms of reference:

1. Investment of surplus funds in units, discounting of LC backed bills, clean bill discounting, inter-corporate deposits and investment in shares.
2. To disinvest or pledge the securities such as shares, debentures, government bonds, among others, held by the Company in its name from time to time and do all such acts, deeds and things that are necessary in this regard.

7. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by the Board of Directors in compliance with Section 178(1) of the Companies Act, 2013 and Clause 49 of the Erstwhile Listing Agreement entered into with the Stock Exchanges. The scope of the activities of the Committee are in conformity with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee of Directors met two times during 2016-17.

The table below lists the Members of the Nomination and Remuneration Committee and the various dates of meetings and their attendance particulars.

Name of the Member	Category	Date of Meeting and attendance particulars	
		11.05.2016	0.05.2016
Dr N C B Nath	Chairman	✓	✓
Mr. K. S. Raju	Member	✓	X
Mr. S. R. Ramakrishnan	Member	✓	✓
Mr. M. P. Radhakrishnan*	Member	✓	X
Ms. Lalitha Raghuram**	Member	N.A	N.A

* - Ceased to be Member with effect from May 26, 2017

** - Inducted as Member with effect from May 26, 2017

Terms of Reference:

1) Formulate and recommend to the Board a Remuneration Policy, relating to the remuneration for the directors, key managerial personnel and other employees and review/ modify the same from time to time
2) Formulate criteria for determining qualifications, positive attributes and independence of a director and review/ modify the same from time to time
3) Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
4) Carry out evaluation of every director's performance.
5) Devising a policy on Board diversity.
6) To select, retain and terminate the services of any consultant who shall assist the Committee in discharging its functions.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of Directors met four times during 2016-17.

The table below lists the Members of the Corporate Social Responsibility Committee and the various dates of

Name of the Member	Category	Date of Meeting and attendance particulars			
		12.05.2016	06.08.2016*	02.12.2016	09.02.2017
Dr. N. C. B. Nath	Chairman	✓	✓	✓	✓
Mr. K S Raju	Member	✓	✓	✓	✓
Mr. K Rahul Raju	Member	✓	✓	✓	X

The quorum is two Members present in person.

The terms of reference:-

1) To formulate and recommend to the Board a CSR Policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013
2) To recommend the amount of expenditure to be incurred
3) To institute a transparent monitoring mechanism for the implementation of the Policy from time to time.

9. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company in accordance with Clause 49 of the Erstwhile Listing Agreement entered into with the Stock Exchanges had constituted a Risk Management Committee of the Board of Directors on May 29, 2014. The scope of the activities of the Committee are in conformity with Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Risk Management Committee of Directors met Three times during 2016-17.

The table below lists the Members of the Risk Management Committee and the various dates of meetings and their attendance particulars.

Name of the Member	Category	Date of Meeting and attendance particulars			
		12.05.2016	06.08.2016*	02.12.2016	09.02.2017
Dr. N. C. B. Nath	Chairman	✓	✓	✓	✓
Mr. K S Raju	Member	✓	✓	✓	✓
Mr. K Rahul Raju	Member	✓	✓	✓	X
Dr. N. C. B. Nath	Chairman	✓	✓	✓	✓
Mr. S. R. Ramakrishnan	Member	✓	✓	X	✓
Mr. S G Nadkarni	Member	✓	X	✓	✓
Mr. K S Raju	Member	✓	✓	✓	✓
Mr. K Rahul Raju	Member	✓	X	✓	✓
Mr. M. P. Radhakrishnan*	Member	✓	X	✓	✓
Mr. Arjun Kumar Arora**	Member	✓	N.A	N.A	N.A
Mr. Syed Shahabuddin ***	Member	N.A	N.A	N.A	N.A

* - Ceased to be a Member w.e.f. May 26, 2017
** - Ceased to be a Member w.e.f. June 17, 2016
*** - Inducted as a Member w.e.f. May 26, 2017

The Chief Risk Officer of the Company and the Compliance Officer attend all the meetings of the Risk Management Committee.

The terms of reference of the Committee are as follows:

a. To lay down procedures to inform the Board of the risk assessment and risk minimization procedures in the Company.

b. Framing, Implementing and monitoring the risk management plan of the Company and such other functions as delegated by the Board from time to time.

10. ASSET SALE COMMITTEE

The Board of Directors of the Company had constituted an Asset Sale Committee of the Board of Directors on July 23, 2015 to look into matters of asset monetization of the Company.

The table below lists the Members of the Asset Sale Committee

Name of the Member	Category
Mr. S G Nadkrani	Member
Mr. K S Raju	Member
Mr. K Rahul Raju	Member
Mr. Anil Kumar PR	Member
Mr. Syed Shahabuddin*	Member
Mr. M. P. Radhakrishnan **	Member

* - Inducted as a Member w.e.f. May 26, 2017
** - Ceased to be a Member w.e.f. May 26, 2017

The quorum is two Members present including one Institutional Nominee present.

The terms of reference of the Committee are as follows:

To monitor the progress in asset monetization by sale of various assets considered non-performing.

The Committee did not meet during the year in review.

A. REMUNERATION POLICY:

The remuneration paid to Executive Directors is considered and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, keeping in view the provisions of Companies Act, 2013. The approval of the Board of Directors is subject to the approval by the shareholders and such other authorities, as the case may be.

B. RISK ASSESSMENT AND MINIMISATION PROCEDURE

The Company formulated an Enterprise Risk Management System to manage and mitigate unforeseen risks. The implementation of this system is through the Risk Management Steering Committee. The Committee is supported at the plant by the Plant Risk Management Committee and at the corporate office by Corporate Risk Management Committee.

The Committee at an early stage identifies, manages and responds to critical, cautionary and manageable risks in a systematic manner. To actively involve and inculcate the risk management right down the organization, 'Risk Owners and Risk Champions' were appointed for each department. Board members periodically review existing/ new risks and action plans formulated to mitigate the risks.

C. MANAGEMENT

The management identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operation. The Company developed and implemented policies, procedures and practices that attempt to translate the Company's core purpose and mission into a reality.

All these policies, procedures and practices are elaborated hereunder:

a. Policy on Corporate Governance : The Company always makes conscious efforts to inculcate best global Corporate Governance practices and goes beyond adherence to regulatory framework.

The Company towards its commitment to trusteeship, transparency, accountability and equality in all its dealings and to maintain positive bonding has put in place a 'Policy of Corporate Governance'.

b. **Policy on Corporate Social Responsibility (CSR) :** The Company's dedicated philosophy of "Serving Society Through Industry" is envisaged through the above policy.

At Nagarjuna, CSR is an initiative to "create new value" to economic, environmental and social issues and is intended to identify your Company with the society to establish rapport, increase competitiveness, and achieve sustainable growth, for better social development.

c. **Policy on Vendor's Grievances :** To ensure consistent smooth and timely supply of quality material and services at economically viable and competitive prices from various vendors, without any grievances, the Policy on Vendors' Grievances is adopted.

d. **Policy on Supply Chain :** Your Company, being the largest manufacturer and marketer of agri inputs in South India, introduced a 'Policy on Supply Chain', to ensure quality products are delivered on time to end customers through a network of suppliers.

e. **Prohibition of Insider Trading :** The Company had implemented a Policy prohibiting Insider Trading in conformity with regulations of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and now is aligned the Insider Trading to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Necessary procedures have been laid for insiders identified from time to time, prohibiting trading in the securities of the Company, based on unpublished price sensitive information.

f. **Policy on Succession Planning :** Your Company has put in place a policy on succession planning, which is an ongoing process that identifies necessary competencies, and then works to assess, develop, and retain a talent pool of associates, in order to ensure a continuity of leadership for all critical positions.

g. **Policy on Employee Participation in Management (EPM) :** Your Company framed a mechanism where the associates have an involvement and ownership in the decision making process of the organisation. The purpose of EPM is to increase production and productivity, evaluate costs, develop personnel, expand markets and risk management.

h. **Whistle Blower Policy/ Vigil Mechanism :** The Company formulated a policy in compliance with Clause 49 of Erstwhile Listing Agreement. The same is in conformity with the now Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177(9) of the Companies Act, 2013. The Policy aims to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, misappropriation of public funds, among others.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company were denied access to the Audit Committee.

i. **Legal Compliance Policy :** The Company has a Legal Compliance Policy for duly complying with central, state and local laws and regulations to achieve and maintain high business standards and benchmark the internal legal practices against international standards.

The Company uses an IT-enabled Company specific Legal Compliance Management System known as "nSure" to ensure legal and regulatory compliances of various central, state and local statutes applicable across the Company.

The system provides for tracking, monitoring and compliance at one point of control.

j. **Policy on Conflict Management :** The Company adopted a Policy on Conflict Management, which aims to resolve conflicts, at the lowest possible level, using procedures that address and respect the needs, interest and rights of associates in a fair and efficient manner. This is attained through the use of both, formal and informal conflict management processes. These tools are effectively coordinated through the Conflict Management System (CMS).

k. **Policy on Training for Board of Directors :** At Nagarjuna, we strongly believe in continuous learning. The policy ensures that the Board of Directors, being at the highest level in the organisation structure, too require training and development, to update themselves and provide best services to the Company. The training requirements of Directors vary in view of their nature of nomination on the Board and their training needs are structured accordingly.

l. **Policy on Induction of Directors :** The policy places the responsibility on the Chairman of the Board to ensure that all new Board members are briefed and have access to all aspects of the Company's operations. The new Directors are briefed on several matters like, duties and powers of Directors, special duties or arrangements attaching to the position, requirement to disclose Directors interest, confidentiality and right to access Company information, among others. Additionally, new Directors are provided with other information like the Company's constitution, policies, organization structure and other relevant information.

m. **Board Charter :** This Charter sets out the role, structure, responsibilities and operations of the Board of the Company and its delegation of authority to the management.

The Charter sets out the role of the Board as a Trustee of the stakeholders and the Company, who provides strategic direction, review corporate performance, authorise and monitor strategic decisions, ensure

regulatory compliances and safeguard their interest.

n. **Forex Risk Management Policy :** The Company constituted a Forex Risk Committee to achieve the specific objectives of managing treasury risks within the Company's strategic approach towards business and risk management.

The Company has drawn up a Forex Risk Management Policy with the objectives of forex risk management, the risk management organisation structure, the benchmarks to measure performance, operational processes to identify, measure, monitor and manage forex risks, appropriate control parameters and MIS. The minutes of the Forex Risk Committee are reviewed by the Board of Directors at every Board meeting.

o. **Policy on Corporate Sustainability :** At Nagarjuna, the environmental and community responsibility extends beyond the narrow confines of compliance with statutorily-stipulated standards and aims to maintain long term harmony.

p. **Policy on Sexual Harassment at workplace :** Policy on Sexual harassment at the work place has been framed to be in line with The Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Act 2013 and The Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Rules 2013.

Any form of sexual harassment is unacceptable and therefore this policy is being framed to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

The Company has not received any complaint alleging sexual harassment during the year 2016-17.

q. **Policy on Related Party Transactions :** The Company has formulated a Policy on Materiality of Related Party Transactions In compliance with Clause 49 of the Erstwhile Listing Agreement. The same is in conformity with the now Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company to the extent possible does ensure that there are no related party transaction and if entered into due to exigencies and in the event entered into shall enter into the transaction as if entered into between unrelated parties.

No Related Party Transaction is entered into by the Company, except in accordance with the provisions of this Policy.

r. **Policy on Board Evaluation :** The purpose of the policy is to assess the effectiveness of the Board as a whole, Committees of Board and Individual Directors (Independent and Non-Independent) on regular basis and to take necessary steps for improving the effectiveness of the Directors involvement in decision making in the Board.

s. **Policy on Nomination and Remuneration Policy** : This policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees

t. **Policy for determining Material Subsidiaries :** The Policy for determining Material Subsidiaries pursuant to Clause 49 of the Erstwhile Listing Agreement (now Regulation 16 (c) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015),determines the criteria for classifying a subsidiary as 'Material' in accordance with the provisions of this Policy.

u. **Policy for preservation and archival of documents :** The Policy sets out the standard for classifying, managing and storing of records of the Company and establishes a framework for effective record management and the process for subsequent archival of such records.

v. **Policy on Disclosure of Material Events :** The Policy is drawn in accordance with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) which states that every Company listed on the stock exchange shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed Company, is material.

w. **Policy on Bio-diversity** : Protecting and enhancing biodiversity which is an integral part of the Companys commitment to sustainable development.

x. **Gift Policy :** The purpose of this Policy is to inform one and all of the Company's philosophy on acceptance by associates and giving of gifts to others.

y. **HSE Policy :** To lay down a policy in relation to Health, Safety and Environment.

z. **Human Rights Policy :** The purpose of this policy is to ensure protecting human life and promoting social well-being.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a detailed chapter on Management Discussion and Analysis.

MANAGEMENT DISCLOSURES

Directors and Senior Management Personnel of the Company, as well as certain identified key associates make half yearly disclosures to the Board relating to all material, financial and commercial transactions where they have interest, conflicting with the interest of the Company. The interested Directors do not participate in the discussion nor do they vote on such matters when the matter is considered by the Board of Directors.

D. STAKEHOLDERS

DISSEMINATION OF INFORMATION

The Company established systems and procedures to disseminate relevant information to its stakeholders including shareholders, auditors, suppliers, customers, employees and financers. The primary source of information regarding the operations of the Company, including the quarterly results, can be viewed on the Company's website www.nagarjunafertilizers.com.

The quarterly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and published in widely circulated English newspapers and in vernacular newspapers.

Quarterly results sent electronically

Green Initiative:-

As a responsible corporate citizen, the Company accepts and supports the "Green Initiative" undertaken by the Ministry of Corporate Affairs of India, enabling delivery of documents including Annual Reports through electronic mode to shareholders at their e-mail address registered with the DPs/Company/RTAs.

The Company has proactively requested the shareholders to inform their email IDs. As an investor-friendly measure, the unaudited quarterly financial results and audited financial results for the year ended March 31, 2017 of the Company, were emailed in addition to being published in newspapers.

The Company uses this channel of communication extensively to carry out substantial correspondence with the shareholders to reduce costs while maintaining reach to the shareholders. Shareholders, who have not yet registered their email IDs, may immediately do so at investors@nagarjunagroup.com

BSE Filing / NEAPS facility

The Company has commenced filing information to the Stock Exchanges through BSE Listing website - www.listing.bseindia.com and NEAPS website - www.connect2nse.com pursuant to commencement of Trading of its equity shares on the Stock Exchanges.

Investor Grievance Redressal

The Company has 4,59,662 shareholders as on March 31, 2017. The Company during April 1, 2016 to March 31,2017 received and attended/resolved 3618 letters from the investors and dematerialized/rematerialized 2859 requests for dematerialization/rematerialisation of shares.

The table below lists the details of shareholder's or depositor's queries/ complaints/requests received and resolved during 2016-17.

Nature of Letters	Opening Balance	Received	Replied	Closing Balance
Change of address	0	73	73	0
Revalidation of dividend warrants	0	854	854	0
Share transfers	0	8	8	0
Demat / Remat of Shares	0	164	164	0
Issue of duplicate certificates	0	30	30	0
Transmission of shares *	0	824	824	0
General queries	0	3618	3618	0

* - The equity shares of the Company commenced trading on the Bombay Stock Exchange and National Stock Exchange of India Limited with effect from June 15, 2016.

On commencement of trading from June 15, 2016, the pending requests for transmission has since been cleared.

SHARE TRANSFER SYSTEM

The Company's transfer of shares is fully computerized.

The dematerialized shares are directly transferred to the beneficiaries account by the depositories.

Remote E-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is providing remote e-voting facility of casting votes using an electronic voting system from a place other than venue of the General Meeting and voting at the General Meeting through Ballot form on all the resolutions set forth in the Notice to the 11th Annual General Meeting to be held on Friday i.e., September 26, 2017 at 10.00 AM. The Company shall also provide shareholders to cast their votes at the venue of the AGM. The Company has engaged the services of Central Depository Services (India) Limited to provide remote e-voting platform to the shareholders.

Please refer to the detailed instructions on remote e-voting at page no. 177 of the Annual Report.

Shareholders holding shares in demat form and shareholders who have registered their email id with the Company will also receive the remote evoting instructions by email.

Shareholders who do not have access to remote e-voting facility may use the enclosed Ballot Form and send their assent or dissent on or before closing of business hours of September 25, 2017.

Compliance Officer

Mr. M. Ramakanth, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Share Transfer Agents

The Company has been functioning as Category II Share Transfer Agent (in-house) pursuant to the Securities and Exchange Board of India (SEBI) approval to the Company.

Nomination facility

Shareholders holding physical shares may file nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules 2014 to the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

Dematerialization of shares and liquidity

The shares of the Company are under the category of compulsory delivery in dematerialized mode by all categories of investors.

The Company signed agreements with both the depositories, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2017, 92.57% of the shares of the Company are held in electronic mode.

The status of the Company's equity shares is furnished below:

Total No. of equity shares : 59,80,65,003

Total No. of shareholders as on March 31, 2017 : 4,59,662

The table below shows the status of the equity shares of the Company as on March 31, 2017

Mode of Shareholding	No. of Shares	% to Total Equity Shares	No. of Share holders	%to Total
Physical form	4,44,48,510	7.43	2,02,632	44.08
Held in electronic mode	55,36,16,493	92.57	2,57,030	55.92
Total	59,80,65,003	100.00	4,59,662	100.00

The Company's ISIN No. for dematerialization for both NSDL and CDSL is INE454M01024

RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of Regulation 55A(1) of SEBI (Depositories and Participants) Regulations, 1996 a Practicing Company Secretary of the Institute of Company Secretaries of India, has carried out the Reconciliation of Share Capital Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISTRIBUTION OF SHAREHOLDING

The table below shows the distribution of shareholding of various groups as on March 31, 2017

Shareholding	Share holders		Shareholding	
	Number	% to Total	Value in Rs.	% to Total
Upto 5000	456216	99.25	136585360	22.84
5001 - 10000	1920	0.42	13038117	2.18
10001 - 20000	833	0.18	11291358	1.89
20001 - 30000	236	0.05	5802613	0.97
30001 - 40000	115	0.03	3974094	0.66
40001 - 50000	65	0.01	3016802	0.50
50001 - 100000	154	0.03	10902313	1.82
100001 and Above	123	0.03	413454346	69.13
TOTAL	459662	100	598065003	100

The table below lists the distribution of promoter and non-promoter shareholding as on March 31, 2017

Category	No. of shares held	% of share-holding
A. Promoter's holding	341700129	57.13
B. Non-promoters holding		
I. Institutional investors		
a. Mutual funds and UTI	342165	0.06
b. Banks, financial institutions, insurance companies (Central/state government institutions/non-government institutions)	8935255	1.49
c. Foreign Institutional Investors	4699738	0.79
II. Others		
a. Private corporate bodies	56635092	9.47
b. Indian public	180033480	30.10
c. NRIs/OCBs	5577712	0.93
d. Any other (please specify) trusts	141432	0.02
GRAND TOTAL	**598065003**	**100.00**

The table below lists the details of persons holding more than 1% shareholding in the Company as on March 31, 2017

S. No.	Name of the Company	%
	Core Promoters	
1	Amlika Mercantile Private Limited @	49.5
	Co-Promoters	
1	Governor of Andhra Pradesh	3.58
2	KRIBHCO	1.84
3	Fireseed Limited	1.47
	Others - Private Corporate Bodies	
1	Zuari Agro Chemicals Limited	5.40

@ Please refer Note Point IV (ii) of Annexure VI of the Directors Report

LIST OF PROMOTER COMPANIES OF THE COMPANY

Core Promoters

1. Amlika Mercantile Private Limited

Co-Promoters

1. Fireseed Limited
2. Government of Andhra Pradesh
3. Krishak Bharati Co-operative Limited
4. Saipem S.p.A. (formerly Snamprogetti S.p.A)

RESTRUCTURING

The Bombay Stock Exchange and The National Stock Exchange of India Limited commenced trading of the equity shares of the Company effective from June 15, 2016 with Scrip Code 539917 and NAGAFERT respectively consequent to the relaxation granted by SEBI vide letter dated February 4, 2016 under Rule 19(2)(b) of the Securities Contract (Regulation) Rule, 1957.

GENERAL BODY MEETINGS

The Tenth Annual General Meeting of the Company was held on September 30, 2016 , at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073

Mr. K S Raju, Chairman, chaired the meeting.

The table lists the details of the previous three Annual and Extra-Ordinary General Body Meetings and the Special Resolutions passed.

LAST THREE ANNUAL / EXTRA-ORDINARY GENERAL MEETINGS

NO. OF AGM & F.Y	DATE & TIME	LOCATION	SPECIAL RESOLUTION(S) PASSED
ANNUAL GENERAL MEETINGS			
8th AGM 2013-2014 at 10.00 a.m	September 26, 2014	Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073	• Approval and ratification of remuneration paid to Mr. K S Raju, Chairman during the period April 1, 2013 to March 31, 2014 • Approval and ratification of remuneration paid to Mr. K Rahul Raju, Managing Director during the financial year April 1, 2013 to March 31, 2014 • Approval and ratification of remuneration paid to Mr. K S Raju, Chairman during the period April 1, 2014 to July 31, 2014 • Approval and ratification of remuneration paid to Mr. K Rahul Raju, Managing Director during the period April 1, 2014 to July 31, 2014 • Appointment of Mr. K. S. Raju as a Director and Chairman for a period of 3 years with effect from August 1, 2014 and payment of remuneration • Appointment of Mr. K. Rahul Raju as a Managing Director for a period of 3 years with effect from August 1, 2014 and payment of remuneration • Contribution not exceeding Rs. 2 crores to Nagarjuna Foundation for undertaking CSR Activates on behalf of the Company.
9th AGM 2014-2015 at 10.00 a.m	September 29, 2015	Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073	• Appointment of Ms. Lalitha Raghuram as Independent Director on the Board of the Company • Appointment of Mr. D Ranga Raju as Independent Director on the Board of the Company • Appointment of Mr. Dantu Mitra as Cost Auditor of the Company for the year 2015-2016 • Contribution not exceeding Rs. 2 crores to Nagarjuna Foundation for undertaking CSR Activates on behalf of the Company. • Borrowings money not exceeding Rs. 7500 crores and approval for creation of mortgages, charges and hypothecation to secure borrowings in accordance with Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013

10th AGM 2015-2016 at 10.00 a.m	September 30, 2016	Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073	• To fix remuneration of Mr.Dantu Mitra., Cost Auditor who was appointed by the Board of Directors. • Appointment of Mr. Uday Shankar Jha as Independent Director on the Board of the Company • Appointment of Mr. C B Mouli as Independent Director on the Board of the Company. • To sell and transfer the realized net proceeds of the Fractional Entitlemnts arising out of the Scheme to Investor Education and Protection Fund (IEPF)

EXTRA ORDINARY GENERAL MEETINGS

EGM 2011-12	February 25, 2011 at 02.30 PM	Nagarjuna Hills, Punjagutta, Hyderabad-500 082	• Cancellation of existing capital of Rs. 5 Lakhs of the Company pursuant to Section 100 to 103 subject to sanction of Composite Scheme • Approval of the Company to borrow any sum of money as per section 293(1)(d) of the Companies Act, 1956. • Approval to create mortgage and/or charge as per Section 293(1)(a) of the Companies Act, 1956.
EGM 2011-12	August 19, 2011 at 09.00 AM	Nagarjuna Hills, Punjagutta, Hyderabad-500 082	• Change of Name of the Company from Kakinada Fertilizers Limited to Nagarjuna Fertilizers and Chemicals Limited as per Section 21 of the Companies Act, 1956 and Orders of the High Court of Andhra Pradesh and High Court of Mumbai • Alteration of Articles of Association of the Company pursuant to the provisions of Section 31 of the Companies Act, 1956 and Orders of the High Court of Andhra Pradesh and High Court of Mumbai • Alteration of Articles of Association as per Section 31 of the Companies Act, 1956.
EGM 2011-12	September 12, 2011 at 09.00 AM	Nagarjuna Hills, Punjagutta, Hyderabad-500 082	• Contribution of sum not exceeding Rs. 1 crore per year to Nagarjuna Oil Refinery Limited (NORL) pursuant to Clause 29 of the Composite Scheme of Arrangement and Amalgamation and in accordance with Section 372A of the Companies Act, 1956

DETAILS OF PUBLIC FUNDING IN THE LAST THREE YEARS

The Company has not raised any funds from the public.

The Company has not issued any GDRs/ADRs.

MONEYS REMAINING UNCLAIMED WITH THE COMPANY

There are no unclaimed fixed deposits, unclaimed deposits and interest on deposits.

There are unclaimed dividends and the same shall be transferred to Investor Education and Protection Fund as and when due for transfer.

DISCLOSURES

Compliance with mandatory requirements of the Listing Agreement

a. Related party transactions:

Names of related parties and description of relationship.

Subsidiaries

(i) Jaiprakash Engineering and Steel Company Limited

(ii) Nagarjuna Industrial Services and Investments Private Limited (formerly Nagarjuna Mauritius Private Limited)

Associates

(i) Nagarjuna Agricultural Research and Development Institute

(ii) KVK Raju International Leadership Academy

Key Managerial Personnel

(i) Mr. K S Raju, Chairman

(ii) Mr. K Rahul Raju, Managing Director

Relatives of Key Managerial Personnel

(i) Ms. K Lakshmi Raju (Daughter of Mr. K S Raju & Sister of Mr. K Rahul Raju)

(ii) Ms. K Lakshmi Raju (Sister of Mr. K S Raju)

Enterprises able to exercise significant influence

(i) Amlika Mercantile Private Limited

Enterprises significantly influenced by KMP or their relatives

Related party transactions during the year ended March 31, 2017 are as under: **` in Lakhs**

Nature of transaction	Subsidiaries	Key Management Personnel	Close members of family of key Mgmt. Personnel	Enterprises significantly influenced by Key Management personnel or close members of their family
Advances given				
Nagarjuna Industrial Services and Investments Private Limited	(26.02)	-	-	-
	(37.55)	-	-	-
Nagarjuna Oil Refinery Limited	-	-	-	366.00
	-	-	-	(239.60)
Purchase of Patents				
Nagarjuna Industrial Services and Investments Private Limited	49.44	-	-	-
	-	-	-	-
Interest income				
Nagarjuna Industrial Services and Investments Private Limited	-	-	-	-
	(0.43)	-	-	-
Remuneration				
Shri K S Raju	-	68.57	-	-
	-	(71.18)	-	-
Shri K Rahul Raju	-	66.80	-	-
	-	(70.06)	-	-
Recovery of remuneration				
Shri K S Raju	-	0.52	-	-
	-	(8.79)	-	-
Shri K Rahul Raju	-	0.81	-	-
	-	(8.14)	-	-
Investments written off				
Nagarjuna Industrial Services and Investments Private Limited	7.12	-	-	-
	-	-	-	-
Provision for diminution in the value of investment				
Nagarjuna Industrial Services and Investments Private Limited	-	-	-	-
	(352.24)	-	-	-
Jaiprakash Engineering and Steel Company Limited	-	-	-	-
	(460.00)	-	-	-
Rent paid				
Shri K Rahul Raju	-	624.00	-	-
	-	(589.11)	-	-
Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)	-	-	34.47	-
	-	-	(30.07)	-
Nagarjuna Impex Private Limited	-	-	-	24.13
	-	-	-	(20.53)
Nagarjuna Agrichem Limited	-	-	-	6.00
	-	-	-	(6.00)
Corporate Social responsibility contributions				
Nagarjuna Foundation	-	-	-	75.00
	-	-	-	(73.75)

Note: Figures in brackets represent previous year transactions.

(i) Nagarjuna Agrichem Limited

(ii) Nagarjuna Oil Refinery Limited

(iii) Nagarjuna Impex Private Limited

(iv) Nagarjuna Foundation

b. Disclosure of accounting treatment

In the preparation of financial statements, the Company followed the Accounting Standards issued by the Institute of Chartered Accountants of India

c. Proceeds from the preferential issue of warrants

Not applicable

d. Certifications:

1. The Managing Director and Chief Financial Officer, certify every quarter that the unaudited financial results of the Company do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
2. A certificate as stipulated by Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is signed by Managing Director and Chief Financial Officer certifying the correctness of the year end financial statements and cash flow statement, responsibility for internal controls and indication of changes in the internal control and accounting policies appears in the Annexure to this report.
3. A certificate as mandated by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 signed by Managing Director and Company Secretary certifying the compliance of Code of Conduct and ethics appears in the annexure to this report.

e. There were no penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Statutory Authority on any matter related to capital markets during the last three years.

Compliance with Mandatory Requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Your Company is fully compliant with the applicable mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except to the extent of appointment of Independent Director.

A certificate from Practicing Company Secretary on Corporate Governance has been obtained and the same is appearing as an Annexure to the Report.

The table shows the Compliance Report status as on March 31, 2017

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	The total strength of the Board as on March 31, 2017 is Twelve consisting of Two Executive Directors including the Chairman, Five Independent Directors and Five Nominee Directors. In accordance with Regulation 25(6) of SEBI (LODR), the Company has time till the next Board Meeting scheduled in May, 2017 to fill the vacancy and is in the process of identifying One Independent Director for appointment to the Board The vacancy has since been filled.
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes

Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4), (5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from Members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

Discretionary Requirements

A Non-Executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not Applicable
A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Un-audited Financial Results for the half year is sent to all shareholders who have provided their e-mail id's
The listed entity may move towards a regime of financial statements with unmodified audit opinion.	Yes
The listed entity may appoint separate persons to the post of Chairperson and Managing Director or Chief Executive Officer	There is a separate Chairman and Managing Director in the Company
The Internal auditor may report directly to the Audit Committee.	The Internal Auditor has direct access to Audit committee.

OTHER COMPLIANCES

Your Company, in recent years, undertook a series of initiatives, going beyond regulatory requirements, to ensure excellence in governance and to promote the interests of all stakeholders.

Secretarial Standards of Institute of Company Secretaries of India (ICSI)

The Company has, consequent to ICSI notifying Secretarial Standards 1 and 2 with effect from July 1, 2015 been in compliance of the same.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not received any complaints alleging sexual harassment during the financial year 2016-17.

GENERAL SHAREHOLDERS INFORMATION

11th Annual General Meeting	Friday, September 26, 2017 at 10.00 A.M.
Day, Date, Time and Venue	Sri Satya Sai Nigamagamam, Srinagar Colony, Hyderabad
Dates of Book Closure	September 19, 2017 to September 26, 2017
Registered Office	D.N 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.
Plant Location	The Company has two urea and one customised fertilizer plants located at Kakinada in Andhra Pradesh and micro-irrigation system manufacturing facilities at Nacharam and Sadashivpet in Telangana and Halol in Gujarat
Compliance Officer	Mr. M Ramakanth, Sr. Vice President - Legal & Company Secretary Ph No.(040) 23355317. Fax (040) 23350247 Email : ramakanthm@nagarjunagroup.com
Share Transfer Agent	Nagarjuna Fertilizers and Chemicals Limited Investors Service Cell, Plot No 1, Punjagutta, Nagarjuna Hills, Hyderabad - 500 082, Telangana, India. Tel: +91-40-23358405 Email: Investors@nagarjunagroup.com
Dividend history for the last five years	The Company has declared a dividend of Re. 1/- per share to the equity shareholders of the Company for the year ended March 31, 2012. No dividend was declared in the years 2012-13, 2013-14, 2014-15 and 2015-16
Tentative dates for considering Financial Results	Quarter ending June 30, 2017 - 3rd week of July '2017 Quarter ending September 30, 2017 - 3rd week of October '2017 Quarter ending December 31, 2017 - 3rd week of January '2018 For the year ending March 31, 2018 - 4th week of April '2018
Listing on stock exchanges	The Bombay Stock Exchange, Corporate Relationship Department, 1st Floor, New Trading Ring, Routunda Building, PJ Towers, Dalal Street, Fort Mumbai -400 001 SCRIP Code - 539917 National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 SCRIP Code - NAGAFERT
Listing fee	The Company has paid the listing fees to The Bombay Stock Exchange, Mumbai and The National Stock Exchange of India Limited, Mumbai.
ISIN No	INE454M01024 for NSDL and CDSL.
CIN No.	L24129AP2006PLC076238

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, K Rahul Raju, Managing Director and Sudhir Bhansali, Chief Financial Officer, of Nagarjuna Fertilizers and Chemicals Limited, to the best of our knowledge and belief certify that :

1. We have reviewed the Balance Sheet and Statement of Profit and Loss of the Company for the year ended March 31, 2017 and all its schedules and notes on accounts, as well as the Cash Flow Statement.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of and for, the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. To the best of our knowledge and information:
   a. these statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading.
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
5. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent or illegal.
6. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures and confirm them to be adequate.
7. The Company's other certifying officers and we have disclosed, based on our most recent evaluation of internal controls and systems and have to state
   a. That there were no deficiencies in the design or operation of internal controls, which we are aware;
   b. That there have been adequate internal controls in the Company.
   c. That there was no fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems;
   d. That there were no changes in accounting policies during the year.

Hyderabad	**K Rahul Raju**	**Sudhir Bhansali**
May 26, 2017	**Managing Director**	**Chief Financial Officer**

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

This is to inform you that the Company adopted a Code of Conduct and Ethics applicable to all the Members of the Board of Directors and Senior Management Personnel of the Company. The details of the Code of Conduct and Ethics are available at the Company's website at www.nagarjunafertilizers.com.

We confirm that the Company has in respect of the financial year ended March 31, 2017 received from all the Members of the Board of Directors and all the Senior Management Personnel of the Company a declaration of compliance with the Code of Conduct and Ethics as applicable to them.

Senior Management Personnel are personnel who are a part of the core management team, comprising personnel one level below the executive directors and including all functional heads as on March 31, 2017.

Hyderabad	**M Ramakanth**	**K Rahul Raju**
May 26, 2017	**Sr. Vice President - Legal & Company Secretary**	**Managing Director**

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Nagarjuna Fertilizers and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Nagarjuna Fertilizers and Chemicals Limited for the year ended on 31st March, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 of the said Company.

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 Company Secretaries 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 explanations given to us, and based on our reliance upon the representations made by the 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, as stated under Disclosures Column of the Company's Report on Corporate Governance.

Sl.No.	Particulars
1.	The Company has complied with the requirements under the LODR (earlier Listing Agreement entered into with Bombay Stock Exchange Limited and National Stock

Exchange of India Limited) except the following compliances:

Regulation 17 (1) (b) of LODR:

Mr. K.S. Raju is an Executive Chairman and at least half the Board shall consist of Independent Directors. The Company, though presently in compliance with the provisions Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is at present falling short of having one Independent Director on the Board.

It is noted that the composition of Board has undergone change, pursuant to the resignation of Mr. D. Ranga Raju from the Board w.e.f. February 1st, 2017, the Company needs to appoint one Independent Director to comply with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with Regulation 25(6) of SEBI (LODR), the Company has time till the next Board Meeting to fill the vacancy and is in the process of identifying One Independent Director for appointment to the Board

2. The Company undertakes share transfer activity as a Category II Share Transfer Agent and the Company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and there are no complaints pending as at the year-end as stated under Investor Grievance Redressal Column 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 and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015).

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 KBG ASSOCIATES
Company Secretaries

(Srikrishna S Chintalapati)
Partner
CP # 6262

Place : Hyderabad
Date : May 26, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Scenario

The year 2016 saw a paradigm shift in major politico-economic policies of United States of America (USA), which will have a serious impact on the global economy in 2016 which has been subdued with world output slowing down to 2.3%. A continuing slowdown in China, BREXIT will also result in slowing down of the economy.

Indian Economic Scenario

The Indian Economy is estimated to achieve a growth rate of 7.1% in 2016-17 despite the Global economic scenario and demonetization of the currencies undertaken by the Union Government. The demonetization of the currencies which had slowed down the economy after Q3, is expected in the long run to help in, revival of investment opportunities, providing fillip to infrastructure and the manufacturing sector, reduction of interest rates and lowering income tax rates.

The Indian economy during the year is characterized by relatively lower inflation, fiscal discipline coupled with broadly stable rupee-dollar exchange rate.

Agriculture Sector

Agriculture continues to be the major employer wherein 90 million people are still depending on it for livelihood. India has the largest area of arable and permanently cropped land in the world and ranks third in the world in overall food grain production after China and the USA. As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is expected to be 15.4% of the Gross Value Added (GVA) during 2016-17.

It has been estimated that agriculture sector grew at 4.1% in 2016-17 as against 1.2% in 2015-16. The Union Government has been taking various initiatives to improve agriculture sector. Total allocation in the budget for rural, agricultural and allied sectors for FY 2017-18 has been increased by 24 per cent year-on-year to Rs 1,87,223 crore (US$ 28.1 billion). A dedicated micro-irrigation fund of Rs. 5000 crore will be set up by National Bank for Agriculture and Rural Development (NABARD) for farmers to achieve the goal of 'Per Drop More Crop'.

The NITI Aayog has proposed various reforms in India's agriculture sector, including liberal contract farming, direct purchase from farmers by private players, direct sale by farmers etc., The Government plans to open at least one Krishi Vigyan Kendra in all districts of the country, which will provide advanced agriculture technical assistance to the farmers near the farms itself.

The agriculture sector in India is expected to generate better momentum in the coming years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, improved port gate management and better fiscal incentives would contribute to the sector's growth. Further, the growing use of genetically modified crops is likely to improve the yield for Indian farmers though there has been resistance in certain pockets to its usage. The advances in the country's Remote sensing technology is going to provide substantial support to agricultural applications like crop area and crop production estimation, drought monitoring, soil mapping, cropping system analysis and farm advisories generation.

Fertilizer Sector

Fertilizers are an important input for the agriculture sector. With limited arable land as well as rising food requirements in the country the long-term potential for increase in fertilizer usage is high. Globally India is second largest consumer of fertilizers, next to China and the consumption is still rising.

The rising consumption of fertilizer in India has been met partly by domestic production, especially urea, and partly by imports. After 2000-01 Indian fertilizer industry has seen only limited expansion of existing urea plants, leading to dependency on imports. One of the various reasons behind lackluster performance of Indian fertilizer industry is the uncertainty of policy, especially of fertilizer pricing and subsidy, and delays/difficulties in subsidy payments due from the Government which in turn has strained working capital of the players in the industry.

The Government has budgeted Rs.70,000 crores on fertilizer subsidies in 2017-18 which is very low compared to the actual requirement. The lower provisioning and the resultant delayed payments will also impact the profitability of Companies especially when outlays of capital expenditure has to be met to meet the new energy norms effective from 2018.

Government Policies

Government of India, Ministry of Chemicals and Fertilizers notified New Urea Policy 2015 (NUP 2015) in May 2015 for existing gas based urea manufacturing units. NUP (2015) will be effective from June 2015 to March 2019 replacing existing modified NBS III and New Investment Policy 2008. The government notified w.e.f June 1, 2015 revised energy norms for the period June 1, 2015 to March 31, 2018 and for the year 2018-19. The Policy has multiple objectives of maximizing indigenous urea production and promoting energy efficiency in urea units to reduce the subsidy burden on the Government. The policy aims to ensure timely supply of urea to farmers at same Maximum Retail Price (MRP) with lesser financial burden on the exchequer alongwith reduced import dependency in the urea sector.

The Company believes that the recent policy intervention and measures taken by the Government would result in higher efficiency of plants and lower subsidy burden of the Government. It is however, felt that the energy policy in reducing the norms should have given some more time to the urea manufacturers to recover their capital cost employed for achieving the revised energy norms.

The new initiative by Government is the introduction of the DBT (Direct Benefit Transfer) scheme for fertilizers on pilot basis under which the fertiliser subsidy shall be directly transferred to the farmer's bank account. The GoI intends to

provide direct subsidy to 14 crore farmers and encourage economic and balanced fertiliser application. If successful, it would fulfill the long-pending industry demand for transfer of subsidy directly to farmers, and in turn reduce their subsidy receivables. It would also reduce leakages of urea, which is reportedly being used for non-agricultural purposes and even smuggled to neighboring countries.

However, while direct transfer of subsidy to the farmers will significantly reduce leakages (as in the case of SKO and LPG), implementation of the DBT scheme would be a major challenge as setting up the required infrastructure (with respect to cashless transaction/digitalization), training of retailers/farmers and correctly identifying the target farmers to avoid misuse would be a difficult task. Unfortunately, this will increase the working capital requirement and higher interest costs since the Company will receive the subsidy at the time of sale, which is much later in this scheme.

Company's Strengths and opportunities

The Company's main strength lies in an excellent track record of project execution, achieving high production levels and safety and energy efficiency. It has the twin advantages of having the raw material and the market at its door step. The Company is constantly looking for new opportunities to further enhance its revenue streams and increase profitability.

The Company has partnered with Government of India's prestigious eNAM initiative, an online portal for trading in agricultural produce. The Company has developed the NAM project platform under Ikisan business which would be automating 585 Mandis across India in a span of two years.

Threats and concerns

The delays on the part of the Government of India in undertaking comprehensive fertilizer reforms are a matter of concern. The industry continues to face challenges such as insufficient subsidy allocation in budget, unfavourable policies for setting up new urea facilities, urea retail prices, delays in subsidy payments to fertilizer manufacturers, domestic gas pricing and availability and revised energy norms.

The existing urea investment policy needs to be amended to make further investments in the fertilizer industry lucrative. The industry requires a series of reforms primarily with subsidy bills and import dependence increasing by the year. The industry is plagued with the build-up of subsidy dues which forms a substantial portion of the gross sales of fertilizer Companies, the delay leading to increased short-term borrowings, impacting the working capital cycle resulting in high interest cost and causing severe financial stress on the financials of the Company.

A major concern of the Company is the short supply of Natural Gas and at times low pressure, resulting in the plants running at low load operations resulting in higher energy consumption, though during the current year the issue has been mitigated to an extent. The pricing of raw materials including Natural Gas is not in parity with international prices resulting in the cost of production of fertilizers in India not being comparable and competitive with international prices of fertilizers resulting in unfair competition. This has resulted in a threat of cheaper imports. The Fertilizer Industry need protection through tariff and other measures.

Outlook/ Future plans

The Company is, exploring various growth opportunities and also focusing on improvement of the operational efficiency, to bolster its top line as well as bottom line.

As required under the New Urea Policy 2015, the Company is currently proposing the revamp project for complying with energy norms with a simultaneous increase in production capacity.

Financial Performance vis a vis Operational Performance

Financial Summary

The loss after tax for the year was Rs. 121.77 crores against loss after tax of Rs.114.01 crores for the previous year.

The Company recorded losses during the current year on account of lower production of Manufactured urea due to short supply of Natural Gas by GAIL & RIL during quarter 1 and plants shutdown during quarter 4 resulting in contribution loss and energy incentive loss. Further, lower demand for Urea, Specialty Fertilizers and CFG coupled with lower sales of Micro Irrigation due to lack of project orders and recognition of Income as per Ind AS.

Plant Operations

The Company during the year manufactured 14.98 LMT of urea as against 13.42 LMT in the previous year. The Micro-Irrigation business achieved a production of 1236 Lakh Mtrs against 1071 Lakh Mtrs during the previous year.

The Company achieved a sale of manufactured urea of 15.27 LMT compared to 12.47 LMT in the previous year with the total urea sales for both manufactured and imported urea being 18.91 LMT compared to 22.69 LMT of previous year.

The Company sold Specialty Fertilizers of 19127 MT during the year, in comparison with sales of 17031 MT during the previous year. The sale of Micro-nutrients was 5547 MT during the year, in comparison with sales of 6237 MT during the previous year.

Human Resources and industrial Relations

The Company during the previous year continued to have good industrial relations with all its employees at all levels. The Company's constant endeavor has been to attract, retain and nurture human talent by developing a strong culture of human values and encourage its employees to realize their individual goals which are in consonance with organizational goals. Various initiatives have been taken to impart training and development activities so that employees are prepared to take up new challenges for their own development and also for the overall well being of the Company. There are 1605 employees on the rolls of the Company as on March 31, 2017.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Nagarjuna Fertilizers and Chemicals Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Nagarjuna Fertilizers and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Standalone Ind AS Financial Statements").

Management's responsibility for the Standalone 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 Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS 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 thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Attention is invited to following notes to the Standalone Ind AS Financial Statements:

a) Note 5.1 regarding provision for diminution in the value of investments made for the value of investment in Jaiprakash Engineering and Steel Company Limited (JESCO), a subsidiary and its adequacy based on Management assessment, for the reasons stated in the said note.

b) Note 25.1 regarding recognizing Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, and for production beyond reassessed capacity based on prices and provisions applicable under NPS III, Modified NPS III, pending notification of final prices under New Urea Policy 2015 and consequential adjustments, if any that may arise.

c) Note 35.1.1 regarding Arbitration awards passed against the Company for USD 143,98,188 and GBP 690,630, the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements;- Refer Note 35.1 to the Standalone Ind AS Financial Statements.

ii. The Company did not, as at March 31, 2017, have any material foreseeable losses relating to long-term contracts including derivative contracts.

iii. There were no amounts, as at 31st March 2017, which are required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the Standalone Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us -Refer Note 12.1 to the Standalone Ind AS Financial Statements.

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Registration No. 000459S

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

Re: Nagarjuna Fertilizers and Chemicals Limited

Annexure A to the Independent Auditors' report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nagarjuna Fertilizers and Chemicals Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Registration No. 000459S

D. Bapu Raghavendra
Partner
Membership No.213274

Hyderabad
May 26, 2017

Re: Nagarjuna Fertilizers and Chemicals Limited

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations furnished to us, and based on our review, title deeds of its immovable properties are not held in the name of the Company in respect of land to the extent of 340.11 acres in 104 cases, situated in Nellore District, Andhra Pradesh, in the possession of the Company, pending registration of the titles thereto in its name.

(ii) According to the information and explanations furnished to us, in respect of the Company's inventories,physical verification of inventories at plants and warehouses has been conducted by the management at reasonable intervals during the year. In our opinion, having regard to the nature of its business and location of its stocks, the frequency of verification is reasonable. Further, the discrepancies noticed on such verification, between the physical stocks and the respective records were not material in relation to the size of operations of the Company and the same have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses (a), (b) and (c) of paragraph 3(iii) of the Order does not arise.

(iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in Sections 185 and 186 of the Companies Act, 2013, except Moneys advances to Nagarjuna Oil Refinery Limited, pursuant to the Composite Scheme of Arrangement and Amalgamation, which the Company has been legally advised does not come under the purview of the aforesaid sections.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, reporting under provisions of paragraph 3(v) of the Order does not arise.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules in force made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost 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.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities , and there were no amounts payable in respect of the aforesaid undisputed statutory dues in arrears, as at March 31, 2017, for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax which have not been deposited as on March 31, 2017 on account of dispute are as below:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Tax	99.08	2012-13	ITAT-Hyd (Appeals)
Income Tax	Tax	764.00	2013-14	DRP - Bangalore
VAT	Tax / Penalty	463.72	2014-15	High Court - Madras

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or from debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for M. Bhaskara Rao & Co
Chartered Accountants
Firm Registration No. 000459S

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

Balance Sheet As At March 31, 2017

` in Lakhs

Particulars	Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	3A	2,63,792.29	2,75,744.41	2,83,236.11
(b) Capital work-in-progress	3B	809.58	708.61	307.47
(c) Other Intangible Assets	4	1,965.60	2,457.00	2,948.40
(d) Financial Assets				
(i) Investment in Subsidiaries/Associates etc., at cost	5	1,796.17	1,803.29	2,615.53
(ii) Loans	6	2,417.97	1,869.51	1,531.71
(iii) Other Financial Assets	7	33.22	33.69	28.47
(e) Other Non-Current Assets	9	66.46	747.45	276.61
Total non-current Assets		**2,70,881.29**	**2,83,363.96**	**2,90,944.30**
2. Current Assets				
(a) Inventories	10	21,248.75	22,815.72	16,480.42
(b) Financial Assets				
(i) Trade Receivables	11	1,19,232.27	1,98,999.44	1,07,036.97
(ii) Cash and Cash Equivalents	12	5,688.82	2,817.30	2,888.85
(iii) Bank Balances other than (ii) above	13	5,742.45	6,585.26	4,890.51
(iv) Loans	6	3,317.01	227.23	124.63
(v) Other Financial Assets	7	725.17	527.58	255.39
(c) Current Tax Assets (Net)	8	573.48	459.69	334.33
(d) Other Current Assets	9	2,020.05	4,870.47	6,471.44
Total Current Assets		1,58,548.00	2,37,302.69	1,38,482.54
Total - Assets		**4,29,429.29**	**5,20,666.65**	**4,29,426.84**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	5,980.65	5,980.65	5,980.65
(b) Other Equity	15	1,03,257.32	1,15,404.67	1,24,639.41
Total Equity		**1,09,237.97**	**1,21,385.32**	**1,30,620.06**
LIABILITIES				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	55,880.97	71,620.52	19,622.49
(ii) Other Financial Liabilities	17	7,525.65	7,384.47	5,279.30
(b) Provisions	18	709.56	443.32	374.48
(c) Deferred Tax Liabilities (Net)	19	38,181.60	41,167.23	44,525.83
(d) Government Grants	20	2,089.58	2,405.66	2,749.33
Total Non-Current Liabilities		**1,04,387.36**	**1,23,021.20**	**72,551.43**
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	1,01,306.76	93,437.41	1,00,259.24
(ii) Trade Payables	22			
(A) Micro, Small, Medium Enterprises (MSMEs)		-	4.36	-
(B) Other than MSMEs		94,743.79	1,65,491.36	1,01,237.66
(iii) Other Financial Liabilities	23	18,347.47	15,855.19	22,412.39
(b) Other Current Liabilities	24	933.58	1,000.50	1,704.82
(c) Government Grants	20	343.67	343.67	343.67
(d) Provisions	18	128.69	127.64	297.57
Total Current Liabilities		**2,15,803.96**	**2,76,260.13**	**2,26,255.35**
Total Liabilities		**3,20,191.32**	**3,99,281.33**	**2,98,806.78**
Total Equity and Liabilities		**4,29,429.29**	**5,20,666.65**	**4,29,426.84**
Corporate Information and Significant Accounting Policies	1 & 2			

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

Statement of Profit and Loss for the year ended March 31, 2017

` in Lakhs

Particulars	Note	Year ended March 31, 2017		Year ended March 31, 2016	
INCOME					
Revenue from Operations	25				
Sale of Products (including Subsidy)		3,36,439.22		3,96,524.20	
Sale of Services		1,865.83		1,027.56	
Other Operating Revenues		201.57	3,38,506.62	212.63	3,97,764.39
Other Income	26		3,527.32		3,193.06
Total			**3,42,033.94**		**4,00,957.45**
EXPENSES					
Cost of Materials Consumed	27		1,16,457.86		1,15,434.30
Purchase of Stock-in-Trade	28		46,156.44		90,949.20
Changes in inventories of finished goods, stock-in-trade and work in progress	29		1,309.75		(6,008.03)
Power and Fuel			84,068.01		86,400.40
Employee Benefits Expense	30		15,451.61		14,795.23
Finance Cost	31		32,489.97		32,889.53
Depreciation and Amortization Expense	3A & 4		8,920.56		9,265.57
Excise Duty			879.40		779.67
Other Expenses	32		52,108.60		69,104.51
Total			**3,57,842.20**		**4,13,610.38**
Loss before exceptional items and tax			**(15,808.26)**		**(12,652.93)**
Exceptional Items			-		-
Loss before tax			**(15,808.26)**		**(12,652.93)**
Tax Expense					
(a) Current Tax			-		-
(b) Adjustments relating to earlier years			(628.84)		-
(c) Deferred Tax	19		(3,001.71)		(3,379.22)
Loss after tax			**(12,177.71)**		**(9,273.71)**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
Re-measurement gains (losses) on defined benefit plans			46.44		59.61
(ii) Income tax relating to these items	19		(16.07)		(20.63)
B (i) Items that will be reclassified to profit or loss			-		-
(ii) Income tax relating to these items			-		-
Total Other Comprehensive income, net of tax			**30.37**		**38.98**
Total Comprehensive income			**(12,147.34)**		**(9,234.73)**
Earnings per equity share of face value of `1/- each					
Basic and Diluted	44		(2.04)		(1.55)
Corporate Information and Significant Accounting Policies	1 & 2				

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

K Rahul Raju
Managing Director

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

Statement of Change in Equity for the year ended March 31, 2017

(a) Equity Share Capital

Particulars	No.	` in Lakhs
Equity shares of Rs. 1 each issued, subscribed and fully paid		
At April 1, 2015	59,80,65,003	5,980.65
Issue of share capital (Refer Note 14)	-	-
At March 31, 2016	**59,80,65,003**	**5,980.65**
Issue of share capital (Refer Note 14)	-	-
At March 31, 2017	**59,80,65,003**	**5,980.65**

b. Other Equity : **` in Lakhs**

Particulars	Reserve and Surplus					Total
	Capital Reserve	Security premium reserve	Debenture redemption reserve	General reserve	Retained Earning	
As at April 01, 2015 (Refer Note 15)	**51,853.85**	**1,09,619.35**	**2,087.99**	**11,291.73**	**(50,213.51)**	**1,24,639.41**
Profit for the year					(9,273.71)	(9,273.71)
Other Comprehensive Income					38.98	38.98
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(9,234.73)**	**(9,234.73)**
As At March 31, 2016	**51,853.85**	**1,09,619.35**	**2,087.99**	**11,291.73**	**(59,448.26)**	**1,15,404.67**
Profit for the year					**(12,177.71)**	**(12,177.71)**
Other Comprehensive Income					**30.37**	**30.37**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(12,147.34)**	**(12,147.34)**
As At March 31, 2017	**51,853.85**	**1,09,619.35**	**2,087.99**	**11,291.73**	**(71,595.60)**	**1,03,257.32**

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

K Rahul Raju
Managing Director

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

` in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash Flow from Operating Activities		
Loss before Tax	**(15,808.26)**	**(12,652.93)**
Adjustments:		
Depreciation and Amortisation	8,920.56	9,265.57
Provision for Doubtful Debts / Advances	911.35	149.49
Finance Cost	32,489.97	32,889.53
Provision/write off for Diminution in value of Investments	7.12	812.24
Deferred government grant	(316.08)	(343.67)
(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	98.88	177.08
Operating Profit before working capital changes	**26,303.54**	**30,297.31**
Movements in working capital:		
Increase/(decrease) in trade payables	(70,832.79)	61,345.55
Increase/(decrease) in long term provisions	312.68	128.45
Increase/(decrease) in short term provisions	1.05	(169.93)
Increase/(decrease) in other current liabilities	(66.92)	(704.32)
Increase/(decrease) in other current financial liabilities	196.15	(125.02)
Increase/(decrease) in other long term liabilities	141.18	2,105.17
Decrease/(increase) in trade receivables	78,876.10	(92,111.96)
Decrease/(increase) in inventories	1,566.97	(6,335.30)
Decrease/(increase) in long term loans and advances	(548.46)	(337.80)
Decrease/(increase) in short term loans and advances	(3,089.78)	(102.60)
Decrease/(increase) in other current assets	2,850.42	1,600.97
Decrease/(increase) in other financial assets	(197.59)	(272.19)
Decrease/(increase) in other non current assets	(16.38)	(0.97)
Cash generated from/(used) in operations	**35,496.17**	**(4,682.64)**
(Direct Taxes Paid -net of refunds)	515.05	(125.36)
Net cash flow from / (used) operating activities	**36,011.22**	**(4,808.00)**
B. Cash Flow from Investing activities		
Purchase of fixed assets and CWIP	(871.52)	(2,337.91)
Margin Money Deposits	843.28	(1,699.97)
Proceeds from Sale of fixed assets	4,871.72	7.32
Net cash flow from / (used) in investing activities	**4,843.48**	**(4,030.56)**
C. Cash flow from Financing activities		
Proceeds from long term borrowings	1,248.54	61,249.47
Increase/(decrease) in Buyers/Suppliers credit	6,751.64	(1,004.14)
Repayment of long term borrowings	(15,135.73)	(15,773.28)
Finance Costs paid	(32,043.13)	(32,797.84)
Dividend Paid	(3.07)	(2.03)
Net cash flow from / (used) in financing activities	**(39,181.75)**	**11,672.18**
Net Increase/(decrease) in cash and Cash equivalents	**1,672.95**	**2,833.62**
Cash and cash equivalents as at beginning of the year	**(89,856.71)**	**(92,690.33)**
Cash and cash equivalents as at end of the year	**(88,183.76)**	**(89,856.71)**

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

Notes forming part of the financial statements for the year ended March 31, 2017

1. CORPORATE INFORMATION

The company is a public listed company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on The Bombay Stock Exchange and The National Stock Exchange Of India, the two recognised stock exchanges in India. The registered office of the company is located at D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082.

The Company is principally engaged in the business of manufacturing and marketing Fertilizers, Micro Irrigation Equipments and Agri Informatic Services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) on accrual basis and under the historical cost convention except for Derivative financial instruments and certain financial instruments which are measured at fair value, pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016.

These Financial Statements for the year ended March 31, 2017 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The company has adopted all the applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from the accounting principles generally accepted in India under then and applicable to the Company as prescribed under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) to Ind AS. The reconciliation and description of transition have been summarized in Note 42.

The Financial Statements are presented in INR and all values are rounded to two decimals to the nearest lakhs, except when otherwise indicated.

2.2. Use of estimates:

The preparation of Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, aswell as estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of defined benefit obligations - Note 30
ii. Recognition of deferred tax asset/Liability- Note 19
iii. Fair Value Measurement of financial Instruments - Note 38 & 39
iv. Recognition of subsidy income - Note 25.1
v. Provision for doubtful trade receivables

2.3. Current versus non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.4. Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and

the cost of the item can be measured reliably.The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis under the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the following exception:

- Continuous Process Plants' are depreciated for 37 years based on the technical evaluation of useful life done by the management.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1,2015.

2.5. Intangible assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Trademarks and Services:10 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1,2015.

2.6. Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date for any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date for any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, in which case, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss account.

2.7. Inventories

Inventories are valued at the lower of cost and net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs for different categories of materials are as follows:

- Raw materials and Traded Products: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value in the case of Urea –

- the Group Concession Price notified by the Government of India in respect of finished goods lying at the factory, and
- the net sale price in respect of finished goods lying in the warehouses outside the factory.

Work-in-process, raw materials, stores, spares, packing material and loose tools are valued at weighted average cost, less provision for depletion in value, if any.

2.8. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.9. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition

On initial recognition, financial asset are recognised at fair value.Transaction cost that are directly attributable acquisition of financial assets that are not at fair value through profit and loss(FVTPL) are added to Fair value on initial recognition.

Subsequent measurement

Financial assets which are debt instruments are subsequently measured on the following basis, depending on their classification

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

When financial assets are Equity Instruments :

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI.

Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

De-recognition:

The Company derecognizes a financial assets when the contractual right to the cash flows from the financial asset expires or it transfers the financial asset at the transfer qualifies for de-recognition under IND AS 109.

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Impairment:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost, net of directly attributable transaction costs.

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Derecognition :

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.10. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate risk of changes in exchange rates on foreign currency exposure.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any gains or losses arising from re-measurement are dealt in Statement of profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS109, Financial Instruments and hence categorized as financial assets or liability at fair value through profit or loss.

2.11. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13. Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised. They are disclosed only when an inflow of economic benefit is probable from such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.14. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue is inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf third parties.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods :

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

In case of goods which are shipped subject to installation and inspection, revenue is normally recognized when the buyer accepts delivery, and installation and inspection are complete.

Subsidy :

Group Concession Price under Group Concession Scheme (GCS) and Equated Freight are recognized in accordance with the norms prescribed by the Government of India – Fertiliser Industry Co-ordination Committee.

Rendering of services :

Revenue from sale of services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest income :

Interest income is recognized using effective interest method.

Dividends :

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.15. Employee benefits

Gratuity :

In accordance with the Payment of Gratuity Act, 1972 the Company provides gratuity as a defined benefit plan, to eligible Employees. Liability with regard to gratuity is determined by an independent actuary at every Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in the Balance Sheet as asset or liability. Gains or losses on re-measurements are recognized in Other Comprehensive Income (OCI). Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Superannuation fund and provident fund :

Superannuation and Provident Fund are in the nature of defined contribution plans. The Company makes monthly contribution to approved superannuation fund covered by a policy with LIC of India.

The Company has no further obligation beyond monthly contribution. The obligations under the said policy are accounted for on accrual.

The Company makes monthly contribution to the Provident Fund scheme and recognizes it as an expense, in the year in which employee renders the related service. The Company's Contribution towards Provident Fund is administered and managed by an approved trust. The Company has no obligation, other than the contribution payable to the Fund.

Compensated absences :

Liability for compensated absence is treated as a long term liability and is covered by a policy with Life Insurance Corporation ('LIC'). The estimated liability at each Balance Sheet date is determined by an independent actuary using the projected unit credit method and is recognised in the accounts accordingly.

2.16. Taxes

Current income tax :

Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income (OCI), in which case the tax is also recognized in equity or Other Comprehensive Income (OCI).

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax asset/liability is measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax :

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent there is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

In the case of a loan or assistance provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The Grant is initially recognised and measured at fair value and subsequently measured in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments (financial liabilities). The government grant is measured as the difference between the initial carrying value of the loan and the proceeds received and recognised as income on a systematic basis over the periods the related costs, for which it is intended to compensate, are expensed.

2.18. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term. Accordingly, the Company's leasing arragements, are mostly in the nature of operating lease for premises, and are cancellable / renewable by mutual consent. The rentals thereunder are recognised in the Statement of Profit and Loss.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.19. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset in the period in which they are incurred, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest earned on temporary investments out of specific borrowings made for qualifying assets is deducted from the borrowing costs eligible for capitalisation to those assets.

2.20. Research and development costs

Expenditure relating to capital items is treated as fixed assets and depreciated at applicable rates. Revenue expenditure during research period is charged to Statement of Profit and Loss in the year in which it is incurred.

2.21. Foreign currency transactions

The Company's financial statements are presented in Rupees, which is its functional currency.

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency denominated monetary assets and liabilities remaining unsettled at the end of the year are translated into functional currency at exchange rates prevailing at the Balance Sheet date. Exchange differences arising on translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated using exchange rate prevalent on the date of transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.22. Earnings per share

Basic earnings per equity share, is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.23. Investments

Investments are classified as Non-current and Current. Non-current investments are carried at cost less provision for other than temporary diminition, if any, in value of such investment. Current investments are carried at lower of cost and fair value.

3A. Property, Plant and Equipment:

` in Lakhs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at March 31, 2016	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Land	1,16,227.41	2.26	234.31	1,15,995.36	-	-	-	-	1,15,995.36	1,16,227.41
Buildings	12,841.27	24.52	-	12,865.79	760.70	761.15	-	1,521.85	11,343.94	12,080.57
Plant & Equipments	1,54,142.63	815.39	5,238.13	1,49,719.89	7,734.46	7,386.46	562.02	14,558.90	1,35,160.99	1,46,408.17
Furniture, Fixtures & Office Equipment	956.68	524.17	18.26	1,462.59	225.34	230.70	4.36	451.68	1,010.91	731.34
Vehicles	167.52	31.86	0.86	198.52	38.31	36.35	0.58	74.08	124.44	129.21
Roads, Drains & Culverts	132.14	-	-	132.14	11.06	11.06	-	22.12	110.02	121.08
Railway Siding	46.63	-	-	46.63	-	-	-	-	46.63	46.63
Total	**2,84,514.28**	**1,398.20**	**5,491.56**	**2,80,420.92**	**8,769.87**	**8,425.72**	**566.96**	**16,628.63**	**2,63,792.29**	**2,75,744.41**

3A.1. Additions to Land during the year represents enhanced compensation paid for land at Kakinada ` 2.26 Lakhs (Previous Year ` 2.26 Lakhs) and ` Nil (Previous year ` 1.59 Lakhs) paid to Govt of Telangana for plant located at Sadashivpet.

3A.2. Additions to Plant & Equipments during the year include ` NIL (Previous Year ` 349.47 Lakhs) foreign exchange loss arising on account of restatement of foreign currency loan. [Refer Note 42 A(d)]

3A.3. The deletion in Plant & Equipment includes sale of 14.7 MW windmills of gross block ` 4,329.66 Lakhs, corresponding accumulated depreciation ` 507.63 Lakhs along with land of ` 234.31 lakhs.

3A.4. Land & Buildings

a) Includes 5 acres, the possession of which is yet to be taken, title of seller being under dispute.

b) Excludes value of 33.35 acres, which is in the possession and use of the Company pending fixation of compensation by the State Government, value not ascertained, and hence pending registration of title in the name of the Company.

c) Excludes value of 14.06 acres pending completion of alienation and handing over of possession to the Company by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes value of 340.11 acres (104 cases) in possession of the Company pending registration.

3A.5. Refer Note 16.1 to 16.5 for details of assets pledged with lenders.

` in Lakhs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at April 1, 2015	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2016	Upto April 1, 2015* (Refer Note 3A-1)	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at April 1, 2015
Tangible Assets										
Land	1,16,223.56	3.85	-	1,16,227.41	-	-	-	-	1,16,227.41	1,16,223.56
Buildings	12,823.74	17.53	-	12,841.27	-	760.70	-	760.70	12,080.57	12,823.74
Plant & Equipments	1,53,068.40	1,253.94	179.71	1,54,142.63	-	7,735.83	1.37	7,734.46	1,46,408.17	1,53,068.40
Furniture, Fixtures & Office Equipment	774.02	191.37	8.71	956.68	-	228.08	2.74	225.34	731.34	774.02
Vehicles	167.62	0.18	0.28	167.52	-	38.50	0.19	38.31	129.21	167.62
Roads, Drains & Culverts	132.14	-	-	132.14	-	11.06	-	11.06	121.08	132.14
Railway Siding	46.63	-	-	46.63	-	-	-	-	46.63	46.63
Total	**2,83,236.11**	**1,466.87**	**188.70**	**2,84,514.28**	**-**	**8,774.17**	**4.30**	**8,769.87**	**2,75,744.41**	**2,83,236.11**

3A.1. The carrying amounts of property, Plant and equipment and intangibles in accordance with previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e., April 1, 2015 [Refer Note 42A(b)]

3A.2. Additions to Land during the year represents enhanced compensation paid for land at Kakinada ` 2.26 Lakhs (Previous Year ` 85.45 Lakhs) and ` 1.59 Lakhs paid to Govt of Telangana for plant located at Sadashivpet.

3A.3. Additions to Plant & Equipments during the year include ` 349.47 Lakhs (Previous Year ` 300.47 Lakhs) foreign exchange loss arising on account of restatement of foreign currency loan. [Refer Note 42 A (d)]

3A.4. Land & Buildings

a) Includes 5 acres, the possession of which is yet to be taken, title of seller being under dispute.

b) Excludes value of 33.35 acres, which is in the possession and use of the Company pending fixation of compensation by the State Government, value not ascertained, and hence pending registrtion of title in the name of the Company.

c) Excludes value of 14.06 acres pending completion of alienation and handing over of possession to the Company by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes value of 340.11 acres (104 cases) in possession of the Company pending registration.

3A.5. Refer Note 16.1 to 16.5 for details of assets pledged with lenders.

3B. Capital Work-in-Progress

` in Lakhs

Particulars	Gross Block (At Cost)				Impairment				Net Block	
	As at March 31, 2016	Additions during the year	Transfer to Tangible asset/ Disposals/ Deductions	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Capital Work In Progress	708.61	1,552.38	1,451.41	809.58	-	-	-	-	809.58	708.61
Total	**708.61**	**1,552.38**	**1,451.41**	**809.58**	**-**	**-**	**-**	**-**	**809.58**	**708.61**

` in Lakhs

Particulars	Gross Block (At Cost)				Impairment				Net Block	
	As at March 31, 2015	Additions during the year	Transfer to Tangible asset/ Disposals/ Deductions	As at March 31, 2016	Upto March 31, 2015	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Capital Work In Progress	307.47	1,566.85	1,165.71	708.61	-	-	-	-	708.61	307.47
Total	**307.47**	**1,566.85**	**1,165.71**	**708.61**	**-**	**-**	**-**	**-**	**708.61**	**307.47**

4. Other Intangible

` in Lakhs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at March 31, 2016	Additions during the year	Deductions / Adjustments during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Trade Marks & Services	2,948.40	-	-	2,948.40	491.40	491.40	-	982.80	1,965.60	2,457.00
Patents (Refer Note 4.1)	-	49.44	49.44	-	-	3.44	3.44	-	-	-
Total	**2,948.40**	**49.44**	49.44	**2,948.40**	**491.40**	**494.84**	3.44	**982.80**	**1,965.60**	**2,457.00**

4.1. Patents acquired from subsidiary Nagarjuna Industrial Services and Investments Private Ltd during May 2016 have been written off as the Company is unable to estimate their future economic benefits.

` in Lakhs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As At April 1, 2015	Additions during the year	Deductions / Adjustments during the year	As at March 31, 2016	Upto April 1, 2015* (Refer Note 4.1)	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at April 1, 2015
Trade Marks & Services	2,948.40	-	-	2,948.40	-	491.40	-	491.40	2,457.00	2,948.40
Total	**2,948.40**	**-**	**-**	**2,948.40**	**-**	**491.40**	-	**491.40**	**2,457.00**	**2,948.40**

4.1. The carrying accounts of peorperty, plant and equipment and intangibles in accordance with previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e., April 1, 2015 [Refer Note 42A(b)]

Notes forming part of the financial statements for the year ended March 31, 2017

5. Investment in Subsidiaries / Associates - Unquoted (At Cost):

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
LONG TERM						
In Equity Shares						
In Subsidiaries						
Jaiprakash Engineering and Steel Company Limited- of ` 10/- each fully paid up[1] (Refer Note 5.1)	2,25,61,693	2,256.17	22,561,693	2,256.17	2,25,61,693	2,256.17
Nagarjuna Industrial Services and Investments Private Limited - Euros 100 each fully paid up (Refer Note 5.2)	-	-	50,000	3,037.50	50,000	3,037.50
Total - (A)		**2,256.17**		**5,293.67**		**5,293.67**
In Associates						
Nagarjuna Agricultural Research and Development Institute - ` 10/- each fully paid up	25,020	2.50	25,020	2.50	25,020	2.50
KVK Raju International Leadership Academy - ` 10/- each fully paid up	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
Total - (B)		**17.50**		**17.50**		**17.50**
Total - (A+B)		**2,273.67**		**5,311.17**		**5,311.17**
Less: Provision for diminution		477.50		3,507.88		2,695.64
		1,796.17		**1,803.29**		**2,615.53**
Aggregate amount of Quoted Investments		-		-		-
Aggregate amount of Un-Quoted Investments		2,273.67		5,311.17		5,311.17
Aggregate amount of impairment in value of Investments		477.50		3,507.88		2,695.64

[1]pledged with lenders (Refer Note 16.2.2)

5.1. In respect of Jaiprakash Engineering and Steel Company Ltd (JESCO), the project envisaged has not materialised. Karnataka Industrial Area Development Board (KIADB) had given possession of 986.52 acres of land (lease hold and free hold) for the project against deposit of ` 3,053.65 Lakhs in earlier years. JESCO approached KIADB for surrender of land allotted and refund of amount paid. KIADB agreed to refund the deposit with a condition that as and when KIADB receives request from potential investors, JESCO's lands will be offered and upon acceptance by the potential investors, such sale proceeds will be paid to JESCO in refund of its deposit. As at the year end, JESCO is in possession of 548.70 acres of land, the realisable value of which, in the opinion of JESCO's management is adequate to recover the deposit outstanding as at March 31, 2017.

JESCO also applied for approval to implement two projects i.e. Fertilizers and Chemicals Complex and Integrated Township to Karnataka Government for the balance land held. The Government of Karnataka has approved the projects vide Government Order (GO) No. CI 175 SPI 2011, Bangalore dated August 18, 2011, May 07, 2012 and GO No. CI 176 SPI 2011 dated August 18, 2011.

Government of Karnataka has passed order No. CI 175 SPI 2011 dated November 11, 2013 cancelling the Land Allotment made stating that JESCO has not implemented the approved projects and also advised KIADB to resume the balance land. JESCO has filed a writ petition in the Hon'ble High Court of Karnataka challenging the above cited GO and the Hon'ble High Court of Karnataka has prohibited the Government of Karnataka from dispossessing the land in possession of JESCO.

In view of the above in the opinion of the management, the provision of ` 460 lakhs is adequate and no further provision is required as of March 31, 2017.

Notes forming part of the financial statements for the year ended March 31, 2017

5.2. Consequent to the liquidation of Nagarjuna Industrial Services and Investments Private Limited, the Company's wholly owned subsidiary in Mauritius, the investment therein has been written off after adjusting the provision for diminution made in earlier years.

6. Loans: **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
LOANS						
(Unsecured, considered good)						
Security Deposits	933.17	750.71	652.50	3,302.07	186.27	121.22
Loans to related parties	1,484.80	1,118.80	879.21	11.53	37.55	-
Loans to Employees	-	-	-	3.41	3.41	3.41
Loans						
(Unsecured, considered doubtful)						
Loans to related parties (Refer Note 6.1)	-	-	-	-	2,852.31	2,852.31
Less: Provision for Doubtful advances	-	-	-	-	2,852.31	2,852.31
	-	-	-	-	-	-
Total	**2,417.97**	**1,869.51**	**1,531.71**	**3,317.01**	**227.23**	**124.63**

6.1. Consequent to the liquidation of wholly owned subsidiary in Mauritius, the advance has been written off after adjusting the provision for doubtful advance made in earlier years. (Refer Note 5.2)

7. Other Financial Assets **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Margin money deposit with more than 12 months of original maturity	33.22	33.69	28.47	-	-	-
Interest Accrued on Deposits and advances	-	-	-	599.64	506.21	247.64
Unbilled Revenue	-	-	-	120.42	5.59	3.34
Claims receivable	-	-	-	5.11	15.78	4.41
Total	**33.22**	**33.69**	**28.47**	**725.17**	**527.58**	**255.39**

8. Current Tax Assets (Net) **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Current tax Assets			
Advance Income Tax	10,031.43	17,953.09	17,827.73
Current tax liabilities			
Provision for Income tax	9,457.95	17,493.40	17,493.40
Total (net)	**573.48**	**459.69**	**334.33**

Notes forming part of the financial statements for the year ended March 31, 2017

9. Other Assets

` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Capital Advances						
Secured (considered good)	12.63	16.50	-	-	-	-
Unsecured (considered good)	31.74	725.24	271.87	-	-	-
Unsecured (considered doubtful)	20.27	-	-	-	-	-
	64.64	**741.74**	**271.87**	-	-	-
Less:						
Provision for Doubtful advances	20.27	-	-	-	-	-
Total - (A)	**44.37**	**741.74**	**271.87**	**-**	**-**	**-**
Advance Recoverable in Cash or in Kind						
- Unsecured (considered good)	-	-	-	503.21	2,959.19	4,941.94
- Unsecured (considered doubtful)	-	-	-	362.11	362.11	362.11
	-	-	-	865.32	3,321.30	5,304.05
Less:						
Provision for Doubtful advances	-	-	-	362.11	362.11	362.11
Total - (B)	**-**	**-**	**-**	**503.21**	**2,959.19**	**4,941.94**
Prepaid Expenses	22.09	5.71	4.59	970.28	1,471.74	1,194.02
Gratuity fund - excess of plan assets over liability	-	-	-	518.82	403.29	298.50
Balance with Customs Authorities	-	-	0.15	27.74	36.25	36.98
Total - (C)	**22.09**	**5.71**	**4.74**	**1,516.84**	**1,911.28**	**1,529.50**
Total - (A+B+C)	**66.46**	**747.45**	**276.61**	**2,020.05**	**4,870.47**	**6,471.44**

10. Inventories :

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Raw materials	435.94	1,067.36	851.58
Work in process	118.56	149.85	357.70
Finished Goods - Manufactured goods	8,022.29	7,121.81	2,680.16
Stock In Transit - Manufactured goods	1,234.31	1,165.07	828.56
Traded goods	7,929.26	10,157.05	8,731.30
Stock In Transit - Traded goods	28.29	48.66	36.70
Packing materials	695.98	649.77	739.22
Stores and Spares	2,775.14	2,445.95	2,245.70
Loose tools	8.98	10.20	9.50
Total	**21,248.75**	**22,815.72**	**16,480.42**

11. Trade Receivables : (Unsecured) (Refer Note 11.1)

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Debts Outstanding			
Considered good	1,19,232.27	1,98,999.44	1,07,036.97
Considered doubtful	1,854.76	963.68	814.19
	1,21,087.03	**1,99,963.12**	**1,07,851.16**
Less: Provision for doubtful debts	1,854.76	963.68	814.19
Total	**1,19,232.27**	**1,98,999.44**	**1,07,036.97**

11.1. Includes subsidy and other dues ` 87,654.52 Lakhs (Previous Year ` 1,66,489.41 Lakhs) from Government of India and ` 11,432.18 Lakhs (Previous Year ` 12,368.25 Lakhs) from State Governments.

Notes forming part of the financial statements for the year ended March 31, 2017

12. Cash and Cash Equivalents ` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Balances with Banks			
In Current Accounts			
Unclaimed Dividend - Earmarked accounts	653.77	656.84	658.87
Others	3,590.12	458.49	266.34
Cheques, drafts on hand	1,422.03	1,685.12	1,949.47
Cash on hand	22.90	16.85	14.17
Total	**5,688.82**	**2,817.30**	**2,888.85**

12.1. Specified Bank Notes Disclosure (SBN'S)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. Details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December, 30 2016, are given below :

` in Lakhs

Particulars	SBN	ODN	Total
Closing cash as on November 8, 2016	9.23	2.36	11.59
(+) Permitted receipts	-	45.46	45.46
(-) Permitted payments	0.02	42.44	42.46
(-) Amount deposited in Banks	9.21	-	9.21
Closing cash on hand as on December 30, 2016	**-**	**5.38**	**5.38**

12.2. Cash and Cash Equivalents for Cash flow statement ` in Lakhs

Particulars	March 31, 2017	March 31, 2016
Cash and cash equivalents (Refer Note 12)	5,688.82	2,817.30
Less: Cash Credit (Refer Note 21)	93,872.58	92,674.01
Net balance	**(88,183.76)**	**(89,856.71)**

13. Other Bank Balances ` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Earmarked balances with Banks			
In Term Deposits (Refer Note 13.1)	5.37	824.00	393.80
in Deposit Accounts			
Margin Money Deposits	5,737.08	5,761.26	4,496.71
Total	**5,742.45**	**6,585.26**	**4,890.51**

13.1. Amount in deposit towards 15% of the portion of the debentures redeemable in pursuance of Notification issued by Ministry of Corporate Affairs, vide Circular No. 04/2013, dated February 11, 2013.

14. Share Capital :

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
Authorised						
Equity Shares of ` 1/- each	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00
Preference Shares of ` 1/- each	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00
Total		**80,100.00**		**80,100.00**		**80,100.00**
Issued, Subscribed and Paid Up						
Equity Shares of ` 1/- each	59,80,65,003	5,980.65	59,80,65,003	5,980.65	59,80,65,003	5,980.65

Notes forming part of the financial statements for the year ended March 31, 2017

14.1. Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
Equity Shares of ` 1/- each						
Balance at the beginning of the year	59,80,65,003	5,980.65	59,80,65,003	5,980.65	59,80,65,003	5,980.65
Add: On allotment during the year	-	-	-	-	-	-
Balance at the end of the year	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**

14.2. 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 creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3. Details of shareholders holding more than 5% of the Shares

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of ` 1/- each						
Amlika Mercantile Private Limited	29,60,72,140	49.51	12,70,68,520	21.25	12,70,68,520	21.25
Nagarjuna Management Services Private Limited*	-	-	7,85,92,592	13.14	7,85,92,592	13.14
Nagarjuna Holdings Private Limited*	-	-	3,46,26,130	5.79	3,46,26,130	5.79
Zuari Global Limited	-	-	3,22,67,741	5.40	3,22,67,741	5.40
Zuari Agro Chemicals Limited	3,22,67,741	5.40	-	-	-	-
Baron Properties Private Limited*	-	-	1,82,98,969	3.06	1,82,98,969	3.06
White Stream Properties Private Limited*	-	-	30,19,060	0.50	30,19,060	0.50
Nagarjuna Staff Betterment Company Private Limited*	-	-	8,723,277	1.46	87,23,277	1.46
NFCL Employees Welfare Trust*	-	-	2,57,43,525	4.30	2,57,43,525	4.30

* The following shares which were pending transfer prior to the commencement of trading of equity shares were transferred to Amlika Mercantile Private Limited during on commencement of trading on June 15, 2016 in the said shares;

(a) from Nagarjuna Corporation Limited in terms of the Composite Scheme of Arrangement and Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Management Services Private Limited, Nagarjuna Holdings Private Limited, Baron Properties Private Limited and White Stream Properties Private Limited

(b) from Nagarjuna Corporation Limited in terms of Scheme of Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Staff Betterment Company Private Limited

(c) from Nagarjuna Corporation Limited to Amlika Mercantile Private Limited (Amlika) on its amalgamation with Amlika, pursuant to a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai on May 2, 2014 which was made effective on June 19, 2014.

(d) from Amlika that it had acquired 2,57,43,525 equity shares from NFCL Employees Welfare Trust.

14.4. Aggregate number of shares issued for consideration other than cash

59,80,65,003 equity shares of `1/- each (aggregating to ` 5,980.65 Lakhs) were allotted as fully paid up pursuant to a Composite Scheme of Arrangement and Amalgamation during the year 2011-12.

Notes forming part of the financial statements for the year ended March 31, 2017

15. Other Equity **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Capital Reserve (Refer Note 42.B)			
Opening Balance	51,853.85	51,853.85	51,853.85
Changes during the year	-	-	-
Closing Balance	**51,853.85**	**51,853.85**	**51,853.85**
Securities Premium Reserve			
Opening Balance	1,09,619.35	1,09,619.35	1,09,619.35
Add: On allotments during the year	-	-	-
Securities Premium Reserve	**1,09,619.35**	**1,09,619.35**	**1,09,619.35**
Debenture Redemption Reserve (Refer Note 16.1.2.2)			
Opening Balance	2,087.99	2,087.99	2,087.99
Less: Transfer to General Reserve	-	-	-
Closing Balance	**2,087.99**	**2,087.99**	**2,087.99**
General Reserve			
Opening Balance	11,291.73	11,291.73	11,291.73
Add: Transfer from Debenture Redemption Reserve	-	-	-
Closing Balance	**11,291.73**	**11,291.73**	**11,291.73**
Retained Earnings			
Opening Balance	(59,448.26)	(50,213.51)	(50,213.51)
Add: Loss after tax for the year	(12,177.71)	(9,273.72)	-
Items of other comprehensive income directly recognised in retained earnings			
- Remeasurement of post employment benefit obligations, net of tax	30.37	38.98	-
Closing Balance	**(71,595.60)**	**(59,448.25)**	**(50,213.51)**
Total	**1,03,257.32**	**1,15,404.67**	**1,24,639.41**

Nature and purpose of reserves

(a) Capital Reserve:
During the composite scheme of arrangement and amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) Securities Premium Reserve:
The difference between the fair value of equity shares and face value of equity shares, pursuant to the Composite Scheme of arrangement and amalgamation is considered as Securities Premium Reserve.

(c) Debenture Redemption Reserve:
This reserve was created for redemption of non-convertible debentures, as per the terms of issue of debentures.

(d) General Reserve:
Comprises the amounts specifically transferred from the profits earned by the Compnay for respective years.

(e) Retained Earnings:
Retained earnings are the post tax profits/losses that the Company has retained in its books after transfers to general reserve, dividends or other distributions paid to shareholders, if any.

Notes forming part of the financial statements for the year ended March 31, 2017

16. Borrowings

` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
A. Non Convertible Debentures of ` 100/- each (Secured) (Refer Note 16.1.1 and 23)						
1,53,30,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	2,715.17
30,00,000 Debentures 14.5% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	360.00
80,00,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	264.02
25,00,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	225.00
30,00,000 Debentures 13.25% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	360.00
Non Convertible Debentures of ` 1/- each (Secured) (Refer Note 16.1.2)						
92,43,91,006 Debentures 10.25% Redeemable Non-convertible of ` 1/- each	-	3,081.30	6,162.61	3,031.30	3,081.30	3,081.30
	-	**3,081.30**	**6,162.61**	**3,031.30**	**3,081.30**	**7,005.49**
Term Loans (Secured)						
From Banks						
In Rupees (Refer Note 16.2, 16.3 and 23)	49,085.00	57,670.00	500.00	9,755.00	3,730.00	3,977.75
In Foreign Currency	-	2,806.06	3,542.20	-	947.92	1,833.30
From Others						
In Rupees (Refer Note 16.2, 16.4 and 23)	283.39	392.00	552.00	160.00	160.00	1,194.99
Corporate Loan (Secured)						
From Banks						
In Rupees (Refer Note 16.5 and 23)	2,698.61	3,599.07	4,400.01	1,100.00	800.00	400.00
Deferred Payment Liabilities (Unsecured) (Refer Note 16.6)						
Sales tax Deferral	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Total	**55,880.97**	**71,620.52**	**19,622.49**	**14,749.58**	**9,551.91**	**14,802.24**
The above amount includes:						
Secured Borrowings	52,067.01	67,548.43	15,156.82	14,046.30	8,719.22	14,411.53
Unsecured Borrowings	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Amount disclosed under the head Other Financial Liabilities (Refer Note 23)	-	-	-	(14,749.58)	(9,551.91)	(14,802.24)
	55,880.98	**71,620.52**	**19,622.49**	**-**	**-**	**-**

Notes forming part of the financial statements for the year ended March 31, 2017

16.1. Debentures (Secured):

16.1.1. The Non Convertible Debentures (NCD) of ` 100/- each together with accrued interest, remuneration and other expenses thereof are secured by a registered mortgage and an exclusive charge on the Company's immovable property situated at Ahmedabad.

Further secured by an equitable mortgage and a charge on the other immovable and movable properties of the Company in favour of the debenture trustees, save and except stock in trade, book debts given as security to banks for obtaining working capital facilities.

16.1.1.1. The details of rate of interest and redemption of debentures are as under.

Bank / Institution	No. of Debentures	Effective Rate of interest %	Repayment Schedule
ICICI Bank Limited	15,330,000	Ibase +2.25	21 Quarterly Instalments commencing from March 2011
LIC of India	3,000,000	11.50	41 Structured Quarterly Instalments commencing from March 2006
IFCI Limited	8,000,000	13.75	41 Structured Quarterly Instalments commencing from March 2006
IFCI Limited	2,500,000	13.75	41 Structured Quarterly Instalments commencing from March 2006
LIC of India	3,000,000	11.50	41 Structured Quarterly Instalments commencing from March 2006

16.1.2. The Company had issued 1,00,41,00,000 Non Convertible Debentures of ` 1/- each to banks and financial institutions towards settlement of recompense amount determined by the Corporate Debt Restructuring - Empowered Group, which are redeemable in 18th, 30th and 42nd months from the date of exit of CDR package i.e., June 20, 2014 being the date of allotment. The Debentures carry an interest rate of 10.25% per annum.

16.1.2.1. The above NCD's are secured by a subservient charge on the fixed assets of the Company.

16.1.2.2. Debenture Redemption Reserve (DRR) available in books is towards redemption of Debentures of ` 100/- each and the same is adequate as at the year-end towards the entire debentures outstanding including ` 1/- debentures issued during 2014. The reserve standing at ` 2,087.99 Lakhs as at March 31, 2017 is retained towards the statutory reserve required at ` 757.83 Lakhs against the outstanding debentures.

16.1.2.3. There were no amounts in default as at March 31, 2017 in respect of the above debentures.

16.2. Term Loans – In Rupees and in Foreign currency from Banks and Financial institutions:

16.2.1. Term loans availed from banks and financial institutions, together with interest accrued thereon, are secured by way of:

- a first charge on the fixed assets of the Company present and future ranking pari-passu, inter se, the lenders; a charge created (creation of such charge pending in respect of certain assets) through an equitable mortgage by deposit of title deeds of immovable properties of the Company other than those mentioned in Note 16.1.1, 16.4 and 16.5.
- a second charge on the current assets of the Company ranking pari-passu, inter se, the lenders.

16.2.2. Further secured by pledge of 2,25,61,693 equity shares held in subsidiary company – Jaiprakash Engineering and Steel Company Limited in favour of Banks / Financial Institutions for the term loans availed by the Company.

16.2.3. All the Term Loans from Financial Institutions and Banks, Counter Guarantees from banks are personally guaranteed by Shri K.S.Raju.

16.2.4. The details of rate of interest and repayment of Term Loans are as under: **` in Lakhs**

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
	Rupee Loans - Bank					
a)	IDBI Bank Limited	BBR +2.25	-	41	Quarterly	Mar-06
b)	IDBI Bank Limited	12.40	-	20	Quarterly	Oct-11
c)	State Bank of India	14.90	-	20	Quarterly	Dec-11
	Total					
	Rupee Loans - Institution					
a)	IFCI Limited	13.75	-	41	Quarterly	Mar-06
b)	SICOM Limited	11.50	-	41	Quarterly	Mar-06
	Total					

16.2.5. There were no amounts in default as at March 31, 2017 in respect of the above term loans.

16.3 Working Capital Term Loan: In Rupees from Banks

16.3.1. Working Capital Term loans from banks together with interest accrued thereon, are secured by way of:

- a first charge on the fixed assets of the Company present and future for certain borrowings ranking pari-passu, inter se, those lenders other than those mentioned in Note 16.4 and 16.5. Charge creation through an equitable mortgage by deposit of title deeds of immovable properties of the Company is in progress ;
- a first charge on the current assets of the Company ranking pari-passu, inter se, the lenders.
- Pledge, on pari passu basis, of some of their shares in the company by it's core promoters, which is pending as on the date of the Balance Sheet.

16.3.2. Also personally guaranteed by Shri K.S.Raju and Shri K Rahul Raju.

16.3.3. The details of rate of interest and repayment of above Working Capital Term Loans are as follows:

` in Lakhs

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
a)	IDBI Bank Limited	BBR +3.00	28,600.00	23	Quarterly	Jul-16
b)	State Bank of India	BBR +3.30	21,090.00	23	Quarterly	Jul-16
c)	ICICI Bank Limited	IBASE +3.30	7,980.00	23	Quarterly	Jul-16
d)	UCO Bank	SBI Base rate + 4.50	1,170.00	23	Quarterly	Jul-17
	Total		**58,840.00**			

16.4. Term Loans – In Rupees from Others:

16.4.1. The term loan from Department of Bio Technology (DBT) availed for Process Development Unit is secured by way of hypothecation of all equipment, apparatus, machineries, spare tool and other accessories and goods and / or the other movable properties of the Company acquired for the project.

16.4.2. Details of rate of interest and repayment are as under.

` in Lakhs

Name	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule
Department of Bio Technology	2	332.85	10 Semi annual Instalments commencing from October 31, 2014
Department of Bio Technology	2	32.00	10 Semi annual Instalments commencing from June 30, 2014
Department of Bio Technology	2	78.54	10 Semi annual Instalments commencing from Oct 18, 2018

16.4.3. There were no amounts in default as at March 31, 2017 in respect of the above loans.

16.5. Corporate Loan:

16.5.1 Rupee loan availed from State Bank of India is secured by first charge on chargeable current assets of the Company ranking paripassu with other banks in the consortium and collateral security on the Company's immoveable properties ranking pari-passu with working capital lenders. This loan is personally guaranteed by Shri K.S.Raju.

16.5.2. Details of rate of interest and repayment are as under.

` in Lakhs

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
a)	State Bank of India	13.95	3,798.61	20	Quarterly	Dec-14

16.5.3. There were no amounts in default as at March 31, 2017 in respect of the above loans.

Notes forming part of the financial statements for the year ended March 31, 2017

16.6. Sales Tax Deferral:

The Govt. of Andhra Pradesh has extended to the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years from March 19, 1998. The deferred sales tax in respect of above outstanding as on March 31, 2017 is ` 6,440.75 Lakhs (Previous Year ` 7,273.44 Lakhs) based on the sales tax returns for which repayments commenced from March 19, 2012. There are no overdue instalments as at the year end (Also Refer Note 42B(a)).

17. Other Financial Liabilities (Non Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Deposits from dealers	7,250.95	7,124.76	5,035.05
Other Deposits - (Retention, EMD etc.)	274.70	259.71	244.25
Total	**7,525.65**	**7,384.47**	**5,279.30**

18. Provisions : **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Provision for employee benefits (Refer Note 30.1)						
- for Leave Benefit (net of plan assets)	709.56	443.32	374.48	128.69	127.64	297.57
Total	**709.56**	**443.32**	**374.48**	**128.69**	**127.64**	**297.57**

19. Deferred Tax Liabilities (Net):

Deferred Tax Liability as at year end comprises the following: **` in Lakhs**

Particulars	Nature	March 31, 2017	March 31, 2016	April 1, 2015
On account of -				
Depreciation / amortization (Refer Note 42B(c))	Liability	46,583.74	49,794.21	51,767.19
Land (Refer Note 42B(c))	Liability	2,970.77	2,970.77	2,990.91
Employee benefit provision	Asset	290.09	197.60	232.58
Unabsorbed Loss and Depreciation under tax laws	Asset	9,793.71	8,829.11	6,411.19
Disallowances u/s 43B of Income Tax Act	Asset	1,122.09	2,439.30	3,455.17
Amalgamation expenses	Asset	-	-	34.62
Government grant (Refer Note 42B(b))	Asset	167.02	131.74	98.71
Total	**Net Liability**	**38,181.60**	**41,167.23**	**44,525.83**
Charge / Credit for the year		(2,985.63)	(3,358.60)	

20. Government Grants : **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Government Grant related to						
- Sales tax deferral (Refer Note 42B(b))	2,061.99	2,405.66	2,749.33	343.67	343.67	343.67
- Loan from DBT	27.59	-	-	-	-	-
Total	**2,089.58**	**2,405.66**	**2,749.33**	**343.67**	**343.67**	**343.67**

Notes forming part of the financial statements for the year ended March 31, 2017

21. Borrowings (Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Loans repayable on demand			
Secured (Refer Note 21.1)			
From Banks			
In Rupees - Cash Credit	93,872.58	92,674.01	95,579.18
In Rupees - Short Term Loan	-	80.86	2,993.38
In Foreign Currency - Suppliers / Buyers Credit	7,434.18	682.54	1,686.68
Total	**1,01,306.76**	**93,437.41**	**1,00,259.24**

21.1 Working Capital facilities from banks are secured by hypothecation by way of first charge on current assets (stock in trade, book debts and stores and spares), present and future and second charge on the fixed assets of the Company. Working Capital facilities from banks are personally guaranteed by Shri K.S.Raju and personal guarantee of Shri K. Rahul Raju to some of the Banks.

22. Trade Payables : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Trade Payables - Other than Acceptances			
(A) Micro, Small, Medium Enterprises (MSMEs)	-	4.36	-
(B) Other than MSMEs	94,743.79	1,65,491.36*	1,01,237.66*
Total	**94,743.79**	**1,65,495.72**	**1,01,237.66**

Refer Note 42B(g)

22.1. Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A. Principal amount remaining unpaid	-	4.36	-
B. Interest due thereon	Nil	Nil	Nil
C. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil	Nil
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil
E. Interest accrued and remaining unpaid	Nil	Nil	Nil
F. Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

Notes forming part of the financial statements for the year ended March 31, 2017

23. Other Financial Liabilities (Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial Liabilities at Fair value through Profit or loss			
Derivative Liability-Foreign exchange forward contracts	611.81	67.15*	34.75*
Financial Liabilities at amortised cost			
Current maturities of long term debt (Refer Note 16)	14,749.58	9,551.91	14,802.24
Interest accrued but not due	251.07	71.33	1,003.97
Interest accrued and due	739.46	730.28	224.05
Unclaimed Dividends (Refer Note 23.1)	653.77	656.84	658.87
Overdue Term Loans	-	1,193.72	2,625.60
Unpaid matured portion of Debentures and Interest accrued there on	-	1,893.67	1,215.20
Other payables			
Deposits	122.89	133.13	195.99
Others	1,038.94	1,379.10	1,548.17
Payable on purchase of fixed assets	179.95	178.06	103.55
Total	**18,347.47**	**15,855.19**	**22,412.39**

Refer Note 42B(g)

23.1. There are no amounts due for remittance to the Investor Education Protection Fund as at the Balance Sheet date.

24. Other Current Liabilities : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Other payables			
Statutory Payables	933.58	1,000.50	1,704.82
Total	**933.58**	**1,000.50**	**1,704.82**

25. Revenue from Operations : **` in Lakhs**

Particulars	2016-17	2015-16
Sales, including Subsidy on products		
Manufactured goods		
Urea (Refer Note 25.1)#	2,60,815.68	2,55,861.18
Customised Fertilizers	3,209.33	2,464.41
Wind Energy	106.50	480.02
Extruded Irrigation systems	12,664.12	14,070.44
Total - A	**2,76,795.63**	**2,72,876.05**
Traded goods		
Pool Urea $	27,813.87	84,260.97*
Bulk Fertilizers @	9,328.90	-
Specialty Fertilizers	12,500.88	11,771.15
Extruded Irrigation systems	2,706.65	2,516.72
Others	7,293.29	25,099.31
Total - B	**59,643.59**	**1,23,648.15**
Sale of Products		
Total - (A+B)	3,36,439.22	3,96,524.20
Sale of Services	1,865.83	1,027.56
Other Operating revenues (sale of scrap, etc.)	201.57	212.63
Total	**3,38,506.62**	**3,97,764.39**

Notes forming part of the financial statements for the year ended March 31, 2017

# including Government Subsidy ` 1,77,709.19 Lakhs (Previous Year ` 1,87,890.27 Lakhs)
$ including reimbursements from Government ` 8,038.31 Lakhs (Previous Year ` 30,862.34 Lakhs)
@ including Government Subsidy ` 3,050.11 Lakhs (Previous Year ` Nil)
*Refer Note 42B(d)

25.1. Group Concession Scheme – (GCS) Subsidy

i. Nitrogenous fertilizers (Urea) are under the Group Concession Subsidy Scheme of Government of India (GOI), Department of Fertilizers. GOI has notified New Urea Policy (NUP) -2015 and Gas Pooling Policy applicable to Fertilizer industry effective from June 1, 2015. Concession rates for Plant-1 and Plant-2 for the period April 1, 2016 to March 31, 2017 have been recognized based on notified rates as per respective policies.

Income towards reimbursement claims towards additional fixed cost ` 4,181.10 Lakhs (Previous Year ` 4,181.10 Lakhs), Input de-escalation ` 22,726.43 Lakhs (Previous year ` 11,297.54 Lakhs), and for production beyond reassessed capacity ` 7,026.14 Lakhs(Previous year ` 3,424.41 Lakhs) have been accounted for during the year as per the prices and provisions applicable under NPS III and Modified NPS-III, based on the Management estimates since the same were not notified under NUP 2015.

ii. Government of India/Department of Fertilizers has decided to implement Direct Benefit Transfer (DBT) in Fertilizer Sector. Currently Pilot Project in 16 Districts in the country is under implementation in the current year 2016-17 starting from October 2016. The facility of generation of DBT Claim in Integrated Fertilizer Management System (iFMS) is not fully operational. Pending finalization and further clarity on DBT policy, subsidy for the period October' 2016 to March'2017 has been recognised in there accounts for the entire qualities received in the pilot districts under DBT scheme.

Adjustments, if any, required will be considered on notification of final prices.

26. Other Income : **` in Lakhs**

Particulars	2016-17	2015-16
Interest on Bank Deposits and others	790.22	810.16
Government grants	345.79	343.67*
Grants in Aid	19.64	-
Other non-operating income (Refer Note 26.1)	2,371.67	2,039.23
Total	**3,527.32**	**3,193.06**

*Refer Note 42B(b)

26.1. Includes recovery of excess remuneration paid to Mr. K S Raju, Chairman and Mr. K Rahul Raju, Managing Director for the period August 1, 2014 to March 16, 2016 amounting to ` 0.52 Lakhs (Previous year ` 8.79 Lakhs) and ` 0.81 Lakhs (Previous year ` 8.14 Lakhs) respectively as directed by the Central Government, while according sanction for their remuneration pursuant to applications made by the Company.

27. Cost of Materials consumed: **` in Lakhs**

Particulars	2016-17	2015-16
Natural Gas	98,904.80	101,450.86
Plastic Granules	7,107.41	5,503.90
PVC resin	1,845.39	1,348.17
Others	2,825.94	2,099.78
Packing Material	5,774.32	5,031.59
Total	**1,16,457.86**	**1,15,434.30**

28. Purchase of Stock-in-Trade: **` in Lakhs**

Particulars	2016-17	2015-16
Pool Urea	18,122.79	54,029.60
Bulk Fertilizers	7,821.62	-
Specialty Fertilizers	7,867.84	9,002.83
Packing Material	1,528.56	3,804.65*
Others	10,815.63	24,112.12
Total	**46,156.44**	**90,949.20**

*Refer Note 42B(d)

Notes forming part of the financial statements for the year ended March 31, 2017

29. Changes in inventories of finished goods, stock-in-trade and work in progress: **` in Lakhs**

Particulars	2016-17	2015-16
Inventories at the beginning of the year		
Traded goods	10,205.71	8,768.00
Finished Goods	8,286.89	3,508.72
Work in Process	149.85	357.70
Total - (A)	**18,642.45**	**12,634.42**
Inventories at the end of the year		
Traded goods	7,957.55	10,205.71
Finished Goods	9,256.59	8,286.89
Work in Process	118.56	149.85
Total - (B)	**17,332.70**	**18,642.45**
Total - (A-B)	**1,309.75**	**(6,008.03)**

30. Employee Benefits Expense: **` in Lakhs**

Particulars	2016-17	2015-16
Salaries and Wages	13,392.54	12,829.25*
Contribution to Provident and Other Funds	1,031.09	943.44 *
Staff Welfare Expenses	1,027.98	1,022.54
Total	**15,451.61**	**14,795.23**

*Refer Note 42B(e)

30.1 Employee benefits

Defined Contribution Plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees including whole time directors. Under the plans the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall if any, shall be provided for by the Company.

Contributions to these Defined Contribution Plans, charged to Statement of Profit and Loss during the year are as under:

` in Lakhs

Particulars	March 31, 2017	March 31, 2016
Employer's contribution to provident fund	319.05	307.20
Employer's contribution to Superannuation fund	368.13	524.82
Employer's contribution to Pension scheme	203.97	199.89

Defined Benefit Plans

The employees' gratuity fund and leave encashment (PL) schemes managed by Life Insurance Corporation of India are Defined Benefit Plans. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes forming part of the financial statements for the year ended March 31, 2017

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are, as follows: **` in Lakhs**

Particulars	Gratuity Funded	Leave Encashment Funded
Defined benefit obligation at April 1, 2015	1,839.97	1,136.26
Current service cost	144.00	311.88
Interest expense	132.85	81.97
Benefits paid	(286.45)	(178.93)
Actuarial (gain)/ loss on obligations - OCI	234.67	(191.87)
Defined benefit obligation at March 31, 2016	2,065.04	1,159.31
Current service cost	152.59	299.12
Interest expense	148.09	83.53
Benefits paid	(159.73)	(151.88)
Actuarial (gain)/ loss on obligations - OCI	20.84	(4.32)
Defined benefit obligation at March 31, 2017	2,226.83	1,385.76

Changes in the fair value of plan assets are, as follows: **` in Lakhs**

Particulars	Gratuity Funded	Leave Encashment Funded
Fair value of plan assets as at April 1, 2015	2,138.47	867.89
Contribution by employer	425.42	232.89
Contribution by Employees	-	-
Interest income	180.31	71.34
Benefits paid	(286.45)	(178.93)
Return on plan assets (excluding amounts included in net interest expense)-OCI	10.58	20.31
Fair value of plan assets as at March 31, 2016	2,468.33	1,013.50
Contribution by employer	238.69	99.93
Contribution by Employees	-	-
Interest income	187.53	75.94
Benefits paid	(159.73)	(151.88)
Return on plan assets (excluding amounts included in net interest expense)-OCI	10.83	4.88
Fair value of plan assets as at March 31, 2017	2,745.65	1,042.37

Reconciliation of fair value of plan assets and defined benefit obligation: **` in Lakhs**

Particulars	Gratuity Funded	Leave Encashment Funded
Fair value of plan assets at April 1, 2015	2,138.47	867.89
Defined benefit obligation at April 1, 2015	1,839.97	1,136.26
Amount recognised in the Balance Sheet at April 1, 2015	298.50	(268.37)
Fair value of plan assets at March 31, 2016	2,468.33	1,013.50
Defined benefit obligation at March 31, 2016	2,065.04	1,159.31
Amount recognised in the Balance Sheet at March 31, 2016	403.29	(145.81)
Fair value of plan assets at March 31, 2017	2,745.65	1,042.37
Defined benefit obligation at March 31, 2017	2,226.83	1,385.76
Amount recognised in the Balance Sheet at March 31, 2017	518.82	(343.39)

Amount recognised in Statement of Profit and Loss: ` in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Current service cost	152.59	299.12
Net interest expense	(39.44)	7.59
Remeasurement of Net Benefit Liability/ Asset		
Amount recognised in Statement of Profit and Loss for year ended March 31, 2017	113.15	306.71
Current service cost	144.00	311.88
Net interest expense	(47.46)	10.63
Remeasurement of Net Benefit Liability/ Asset		
Amount recognised in Statement of Profit and Loss for year ended March 31, 2016	96.54	322.51

Amount recognised in Other Comprehensive Income: ` in Lakhs

Particulars	Gratuity Funded	Leave Encashment Funded
Actuarial (gain)/ loss on obligations	20.84	(4.32)
Return on plan assets (excluding amounts included in net interest expense)	(10.83)	(4.88)
Amount recognised in Other Comprehensive Income for year ended March 31, 2017	10.01	(9.20)
Actuarial (gain)/ loss on obligations	234.67	(191.87)
Return on plan assets (excluding amounts included in net interest expense)	(10.58)	(20.31)
Amount recognised in Other Comprehensive Income for year ended March 31, 2016	224.09	(212.18)

The major categories of plan assets of the fair value of the total plan assets are as follows: ` in Lakhs

Investment Details	March 31, 2017		March 31, 2016		April 01, 2015	
	Gratuity Funded	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded
Fund (LIC)	2,745.65	1,042.37	2,468.33	1,013.50	2,138.47	867.89

Notes forming part of the financial statements for the year ended March 31, 2017

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate (in %)			
Gratuity	6.69%	7.46%	7.83%
Leave Encashment	6.69%	7.71%	7.83%
Salary Escalation (in %)			
Gratuity	6.00%	6.00%	6.00%
Leave Encashment	6.00%	6.00%	6.00%
Rate of return in plan assets (in %)			
Gratuity	6.69%	8.48%	9.00%
Leave Encashment	6.69%	8.48%	8.51%
Expected average remaining working lives of employees (in years)			
Gratuity	15.93	16.25	16.04
Leave Encashment	15.98	15.94	16.01

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

If the discount rate increases (decreases) by 1%, the defined benefit obligations would decrease by ` 170.57 Lakhs (increase by ` 197.15 Lakhs) as of March 31, 2017.

If the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ` 163.57 Lakhs (decrease by ` 150.40 Lakhs) as of March 31, 2017.

The following payments are expected contributions to the defined benefit plan in future years:

` in Lakhs

Particulars	Gratuity 2017	Leave Encashment 2017
Year ending March 31,		
2018	200.80	149.63
2019	174.33	56.10
2020	206.22	73.80
2021	162.61	64.85
2022	164.98	55.86
2023 - 2027	779.03	399.00
Total expected payments	**1,687.97**	**799.24**

No. of years

Particulars	March 31, 2017	March 31, 2016
The average duration of the defined benefit plan obligation		
- for gratuiy	8.76	9.37
- for leave encashment	9.84	9.91

Notes forming part of the financial statements for the year ended March 31, 2017

31. Finance Cost : **` in Lakhs**

Particulars	2016-17	2015-16
Interest	26,857.07	25,423.86
Other borrowing costs		
LC Charges	1,835.71	2,556.24
Others	3,797.19	4,909.43
Total	**32,489.97**	**32,889.53**

32. Other Expenses : **` in Lakhs**

Particulars	2016-17	2015-16
Catalysts charge	1,243.95	1,261.72
Chemicals and consumables	1,461.65	1,075.96
Conversion Charges	132.85	121.15
Rent	891.44	853.52
Rates and Taxes	517.64	447.21
Electricity and Water	200.62	192.91
Stores and Spares Consumed	902.38	972.35
Repairs and Maintenance		
Buildings	117.80	128.06
Plant and Machinery	842.33	914.59
Others	785.89	743.34
Insurance	470.94	564.69
Printing and Stationery	108.28	101.59
Postage, Telephone and Telex	218.28	230.23
Travelling and Conveyance	1,431.91	1,407.44
Advertisement and Publicity	1,455.63	889.19
Employee Recruitment and Training	62.46	37.85
Legal, Secretarial and Share Registry	722.67	533.99
Professional and Consultancy	1,469.31	2,521.62
Directors Sitting Fees	17.23	17.23
Loss on Sale of Assets / Assets discarded	52.89	177.08
Investments written off (Refer Note 5.2)	7.12	-
Auditors' remuneration (Refer Note 43)	103.11	109.27
Corporate Social Responsibility Expenditure (Refer Note 32.1)	75.00	73.75
Transport and Handling	33,952.05	49,699.84*
Distribution	1,439.27	1,097.90
Sales Commission / discounts / rebates	931.51	968.59
Bad Debts / Advances written off	5.55	329.11
Provision for doubtful debts / advances	911.35	149.49
Provision for Damaged stock	-	407.25
Provision for diminution in value of Investments	-	812.24@
Intangible assets written off (Refer Note 4)	45.99	-
Loss on foreign currency transactions	489.67	189.67$
Miscellaneous	1,041.83	2,075.68
Total	**52,108.60**	**69,104.51**

* Refer Note 42B(d)
@ Refer Note 42B(f)
$ Refer Note 42B(g)

Notes forming part of the financial statements for the year ended March 31, 2017

32.1 Details of Corporate Social Responsibility Expenditures ` in Lakhs

Particulars	March 31, 2017	March 31, 2016
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount spent by the Company during the year	75.00	73.75
c) Amount spent by the company represents contribution to Nagarjuna Foundation, a not-for-profit company incorporated under Section 25 of the Companies Act, 1956 (section 8 of the Companies Act, 2013). The foundation undertakes CSR activities in areas of social welfare, health care, public health, education, natural calamities, upliftment of soceity, sports etc.,		

33. Details of Capital and Revenue expenditure incurred on Research and Development included under fixed assets, employee benefits expense, other expenses and finance cost are as below: ` in Lakhs

Particulars	2016-17	2015-16
A. Capital Expenditure		
Plant and equipments, Computers, Buildings etc.,	48.63	24.48
Total	**48.63**	**24.48**
B. Revenue Expenditure		
Salaries and Wages	711.27	732.29
Contribution to Provident and Other funds	63.09	75.49
Staff welfare	48.77	52.34
Electricity and Water	49.46	47.65
Chemicals and Consumables	96.87	76.26
Professional Charges	127.72	122.37
Depreciation	129.62	130.43
Finance cost	13.43	12.86
Others	305.46	272.96
Total	**1,545.69**	**1,522.65**
Less: Grants in Aid received (included in Other Income)	19.64	-
Total	**1,526.05**	**1,522.65**
Grand Total	**1,574.68**	**1,547.13**

33.1. Out of the above expenditure, ` 1,048.55 Lakhs (Previous Year ` 1,008.02 Lakhs) is eligible for weighted deduction u/s 35 (2AB) of Income Tax Act, 1961 as per the Guidelines of Department of Scientific and Industrial Research.

34. Taxes on Income

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as follows:

(i) Profit or loss section ` in Lakhs

Particulars	2016-17	2015-16
Current tax expense	-	-
Tax expense relating to earlier years	(628.84)	-
Less: MAT credit entitlement	-	-
Deferred tax	(3,001.71)	(3,379.23)
Total income tax expense recognised in statement of Profit & Loss	**(3,630.55)**	**(3,379.23)**

(ii) OCI Section

Net (gain) on remeasurement of defined benefit plans	46.44	59.61
Income tax charged to OCI	**(16.07)**	**(20.63)**

Notes forming part of the financial statements for the year ended March 31, 2017

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:

` in Lakhs

Particulars	March 31, 2017	March 31, 2016
Accounting profit/(loss) before income tax	(15,808.26)	(12,652.93)
At India's statutory income tax rate of 34.608% (March 31, 2016: 34.608%)	(5,470.92)	(4,378.93)
Adjustments in respect of current income tax of previous years	(628.84)	-
Current year losses for which we have not created deferred tax assets	2,026.02	2,160.99
Previous year losses for which created deferred tax assets	-	(1,204.41)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	341.36	420.66
Intangible assets	514.01	-
Deductible expenses for tax purposes:		
Other Deductible expenses	(396.10)	(356.89)
Income tax Expense	**(3,614.48)**	**(3,358.59)**

The Company has unabsorbed losses and depreciation of **` 59,020.62** lakhs (March 31, 2016: ` 50,616.63 Lakhs, April 1, 2015: ` 41,138.60 lakhs). Deferred tax assets in respect of unabsorbed depreciation and carried forward losses under the Tax Laws are recognised only if there is reasonable certainity that there will be sufficient future taxable income available to realise such assets. The Company has not created deferred tax assets on unabsorbed business losses of ` 30,721.66 Lakhs (March 31, 2016: ` 25,104.84 Lakhs, April 1, 2015: ` 18,510.15 lakhs).

` in Lakhs

Particulars	As at 1st April 2015	Provided during the year	As at 31st March 2016	Provided during the year	As at 31st March 2017
Deferred tax liability: Related to Fixed Assets (Depreciation/ Amortisation)	54,758.10	(1,993.12)	52,764.98	(3,210.47)	49,554.51
Total deferred tax liability (A)	54,758.10	(1,993.12)	52,764.98	(3,210.47)	49,554.51
Deferred tax asets:					
Carry forward Business Loss / Unabsorbed Depreciation	6,411.19	2,417.92	8,829.11	964.60	9,793.71
Employee benefit provisions	232.58	(34.98)	197.60	92.49	290.09
43B Disallowances etc.	3,455.17	(1,015.87)	2,439.30	(1,317.21)	1,122.09
Amalgamation expenses	34.62	(34.62)	-	-	-
Others	98.71	33.03	131.74	35.28	167.02
Total deferred tax assets (B)	10,232.27	1,365.48	11,597.75	(224.84)	11,372.91
Deferred Tax liability (Net) (A-B)	44,525.83	(3,358.60)	41,167.23	(2,985.63)	38,181.60

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes forming part of the financial statements for the year ended March 31, 2017

35. Contingent Liabilities and Commitments:

35.1. Contingent Liabilities not provided for: **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
i) Claims against the Company not acknowledged as debt:			
a) Tax matters in appeal:			
- Income Tax	282.15	36.31	36.31
b) Others (Refer Note 35.1.1)	14,866.98	12,680.62	4,893.41
ii) Other money for which the Company is contingently liable :			
a) Counter guarantees given to Bankers in respect of Bank guarantees	3,647.91	1,882.94	1,606.84
b) Compensation in respect of 33.35 acres (Previous year 33.35 acres) of land in possession - amount not ascertained	-	-	-
Total	**18,797.04**	**14,599.87**	**6,536.56**

35.1.1. In relation to some of the contracts for purchase of fertilisers, an international Arbitration Award has been passed against the Company in September 2016 for USD 1,43,98,188 and GBP 690,630 and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company.

The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company is contesting the enforcement of the Award in the Courts in India and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.

Accordingly the said claim has been disclosed as a contingent liability as at March 31, 2017 in these financial statements.

35.2. Commitments: **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
35.2.1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	513.64	356.17	905.50

35.2.2. In terms of the Composite Scheme of Arrangement and Amalgamation approved by Jurisdictional Courts, the Company has Commitment towards contribution to Nagarjuna Oil Refinery Limited (NORL) a sum of ` 100.00 Lakhs per year or such amount as may be required from time to time for a period of five years or until such time that NORL is able to manage its financial affairs.

36. Related party transactions: (Disclosures as required by Ind AS 24 - Related Party Disclosures)

36.1. List of related parties and their relationships

Subsidiaries

(i) Jaiprakash Engineering and Steel Company Limited
(ii) Nagarjuna Industrial Services and Investments Private Limited (NISIPL)

Associates

(i) Nagarjuna Agricultural Research and Development Institute
(ii) KVK Raju International Leadership Academy

Key Management Personnel

(i) Mr. K.S.Raju, Chairman
(ii) Mr. K. Rahul Raju, Managing Director
(iii) Mr. Chandra Pal Singh Yadav, Nominee Director of KRIBHCO
(iv) Mr. M.P. Radhakrishnan, Nominee Director of State Bank of India
(v) Dr. N C B Nath
(vi) Mr. S R Ramakrishnan
(vii) Mr. Anil Kumar P.R, Nominee Director of ICICI Bank Limited
(viii) Mr. Shailendra Govind Nadkarni, Nominee Director of IDBI Bank Limited
(ix) Mr. O. Ramesh Babu, Nominee Director of IFCI Limited
(x) Ms. Lalitha Raghuraman
(xi) Mr. C.B. Mouli
(xii) Mr. Uday Kumar Jha

Close members of the family of Key Management Personnel.

(i) Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)

(ii) Smt. K Lakshmi Raju (Sister of Shri K S Raju)

Enterprises able to exercise significant influence over this entity

(i) Amlika Mercantile Private Limited

Enterprises significantly influenced by Key Management personnel or close members of their family

(i) Nagarjuna Agrichem Limited

(ii) Nagarjuna Oil Refinery Limited

(iii) Nagarjuna Impex Private Limited

(iv) Nagarjuna Foundation

36.2 Related party transactions during the year ended March 31, 2017 are as under: **` in Lakhs**

Nature of Transaction	Subsidiaries	Key Management Personnel	Close members of family of key Management Personnel	Enterprises significantly influenced by Key Management personnel or close members of their family
Advances given				
Nagarjuna Industrial Services and Investments Pvt. Ltd.	(26.02) (37.55)	- -	- -	- -
Nagarjuna Oil Refinery Limited	- -	- -	- -	366.00 (239.60)
Purchase of Patents				
Nagarjuna Industrial Services and Investments Pvt.Ltd.	49.44 -	- -	- -	- -
Interest income				
Nagarjuna Industrial Services and Investments Pvt. Ltd.	- (0.43)	- -	- -	- -
Recovery of remuneration				
Shri K S Raju	- -	0.52 (8.79)	- -	- -
Shri K Rahul Raju	- -	0.81 (8.14)	- -	- -
Investments written off				
Nagarjuna Industrial Services and Investments Pvt. Ltd.	7.12 -	- -	- -	- -
Provision for diminution in the value of investment				
Nagarjuna Industrial Services and Investments Pvt. Ltd.	- (352.24)	- -	- -	- -
Jaiprakash Engineering and Steel Company Limited	- (460.00)	- -	- -	- -
Rent paid				
Shri K Rahul Raju	- -	624.00 (589.11)	- -	- -
Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)	- -	- -	34.47 (30.07)	- -
Nagarjuna Impex Private Limited	- -	- -	- -	24.13 (20.53)
Nagarjuna Agrichem Limited	- -	- -	- -	6.00 (6.00)
Corporate Social responsibility contributions				
Nagarjuna Foundation	- -	- -	- -	75.00 (73.75)

Note: Figures in brackets represent previous year transactions.

Notes forming part of the financial statements for the year ended March 31, 2017

36.3 Balancs outstanding at the year end March 31, 2017

` in Lakhs

Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Close members of family of key Management Personnel	Enterprises significantly influenced by Key Management personnel or close members of their family
Loans and Advances					
Nagarjuna Industrial Services and Investments Private Limited					
- 31.3.2017	11.53	-	-	-	-
- 31.3.2016	2,889.86	-	-	-	-
- 1.4.2015	2,852.31	-	-	-	-
Nagarjuna Oil Refinery Limited					
- 31.3.2017	-	-	-	-	1,484.80
- 31.3.2016	-	-	-	-	1,118.80
- 1.4.2015	-	-	-	-	879.21
Investments					
Nagarjuna Industrial Services and Investments Private Limited					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	3,037.50	-	-	-	-
- 1.4.2015	3,037.50	-	-	-	-
Jaiprakash Engineering and Steel Company Limited					
- 31.3.2017	2,256.17	-	-	-	-
- 31.3.2016	2,256.17	-	-	-	-
- 1.4.2015	2,256.17	-	-	-	-
Nagarjuna Agricultural Research and Development Institute					
- 31.3.2017	-	2.50	-	-	-
- 31.3.2016	-	2.50	-	-	-
- 1.4.2015	-	2.50	-	-	-
KVK Raju International Leadership Academy					
- 31.3.2017	-	15.00	-	-	-
- 31.3.2016	-	15.00	-	-	-
- 1.4.2015	-	15.00	-	-	-
Provision for diminution in the value of investment					
- 31.3.2017	460.00	17.50	-	-	-
- 31.3.2016	3,490.38	17.50	-	-	-
- 1.4.2015	2,678.14	17.50	-	-	-
Interest receivable from					
Nagarjuna Industrial Services and Investments Private Limited					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	0.43	-	-	-	-
- 1.4.2015	-	-	-	-	-
Rental and other deposits with					
Smt. K Lakshmi Raju (Sister of Shri K S Raju)					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	-	-	-	0.75	-
- 1.4.2015	-	-	-	0.75	-
Nagarjuna Agrichem Limited					
- 31.3.2017	-	-	-	-	0.40
- 31.3.2016	-	-	-	-	0.40
- 1.4.2015	-	-	-	-	0.40
Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)					
- 31.3.2017	-	-	-	85.00	-
- 31.3.2016	-	-	-	85.00	-
- 1.4.2015	-	-	-	85.00	-

Notes forming part of the financial statements for the year ended March 31, 2017

Nagarjuna Impex Private Limited					
- 31.3.2017	-	-	-	-	5.00
- 31.3.2016	-	-	-	-	5.00
- 1.4.2015	-	-	-	-	5.00
Shri.K Rahul Raju					
- 31.3.2017	-	-	246.26	-	-
- 31.3.2016	-	-	246.26	-	-
- 1.4.2015	-	-	-	-	-
Rental deposits from					
Nagarjuna Agrichem Limited					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	-	-	-	-	0.21
- 1.4.2015	-	-	-	-	0.21
Rent payable					
Shri.K Rahul Raju					
- 31.3.2017	-	-	133.02	-	-
- 31.3.2016	-	-	108.07	-	-
- 1.4.2015	-	-	116.38	-	-
Nagarjuna Impex Private Limited					
- 31.3.2017	-	-	-	-	1.84
- 31.3.2016	-	-	-	-	1.57
- 1.4.2015	-	-	-	-	1.53
Other Current Liabilities					
Shri K S Raju					
- 31.3.2017	-	-	3.90	-	-
- 31.3.2016	-	-	3.67	-	-
- 1.4.2015	-	-	6.82	-	-
Shri K Rahul Raju					
- 31.3.2017	-	-	3.19	-	-
- 31.3.2016	-	-	4.39	-	-
- 1.4.2015	-	-	11.64	-	-

Note: Figures in brackets represent previous year transactions.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil, April 1, 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

` in Lakhs

Compensation of key management personnel of the Company	March 31, 2017	March 31, 2016
(a) short-term employee benefits;	116.28	122.15
(b) post-employment benefits;	19.09	19.09
(c) Sitting fees to non-executive directors;	15.00	15.00
Total compensation paid to key management personnel	150.37	156.24

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

37. Segment Reporting

The financial results comprise the combined operations of the Company relating to the Fertilizer, Micro Irrigation, Agri Services and Wind Energy generation businesses. The financial results of Micro Irrigation, Wind Energy and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not they share any of the aggregation criteria, are neither disclosed as separate segments nor combined as "all other segments" for the purpose of disclosures under Ind AS 108 - Operating Segments.

Notes forming part of the financial statements for the year ended March 31, 2017

Entity wide disclosures

Geographical Information : **` in Lakhs**

Particulars	Revenue from external customers		Non-Current Assets*		
	Year Ended March 31, 2017	Year Ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
India	3,37,766.35	3,96,808.38	2,66,633.93	2,79,657.47	2,86,768.59
Outside India	740.27	956.01	-	-	-
Total	**3,38,506.62**	**3,97,764.39**	**2,66,633.93**	**2,79,657.47**	**2,86,768.59**

* Non-current assets excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Information about revenue from major customers which is included in revenue **` in Lakhs**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Subsidy claims on Government of India pursuant to its fertilizer subsidy policy	1,88,797.61	2,18,752.61
	1,88,797.61	**2,18,752.61**

38. Fair Value

CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS **` in Lakhs**

Particulars	Refer Note	Non Current			Current		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets measured at amortised cost							
Security deposits	6	933.17	750.71	652.50	3,302.07	186.27	121.22
Loans & advances to related parties	6	-	-	-	-	-	-
Loans to employees	6	-	-	-	3.41	3.41	3.41
Non current margin money deposit	7	33.22	33.69	28.47	-	-	-
Interest accrued on deposit & advances	7	-	-	-	599.64	506.21	247.64
Unbilled revenue	7	-	-	-	120.42	5.59	3.34
Claims receivable	7	-	-	-	5.11	15.78	4.41
Trade receivables	11	-	-	-	119,232.27	198,999.44	107,036.97
Cash and cash equivalents	12	-	-	-	5,688.82	2,817.30	2,888.85
Other Bank balances	13	-	-	-	5,742.45	6,585.26	4,890.51
Financial liabilities measured at fair value through profit or loss							
Foreign exchange forward contract	23	-	-	-	611.81	67.15	34.75
Financial liabilities measured at amortised cost							
Non Convertible Debentures of ` 100/- each	16	-	-	-	-	-	3,924.19
Non Convertible Debentures of ` 1/- each	16	-	3,081.30	6,162.61	3,031.30	3,081.30	3,081.30
Term loans from banks	16	49,085.00	60,476.06	4,042.20	9,755.00	4,677.92	5,811.05
Term loans from others	16	283.39	392.00	552.00	160.00	160.00	1,194.99
Corporate loan from banks	16	2,698.61	3,599.07	4,400.01	1,100.00	800.00	400.00
Deferred Payment Liabilities	16	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Deposits from dealers	17	7,250.95	7,124.76	5,035.05	-	-	-
Other Deposits-(Retention, EMD etc.)	17	274.70	259.71	244.25	-	-	-
Loans repayable on demand - cash credit	21	-	-	-	93,872.58	92,674.01	95,579.18

Notes forming part of the financial statements for the year ended March 31, 2017

Loans repayable on demand - short term loan	21	-	-	-	-	80.86	2,993.38
Loans repayable on demand - suppliers/buyers credit	21	-	-	-	7,434.18	682.54	1,686.68
Trade payables	22	-	-	-	94,743.79	165,495.72	101,237.66
Interest accrued but not due	23	-	-	-	251.07	71.33	1,003.97
Interest accrued and due	23	-	-	-	739.46	730.28	224.05
Unclaimed dividends	23	-	-	-	653.77	656.84	658.87
Overdue termloans	23	-	-	-	-	1,193.72	2,625.60
Unpaid matured portion of Debentures and Interest accrued there on	23	-	-	-	-	1,893.67	1,215.20
Payables towards deposits	23	-	-	-	122.89	133.13	195.99
Payables towards others	23	-	-	-	1,038.94	1,379.10	1,548.17
Payables towards purchase of fixed assets	23	-	-	-	179.95	178.06	103.55

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables and short term loans approximate their carrying amounts largely due to the short-term maturities of these instruments.

The foreign exchange forward contracts approximate their carrying amounts largely due to the mark to market of these instruments as provided by the banks.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities : **` in Lakhs**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value through profit or loss (Refer Note 38)					
Foreign exchange forward contracts	31-Mar-17	611.81	-	611.81	-
Foreign exchange forward contracts	31-Mar-16	67.15	-	67.15	-
Foreign exchange forward contracts	1-Apr-15	34.75	-	34.75	-

The fair values of the foreign exchange forward contracts have been determined based on the valuation report obtained from the bank. Significant observable inputs used in the valuation report are quoted forward exchange rates.

40. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also entered into foreign excahnge forward contracts, which are classified as derivatives in accordance with Ind AS and are not material given their size.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company's senior management oversees the management of these risks. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company based on the policies agreed by the Company's senior management. The same are summarised below:

Notes forming part of the financial statements for the year ended March 31, 2017

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk except trade receivables where more than 50% is due from Governemnt of India. The same are realisable in due course, based on historical experience and the fact that they are due under a major policy initiative of the Government.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, if any.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Even though loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in Statement of Profit and Loss.

Exposure to credit risk **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non current loans	2,417.97	1,869.51	1,531.71
Other non current financial assets	33.22	33.69	28.47
Current loans	3,317.01	3,079.54	2,976.94
Other current financial assets	725.17	527.58	255.39
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	1,21,087.03	1,99,963.12	1,07,851.16

Trade receivables:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients based on ageing.

The ageing analysis of trade receivables as of the reporting date is as follows: **` in Lakhs**

Particulars	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of March 31, 2017	73,224.69	6,055.10	2,860.59	3,331.73	35,614.92	1,21,087.03
Trade receivables as of March 31, 2016	1,54,642.27	5,064.87	4,459.60	3,214.99	32,581.39	1,99,963.12
Trade receivables as of April 1, 2015	68,960.63	8,834.27	889.48	1,406.38	27,760.41	1,07,851.16

Notes forming part of the financial statements for the year ended March 31, 2017

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables : ` in Lakhs

Particulars	March 31, 2017	March 31, 2016
Start of the year	963.68	814.19
Provision for Impairment	891.08	149.49
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**1,854.76**	**963.68**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2017 ` in Lakhs

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	11,015.00	51,653.61	413.39	63,082.00
Non-convertible debentures	3,031.30	-	-	3,031.30
Interest-free sales tax deferral from State Govt	703.28	2,382.99	3,354.48	6,440.75
Deposits payable	-	7,525.65	-	7,525.65
Working capital demand loan from bank	93,872.58	-	-	93,872.58
Trade payables	94,743.79	-	-	94,743.79
Other financial liabilities	3,597.89	-	-	3,597.89

Year ended March 31, 2016 ` in Lakhs

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	6,831.64	55,247.13	9,220.00	71,298.77
Non-convertible debentures	4,787.73	3,081.30	-	7,869.03
Interest-free sales tax deferral from State Govt.	832.69	2,570.95	3,869.80	7,273.44
Deposits payable	-	7,384.47	-	7,384.47
Working capital demand loan from bank	92,674.01	-	-	92,674.01
Trade payables	1,65,495.72	-	-	1,65,495.72
Other financial liabilities	3,215.89	-	-	3,215.89

As at April 1, 2015 ` in Lakhs

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	7,406.04		11,619.81	19,025.85
Non-convertible debentures	3,081.30	6,162.61	-	9,243.91
Interest-free sales tax deferral from State Govt.	390.71	2,878.54	4,394.90	7,664.15
Deposits payable	-	5,279.30	-	5,279.30
Working capital demand loan from bank	95,579.18	-	-	95,579.18
Trade payables	1,01,237.66	-	-	1,01,237.66
Other financial liabilities	3,769.35	-	-	3,769.35

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. As at March 31, 2017 there is no such excessive risk concentration.

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company uses a mix of interest rate sensitive loan facilties from the lenders to manage the liquidity and fund requirement for its day to day operations like working capital, short term loans and suppliers / buyers credit etc.,

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings with floating rate of interest affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/Decrease in basis points	Effect on Profit before tax
31-Mar-17		
INR	+50	(236.20)
US dollar	+25	(12.31)
INR	-50	236.20
US dollar	-25	12.31
31-Mar-16		
INR	+50	(328.37)
US dollar	+25	(2.11)
INR	-50	328.37
US dollar	-25	2.11

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency.

Notes forming part of the financial statements for the year ended March 31, 2017

` in Lakhs

Particualrs	USD	Euro	GBP	JPY	KES	SGD
Foreign currency exposure as at March 31, 2017						
Trade receivables	126.77	-	-	-	-	-
Loans and other receivables	4.60	330.07	-	-	-	-
Trade payables	(3,450.09)	(162.93)	-	-	-	-
Borrowings	(7,434.18)	-	-	-	-	-
Foreign exchange forward contracts	(10,620.22)	-	-	-	-	-
Foreign currency exposure as at March 31, 2016						
Trade receivables	458.98	-	-	-	-	-
Loans and other receivables	-	3,224.55	-	-	-	-
Trade payables	(2,702.47)	(176.68)	(25.01)	(1.46)	-	-
Borrowings	-	(682.54)	-	-	-	-
Foreign exchange forward contracts	(2,874.41)	-	-	-	-	-
Foreign currency exposure as at April 1, 2015						
Trade receivables	163.96	-	-	-	-	-
Loans and other receivables	0.28	3,145.98	-	-	-	-
Bank balaces in current accounts	1.26	-	-	-	0.47	5.24
Trade payables	-	-	-	-	-	-
Borrowings	(1,686.68)	-	-	-	-	-
Foreign exchange forward contracts	(3,719.22)	-	-	-	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in **USD and Euro** exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

` in Lakhs

Currency	2016-17		2015-16		2014-15	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	(1,047.90)	1,047.90	(255.89)	255.89	(261.35)	261.35
Euro	8.36	(8.36)	(17.84)	17.84	14.68	(14.68)
GBP	-	-	(1.25)	1.25	-	-
CHF	-	-	-	-	-	-
KES	-	-	-	-	0.02	(0.02)
SGD	-	-	-	-	0.26	(0.26)
JPY	-	-	(0.07)	0.07	-	-
Increase/(decrease) in profit or loss	**(1,039.55)**	**1,039.55**	**(275.06)**	**275.06**	**(246.39)**	**246.39**

41. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short term deposits.

Notes forming part of the financial statements for the year ended March 31, 2017

` in Lakhs

Particulars	At March 31, 2017	At March 31, 2016	At April 01, 2015
Interest bearing loans and borrowings (Note 16)	1,67,420.06	1,69,705.06	1,29,827.59
Less: Cash and short term deposits (Note 12 & 13)	11,425.90	8,578.56	7,385.56
Net debts	**1,55,994.16**	**1,61,126.50**	**1,22,442.03**
Equity share capital (Note 14)	5,980.65	5,980.65	5,980.65
Other Equity (Note 15)	1,03,257.32	1,15,404.67	1,24,639.41
Total Capital	**1,09,237.97**	**1,21,385.32**	**1,30,620.06**
Capital and net debt	**2,65,232.13**	**2,82,511.82**	**2,53,062.09**
Gearing ratio (%)	**58.81%**	**57.03%**	**48.38%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital between the years ended March 31, 2017 and March 31, 2016.

42.A. First time adoption of Ind AS

With effect from April 1, 2016, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions applied:

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions:

(a) Business combinations :

The jurisdictional High Courts of Bombay and Andhra Pradesh had approved the Composite Scheme of Arrangement and Amalgamation between the Company, erstwhile Nagarjuna Fertilizers and Chemicals Limited and Nagarjuna Oil Refinery Limited and Ikisan Limited and their respective shareholders and creditors ('the Scheme') as per the provisions of Sections 391 – 394 and other relevant provisions of the Companies Act, 1956 on June 17, 2011 and June 27, 2011 respectively. The Scheme was made effective on July 30, 2011 but operative from Appointed Date, i.e. April 1, 2011.

The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e. April 1, 2015 and the Company has not applied Ind AS 103 Business Combinations for the Scheme of Arrangement and Amalgamation stated above, which are considered businesses for Ind AS, that occurred before April 1, 2015.

(b) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible) :

The carrying amounts of property, plant and equipment and intangibles in accordance with previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e., April 1, 2015.

(c) Arrangements containing a lease:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

(d) Long Term Foreign Currency Monetary Items:

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (i.e. capitalising with the cost of the asset) recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 2016-17 as per the previous GAAP.

Ind AS mandatory exceptions:

(a) Estimates :

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

(b) Derecognition of financial assets :

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(c) Impairment of financial assets : (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that assessing whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, hence the Company has recognised an estimated loss allowance at an amount equal to lifetime expected credit losses at each reporting date herein until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

(d) Classification and measurement of financial assets :

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind-AS.

Notes forming part of the financial statements for the year ended March 31, 2017

42.B. Reconciliation with previous GAAP

A.1 Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at April 01, 2015: ` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**				
	1. Non-current assets				
	(a) Property, plant and equipment		2,83,236.11	-	2,83,236.11
	(b) Capital work-in-progress		307.47	-	307.47
	(c) Other Intangible assets		2,948.40	-	2,948.40
	(d) Financial Assets				
	(i) Investments in Subsidiaries / Associates etc.,at cost		2,615.53	-	2,615.53
	(ii) Loans		1,531.71	-	1,531.71
	(iii) Other Financial Assets		28.47	-	28.47
	(e) Other Non-Current Assets		276.61	-	276.61
	Total non-current assets		2,90,944.30	-	2,90,944.30
	2. CURRENT ASSETS				
	(a) Inventories		16,480.42	-	16,480.42
	(b) Financial assets				
	(i) Trade receivables		1,07,036.97	-	1,07,036.97
	(ii) Cash and cash equivalents		2,888.85	-	2,888.85
	(iii) Bank balances other than (ii) above		4,890.51	-	4,890.51
	(iv) Loans		124.63	-	124.63
	(v) Other Financial Assets		255.39	-	255.39
	(c) Current tax assets (Net)		334.33	-	334.33
	(d) Other current assets		6,471.44	-	6,471.44
	Total current assets		1,38,482.54	-	1,38,482.54
	Total Assets		**4,29,426.84**	**-**	**4,29,426.84**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		5,980.65	-	5,980.65
	(b) Other Equity	**Note (h)**	1,64,596.25	(39,956.84)	1,24,639.41
	Total Equity		1,70,576.90	(39,956.84)	1,30,620.06
	LIABILITIES				
	1. Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	**Note (a)**	18,885.21	737.28	19,622.49
	(ii) Other financial liabilities		5,279.30	-	5,279.30
	(b) Provisions		374.48	-	374.48
	(c) Deferred tax liabilities (Net)	**Note (c)**	8,446.27	36,079.56	44,525.83
	(d) Government grants	**Note (b)**	-	2,749.33	2,749.33
	Total non-current liabilities		32,985.26	39,566.17	72,551.43
	2. Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,00,259.24	-	1,00,259.24
	(ii) Trade Payables		1,01,225.41	12.25	1,01,237.66
	(iii) Other financial liabilities		22,377.64	34.75	22,412.39
	(b) Other current liabilities		1,704.82	-	1,704.82
	(c) Government grants	**Note (b)**	-	343.67	343.67
	(d) Provisions		297.57	-	297.57
	Total current liabilities		2,25,864.68	390.67	2,26,255.35
	Total liabilities		2,58,849.94	39,956.84	2,98,806.78
	Total Equity and Liabilities		**4,29,426.84**	**-**	**4,29,426.84**

***** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the financial statements for the year ended March 31, 2017

A.2 Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at March 31, 2016: ` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I.	**ASSETS**				
	1. Non-current assets				
	(a) Property, plant and equipment		2,75,744.41	-	2,75,744.41
	(b) Capital work-in-progress		708.61	-	708.61
	(c) Other Intangible assets		2,457.00	-	2,457.00
	(d) Financial assets				
	(i) Investments in Subsidiaries / Associates etc., at cost		1,803.29	-	1,803.29
	(ii) Loans		1,869.51	-	1,869.51
	(iii) Other Financial Assets		33.69	-	33.69
	(e) Other Non-Current Assets		747.45	-	747.45
	Total non-current assets		2,83,363.96	-	2,83,363.96
	2. Current assets				
	(a) Inventories		22,815.72	-	22,815.72
	(b) Financial assets				
	(i) Trade receivables		1,98,999.44	-	1,98,999.44
	(ii) Cash and cash equivalents		2,817.30	-	2,817.30
	(iii) Bank balances other than (ii) above		6,585.26	-	6,585.26
	(iv) Loans		227.23	-	227.23
	(v) Other Financial Assets		527.58	-	527.58
	(c) Current tax assets (Net)		459.69	-	459.69
	(d) Other current assets		4,870.47	-	4,870.47
	Total current assets		2,37,302.69	-	2,37,302.69
	Total Assets		**5,20,666.65**	**-**	**5,20,666.65**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		5,980.65	-	5,980.65
	(b) Other Equity	**Note (h)**	1,53,195.06	(37,790.39)	1,15,404.67
	Total Equity		1,59,175.71	(37,790.39)	1,21,385.32
	LIABILITIES				
	1. Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	**Note (a)**	70,934.96	685.56	71,620.52
	(ii) Other financial liabilities		7,384.47	-	7,384.47
	(b) Provisions		443.32	-	443.32
	(c) Deferred tax liabilities (Net)	**Note (c)**	6,838.54	34,328.69	41,167.23
	(d) Government grants	**Note (b)**	-	2,405.66	2,405.66
	Total non-current liabilities		85,601.29	37,419.91	1,23,021.20
	2. Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		93,437.41	-	93,437.41
	(ii) Trade Payables		1,65,536.06	(40.34)	1,65,495.72
	(iii) Other financial liabilities		15,788.04	67.15	15,855.19
	(b) Other current liabilities		1,000.50	-	1,000.50
	(c) Government grants	**Note (b)**	-	343.67	343.67
	(d) Provisions		127.64	-	127.64
	Total current liabilities		2,75,889.65	370.48	2,76,260.13
	Total liabilities		3,61,490.94	37,790.39	3,99,281.33
	Total Equity and Liabilities		**5,20,666.65**	**-**	**5,20,666.65**

***** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the financial statements for the year ended March 31, 2017

B.1 Reconciliation of Statement of Profit and Loss as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended March 31, 2016:

` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	**REVENUE**				
	Revenue from operations	**Note (d)**	3,66,902.05	30,862.34	3,97,764.39
	Other income	**Note (b)**	2,849.39	343.67	3,193.06
	Total Revenue (I)		**3,69,751.44**	**31,206.01**	**4,00,957.45**
II	**EXPENSES**				
	Cost of materials consumed		1,15,434.30	-	1,15,434.30
	Purchase of stock in trade	**Note (d)**	87,364.19	3,585.01	90,949.20
	(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		(6,008.03)	-	(6,008.03)
	Power and fuel		86,400.40	-	86,400.40
	Employee benefits expenses	**Note (e)**	14,735.61	59.62	14,795.23
	Finance costs	**Note (b)**	32,941.25	(51.72)	32,889.53
	Depreciation and amortization expenses		9,265.57	-	9,265.57
	Excise duty		779.67	-	779.67
	Other expenses	**Note (d) & Note (f)**	41,035.33	28,069.18	69,104.51
	Total expenses (II)		**3,81,948.29**	**31,662.09**	**4,13,610.38**
III	**Profit before exceptional items and tax from continuing operations (I-II)**		**(12,196.85)**	**(456.08)**	**(12,652.93)**
IV	Extraordinary Items	**Note (f)**	812.24	(812.24)	-
V	**Profit/(loss) before tax from continuing operations (III-IV)**		**(13,009.09)**	**356.16**	**(12,652.93)**
VI	Tax expense:				
	(1) Current Tax		-	-	-
	(2) Deferred Tax	**Note (c)**	(1,607.73)	(1,771.49)	(3,379.22)
VII	**Profit (Loss) for the Year from continuing operations (V-VI)**		**(11,401.36)**	**2,127.65**	**(9,273.71)**
VIII	**Other Comprehensive Income**				
	A. Items that will be reclassified to profit or loss				
	Other (specify nature)		-	-	-
	Income tax effect		-	-	-
	B. Items that will not be reclassified to profit or loss				
	Re-measurement gains (losses) on defined benefit plans		-	59.61	59.61
	Income tax effect		-	(20.63)	(20.63)
	Total Other Comprehensive Income for the Year (net of tax)		-	38.98	38.98
IX	**Total Comprehensive Income for the Year (VII + VIII)**		**(11,401.36)**	**2,166.63**	**(9,234.73)**

***** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the financial statements for the year ended March 31, 2017

Notes to the reconciliation

a) Sales tax deferment :

Under Indian GAAP, the Company has accounted the sales tax deferment (long term borrowing and current maturities of long term borrowing) at the transaction value i.e. the amount deferred. Under Ind AS 20, the Company has fair valued the sales tax deferment as on the date of transition and subsequently the same has been measured at amortised cost. The difference between the fair value and carrying amount as on the date of transition has been recognised in retained earning.

b) Government grants :

Under Indian GAAP, governments grants in the nature of sales tax deferral loan has been present valued and credited to capital reserve pursuant to Composite Scheme of Arrangement and Amalgamation (Scheme) approved by Hon'ble High Courts of Andhra Pradesh and Mumbai effective April 1, 2011.

Under Ind AS 20, the grant is set up as deferred income and is recognised in profit or loss on a systematic basis over the term of sales tax deferral loan.

As on the date of transition, the Company has transferred the amount standing in capital reserve (on account of grants in the form of sales tax deferral) to deferred government liability (Current and non current). Subsequently, the amount will be transferred from the deferred government liability to "Statement of Profit and Loss" over the term of sales tax deferral. Deferred tax asset has been created on the date of transition on the difference between the book and tax bases.

c) Deferred tax liability :

Under Indian GAAP, deferred tax assets/liabilities are recognised on differences between taxable profits and accounting profits.

Under Ind AS 12, the tax base and book base of assets and liabilities is identified and deferred tax assets/liabilities is recognised on the differences in tax base and book base.

As on the date of transition, the Company has recognised deferred tax liability on the difference between fair values (done pursuant to Composite Scheme of Arrangement and Amalgamation (Scheme) approved by Hon'ble High Courts of Andhra Pradesh and Mumbai effective April 1, 2011) and WDV as per tax base for depreciable assets. In respect of land, deferred tax liability relating to probable capital gains tax has been considered only on lands on which there is no manufacturing facility.

As on the date of transition, the consequential deferred tax on the above has been charged to Capital reserve.

d) Revenue, Purchase of Traded goods, Other expenses :

Under Indian GAAP, reimbursements received towards sale of pool urea have been reduced from respective costs i.e. "Transport and Handling" and "Purchases of stock in trade". Under Ind AS, because the inventory risk and credit risk is borne by the Company, the reimbursements have been considered to be part of Revenue and disclosed under "Sale of Traded Goods".

e) Remeasure of actuarial gains/(losses) :

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by ` 59.61 Lakhs and remeasurement gain on defined benefit plans has been recognized in the OCI.

f) Extraordinary Items :

Indian GAAP recognises an item as extraordinary in certain circumstances. However, Ind AS does not recognise any such items as extraordinary. The same has been regrouped to "Other expense" in the Statement of Profit and Loss.

g) Derivate Financial Instruments :

Under the previous GAAP, the company applied the requirements of Accounting Standard-11. The effects of changes in foreign exchange rates to account for forward contracts entered for hedging foreign exchange risk. At the inception of forward contract, the forward premium was separated and amortised as expense over the tenure of the forward contract. The underlying borrowing and the forward contract were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in Statement of Profit and Loss.

Notes forming part of the financial statements for the year ended March 31, 2017

h) Reconciliation of equity as previously reported under Previous GAAP to Ind AS: **` in Lakhs**

Particulars	As at March 31, 2016	As at April 1, 2015
Equity reported under Previous GAAP	1,59,175.71	1,70,576.90
Adjustments:		
Sales tax deferment fair value difference recorded	(685.56)	(737.28)
Recognition of deferred government grants	(2,749.33)	(3,093.00)
Adjustment on account of mark to market of derivatives	(26.81)	(47.00)
Deferred tax on "revaluation of land and depreciable fixed assets carried under previous GAAP " and Ind AS adjustments	(34,328.69)	(36,079.56)
	(37,790.39)	(39,956.84)
Equity reported under Ind AS	**1,21,385.32**	**1,30,620.06**

i) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016 **` in Lakhs**

Particulars	For the Year ended March 31, 2016
Net Profit / (Loss) under Previous GAAP (After Tax)	**(11,401.36)**
Government grant - Reclassification of Deferred Sales Tax Loan	343.67
Interest on Sales Tax deferral	51.71
Actuarial (gain) / loss on employee benefit plans	(59.61)
Excahnge (gain)/ loss on foreign currency exposure	20.39
Deferred tax adjustments	1,771.49
Net Profit / (Loss) under Ind AS (After Tax)	**(9,273.71)**
Other Comprehensive Income	**38.98**
Total Comprehensive Income under Ind AS	**(9,234.73)**

43. Auditors' Remuneration : **` in Lakhs**

Fee towards:	2016-17*	2015-16*
Statutory Audit	57.50	57.25
Tax Audit	8.66	8.59
Limited Review	17.83	17.12
Certification and other Services	13.39	20.69
Reimbursement of Expenses	5.73	5.62
Total	**103.11**	**109.27**

*Inclusive of Service Tax ` 13.45 Lakhs (Previous year ` 13.61 Lakhs)

44. Earnings per Share:

Particulars	Unit of Measurement	2016-17	2015-16
Net (Loss) after tax	(` in Lakhs)	(12,177.71)	(9,273.71)
Number of Equity shares (fully paid up)	(Numbers)	598,065,003	598,065,003
Earnings per share – Basic & Diluted (Face value of ` 1/- per share)	[1] / [2]	(2.04)	(1.55)

Note : The Company has no dilutive instruments as at March 31, 2017, as such dilutive earnings per share equals to Basic Earnings per share.

Notes forming part of the financial statements for the year ended March 31, 2017

45. Particulars of Loans and Advances in the nature of Loans as required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

` in Lakhs

Name of the company	Balance as at		Maximum outstanding during	
	March 31, 2017	March 31, 2016	2016-17	2015-16
A **Subsidiaries**				
Nagarjuna Industrial Services and Investments Private Limited	**11.53**	2,889.86	**11.53**	2,889.86
B **Associates**				
Nagarjuna Oil Refinery Limited*	**1,484.80**	1,118.80	**1,484.80**	1,118.80
C **Advances in the nature of Loans where there is no repayment schedule**				
Nagarjuna Industrial Services and Investments Private Limited	**-**	2,889.86	**-**	2,889.86
Nagarjuna Oil Refinery Limited*	**1,484.80**	1,118.80	**1,484.80**	1,118.80
D **Advances in the nature of Loans where no interest is charged or interest is below section 186 of the Companies Act, 2013**				
Nagarjuna Industrial Services and Investments Private Limited	**-**	2,889.86	**-**	2,889.86
Nagarjuna Oil Refinery Limited*	**1,484.80**	1,118.80	**1,484.80**	1,118.80
E **Advances in the nature of Loans to firms/ companies in which directors are interested:**	**Nil**	Nil	**Nil**	Nil

* Pursuant to the Composite Scheme of Arrangement and Amalgamation

46. Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013
Loans, Guarantees given or Investments made during the Financial Year 2016-17

Name of the Entity	Relation	` in Lakhs	Particulars of Loans, Guarantees given or Investments made	Purpose for which the loans, guarantees &investments are proposed to be utilised
Nagarjuna Industrial Services and Investments Private Limited	Wholly owned subsidiary	26.51	Loan	For day to day operations
Nagarjuna Oil Refinery Limited	Enterprises significantly influenced by Key Management personnel	366.00	Loan	For day to day operations in terms of Composite Scheme of Arrangement and Amalgamation.

Notes forming part of the financial statements for the year ended March 31, 2017

47. The year-end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below: (as mandated by the Institute of Chartered Accountants of India in its announcement dated 05.12.2005)

Particulars	Currency	March 31, 2017		March 31, 2016	
		In foreign currency	` in Lakhs	In foreign currency	` in Lakhs
Sundry Debtors	USD	1,95,516	126.77	6,91,934	458.98
Advances receivables	USD	7,094	4.60	-	-
	EUR	4,60,000	318.54	4,45,117	334.26
Loans and advances to related parties	EUR	16,650	11.53	42,75,000	2,889.86
Interest accrued on advances given	EUR	-	-	572	0.43
Trade Payables	USD	16,712	10.84	14,402	9.55
	GBP	-	-	26,303	25.01
	EUR	2,35,280	162.93	2,35,280	176.68
	JPY	-	-	2,47,616	1.46
Borrowings	USD	-	-	56,99,765	3,780.82
	EUR	-	-	6,85,558	514.82

48. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

49. The figures for the previous year have been restated / regrouped, wherever necessary, to make them comparable.

Signatories to Note "1 to 49"

For and on behalf of the Board

K S Raju
Chairman

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Nagarjuna Fertilizers and Chemicals Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Ind AS 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 Ind AS Financial Statements in terms of the requirements 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 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 are responsible for 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 judgements 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 Standalone Ind AS 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 the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 thereunder.

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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the Consolidated Ind AS 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 such controls. 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 Ind AS 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 Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Group as at March 31, 2017, and its profit/loss (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

Attention is invited to following notes to the consolidated financial statements:

a) Note 25.1 regarding recognizing Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, and for production beyond reassessed capacity based on prices and provisions applicable under NPS III, Modified NPS III, pending notification of final prices under New Urea Policy 2015 and consequential adjustments, if any that may arise.

b) Note 34.1.1 regarding Arbitration awards passed against the Company for USD 143,98,188 and GBP 690,630, the impact of which has not been recognised in the Financial Statements, for reasons stated in the said note;

c) Note 43 regarding the financial statements of one of the subsidiaries, Jaiprakash Engineering and Steel Company Limited (JESCO) being drawn up on a going concern basis, despite, the project initially envisaged being shelved and Orders of the Government of Karnataka for dispossessing the land from JESCO, which has been stayed by Hon'ble High Court of Karnataka.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 Ind AS Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 (including other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Ind AS 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 March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our Report in "Annexure A".

   (g) 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 Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34.1 to the Consolidated Financial Statements.

      ii. The Group did not have any material foreseeable losses relating to long-term contracts including derivative contracts.

      iii. The Group did not have any amounts which are required to be transferred to the Investor Education and Protection Fund as at March 31, 2017.

      iv. The Group has provided requisite disclosures in the Consolidated Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 with respect to Holding Company and subsidiaries incorporated in India. Based on audit procedures and reliance on management representation, we report that the disclosures are in accordance with books of account and other records maintained by the Holding Company and subsidiaries incorporated in India and as produced to us by the Management of the Holding Company. –Refer Note 12.1 to the Consolidated Ind AS Financial Statements.

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

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

Annexure A to the Independent Auditors' report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nagarjuna Fertilizers and Chemicals Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding Company and its subsidiary company which is incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary Company's incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary Company which is incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

D. Bapu Raghavendra
Partner
Membership No.213274

Hyderabad,
May 26, 2017

Consolidated Balance Sheet As At March 31, 2017

` in Lakhs

Particulars	Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
1. Non-Current Assets				
(a) Property, Plant and Equipment	**3A**	2,63,792.29	2,75,744.40	2,83,236.10
(b) Capital work-in-progress	**3B**	809.58	708.61	307.47
(c) Other Intangible Assets	**4**	1,965.60	2,500.93	3,348.72
(d) Financial Assets				
(i) Investments	**5**	-	-	-
(ii) Loans	**6**	4,231.82	3,683.36	3,345.58
(iii) Other Financial Assets	**7**	49.09	50.18	43.69
(e) Other Non-Current Assets	**9**	66.46	747.45	276.61
Total Non-Current Assets		2,70,914.84	2,83,434.93	2,90,558.17
2. Current Assets				
(a) Inventories	**10**	21,248.75	22,815.72	16,480.42
(b) Financial Assets				
(i) Trade Receivables	**11**	1,19,232.27	1,98,999.44	1,07,036.97
(ii) Cash and Cash Equivalents	**12**	5,689.03	2,821.94	2,903.95
(iii) Bank Balances other than (ii) above	**13**	5,742.45	6,585.26	4,890.51
(iv) Loans	**6**	3,317.01	205.57	137.03
(v) Other Financial Assets	**7**	725.86	528.48	256.30
(c) Current Tax Assets (Net)	**8**	573.73	459.96	340.52
(d) Other Current Assets	**9**	2,020.05	4,870.47	6,471.44
Total Current Assets		1,58,549.15	2,37,286.84	1,38,517.14
Total - Assets		**4,29,463.99**	**5,20,721.77**	**4,29,075.31**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	**14**	5,980.65	5,980.65	5,980.65
(b) Other Equity	**15**	1,03,256.64	1,15,402.44	1,24,228.17
Total Equity		1,09,237.29	1,21,383.09	1,30,208.82
Liabilities				
1. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**16**	55,880.97	71,620.52	19,622.49
(ii) Other Financial Liabilities	**17**	7,525.65	7,384.47	5,279.30
(b) Provisions	**18**	709.56	443.32	374.48
(c) Deferred Tax Liabilities (Net)	**19**	38,181.60	41,167.22	44,525.82
(d) Government Grants	**20**	2,089.58	2,405.66	2,749.33
Total Non-Current Liabilities		1,04,387.36	1,23,021.19	72,551.42
2. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**21**	1,01,306.76	93,437.41	1,00,259.24
(ii) Trade Payables	**22**			
(A) Micro, Small, Medium Enterprises (MSMEs)		-	4.36	-
(B) Other than MSMEs		94,744.08	1,65,513.68	1,01,261.73
(iii) Other Financial Liabilities	**23**	18,382.56	15,890.23	22,448.04
(b) Other Current Liabilities	**24**	933.58	1,000.50	1,704.82
(c) Government Grants	**20**	343.67	343.67	343.67
(d) Provisions	**18**	128.69	127.64	297.57
Total Current Liabilities		2,15,839.34	2,76,317.49	2,26,315.07
Total Liabilities		3,20,226.70	3,99,338.68	2,98,866.49
Total Equity and Liabilities		**4,29,463.99**	**5,20,721.77**	**4,29,075.31**
Corporate Information and Significant Accounting Policies	**1 & 2**			

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

K Rahul Raju
Managing Director

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

` in Lakhs

Particulars	Note	Year ended March 31, 2017		Year ended March 31, 2016	
Income					
Revenue from Operations	**25**				
Sale of Products (including Subsidy)		3,36,439.22		3,96,524.20	
Sale of Services		1,865.83		1,027.56	
Other Operating Revenues		201.57	3,38,506.62	212.63	3,97,764.39
Other Income	**26**		3,528.57		3,194.05
Total			**3,42,035.19**		**4,00,958.44**
Expenses					
Cost of Materials Consumed	**27**		1,16,457.86		1,15,434.30
Purchase of Stock-in-Trade	**28**		46,156.44		90,949.20
Changes in inventories of finished goods, stock-in-trade and work in progress	**29**		1,309.75		(6,008.03)
Power and Fuel			84,068.01		86,400.40
Employee Benefits Expense	**30**		15,453.89		14,803.11
Finance Cost	**31**		32,489.98		32,890.32
Depreciation and Amortization Expense	**3A & 4**		8,920.56		9,298.73
Excise Duty			879.40		779.67
Other Expenses	**32**		52,109.21		68,720.10
Total			**3,57,845.10**		**4,13,267.80**
Loss before exceptional items and tax			**(15,809.91)**		**(12,309.36)**
Exceptional Items			-		-
Loss before tax			**(15,809.91)**		**(12,309.36)**
Tax Expense					
(a) Current Tax			-		0.15
(b) Adjustments relating to earlier years			(628.84)		-
(c) Deferred Tax	**19**		(3,001.71)		(3,379.22)
Loss after tax for the year			**(12,179.36)**		**(8,930.29)**
Attributable to:					
Equity holders of the parent			**(12,179.36)**		**(8,930.28)**
Non-Controlling interests			**(0.00)**		**(0.01)**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
Re-measurement gains (losses) on defined benefit plans			46.44		59.61
(ii) Income tax relating to these items	**19**		(16.07)		(20.63)
B (i) Items that will be reclassified to profit or loss			-		-
(ii) Income tax relating to these items			-		-
Total Other Comprehensive income, net of tax			**30.37**		**38.98**
Total Comprehensive income for the year			**(12,148.99)**		**(8,891.31)**
Attributable to:					
Equity holders of the parent			**(12,148.99)**		**(8,891.30)**
Non-Controlling interests			**(0.00)**		**(0.01)**
Earnings per equity share of face value of `1/- each					
Basic and Diluted	**44**		(2.04)		(1.49)
Corporate Information and Significant Accounting Policies	**1 & 2**				

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

D. Bapu Raghavendra
Partner
Membership No. 213274

K S Raju
Chairman

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

Statement of Change in Equity for the year ended March 31, 2017

(a) Equity Share Capital

Particulars	No.	` in Lakhs
Equity shares of Rs. 1 each issued, subscribed and fully paid		
At April 1, 2015	59,80,65,003	5,980.65
Issue of share capital (Refer Note 14)	-	-
At March 31, 2016	**59,80,65,003**	**5,980.65**
Issue of share capital (Refer Note 14)	-	-
At March 31, 2017	**59,80,65,003**	**5,980.65**

(b) Other Equity

` in Lakhs

Particulars	Reserve and Surplus						Non Controlling Interest	Total
	Capital Reserve	Security premium reserve	Debenture redemption reserve	Foreign Currency Translation reserve	General reserve	Retained Earning		
As at April 01, 2015 (Refer Note 15)	**52,289.68**	**1,09,619.35**	**2,087.99**	**1,233.96**	**11,294.58**	**(52,300.23)**	**2.84**	**1,24,228.17**
Profit for the year						(8,930.29)	(0.01)	(8,930.30)
Other Comprehensive Income						38.98		38.98
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**(8,891.31)**	**(0.01)**	**(8,891.32)**
Effect of foreign exchange fluctuation during the year	-	-	-	65.60	-	-	-	65.60
As At March 31, 2016	**52,289.68**	**1,09,619.35**	**2,087.99**	**1,299.56**	**11,294.58**	**(61,191.55)**	**2.83**	**1,15,402.44**
Profit for the year	-	-	-	-	-	(12,179.36)	(0.00)	**(12,179.36)**
Other Comprehensive Income						30.37		**30.37**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**(12,148.99)**	**(0.00)**	**(12,148.99)**
Adjustment on account of consolidation	(435.83)			(1,299.56)		1,738.58		**3.19**
As At March 31, 2017	**51,853.85**	**1,09,619.35**	**2,087.99**	**0.00**	**11,294.58**	**(71,601.96)**	**2.83**	**1,03,256.64**

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

K S Raju
Chairman

D. Bapu Raghavendra
Partner
Membership No. 213274

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

Consolidated Cash Flow Statement for the year ended March 31, 2017

` in Lakhs

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A.	**Cash Flow from Operating Activities**		
	Loss before Tax	**(15,809.91)**	**(12,309.36)**
	Adjustments:		
	Depreciation and Amortisation	8,920.56	9,298.73
	Provision for Doubtful Debts / Advances	911.35	149.49
	Finance Cost	32,489.98	32,890.32
	Provision/write off for Diminution in value of Investments	7.12	-
	Deferred government grant	(316.08)	(343.67)
	(Profit) / Loss on sale of assets / assets discarded / assets decapitalised	98.88	567.35
	Operating Profit before working capital changes	26,301.90	30,252.86
	Movements in working capital:		
	Increase/(decrease) in trade payables	(70,876.82)	61,343.75
	Increase/(decrease) in long term provisions	312.68	128.45
	Increase/(decrease) in short term provisions	1.05	(169.93)
	Increase/(decrease) in other current liabilities	(66.92)	(704.32)
	Increase/(decrease) in other current financial liabilities	196.20	(125.63)
	Increase/(decrease) in other long term liabilities	141.18	2,105.17
	Decrease/(increase) in trade receivables	78,876.09	(92,111.96)
	Decrease/(increase) in inventories	1,566.97	(6,335.30)
	Decrease/(increase) in long term loans and advances	(548.46)	(337.78)
	Decrease/(increase) in short term loans and advances	(3,093.36)	(68.54)
	Decrease/(increase) in other current assets	2,850.42	1,600.97
	Decrease/(increase) in other financial assets	(197.38)	(272.18)
	Decrease/(increase) in other non current assets	(16.38)	(0.97)
	Cash generated from/(used in) operations	**35,447.17**	**(4,695.41)**
	Direct Taxes Paid (net of refunds)	515.07	(119.59)
	Net cash flow from / (used) in operating activities	**35,962.24**	**(4,815.00)**
B.	**Cash Flow from Investing activities**		
	Purchase of fixed assets and CWIP	(827.58)	(2,386.69)
	Term deposits / Margin Money Deposits	843.90	(1,701.24)
	Proceeds from Sale of fixed assets	4,871.72	(10.91)
	Foreign Currency Translation Reserve	-	65.60
	Net cash flow from / (used) in investing activities	**4,888.04**	**(4,033.24)**
C.	**Cash flow from Financing activities**		
	Proceeds from long term borrowings	1,248.54	61,249.47
	Increase/(decrease) in Buyers/Suppliers credit	6,751.64	(1,004.14)
	Repayment of long term borrowings	(15,135.73)	(15,773.28)
	Finance Costs paid	(32,043.14)	(32,798.62)
	Dividend Paid	(3.07)	(2.03)
	Net cash flow from / (used) in financing activities	**(39,181.76)**	**11,671.40**
	Net Increase/(decrease) in cash and Cash equivalents	**1,668.52**	**2,823.16**
	Cash and cash equivalents as at beginning of the year	**(89,852.07)**	(92,675.23)
	Cash and cash equivalents as at end of the year	**(88,183.55)**	**(89,852.07)**

Accompanying Notes form an integral part of the Financial Statements

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

As per our report of even date attached
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

D. Bapu Raghavendra
Partner
Membership No. 213274

K S Raju
Chairman

Hyderabad
May 26, 2017

M. Ramakanth
Company Secretary

Sudhir Bhansali
Chief Financial Officer

K Rahul Raju
Managing Director

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

1. CORPORATE INFORMATION

The company is a public listed company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on The Bombay Stock Exchange and The National Stock Exchange Of India, the two recognised stock exchanges in India. The registered office of the company is located at D.No 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082.The Company is principally engaged in the business of manufacturing and marketing Fertilizers, Micro Irrigation and Agri Informatic Services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Consolidated Accounts:

(a) The subsidiaries considered in the preparation of these consolidated financial statements are:

	Country of Incorporation	Percentage of voting power	
		March 31, 2017	March 31, 2016
(i) Jaiprakash Engineering and Steel Company Limited	India	99.84%	99.84%

(b) The details of associates of the Company as defined in Indian Accounting Standard 28 "Investments in Associates and Joint Ventures".

	Country of Incorporation	Percentage of voting power	
		March 31, 2017	March 31, 2016
(i) Nagarjuna Agricultural Research and Development Institute	India	25.00%	25.00%
(ii) K.V.K.Raju International Leadership Academy	India	42.85%	42.85%

The investments in associates are not considered for consolidation as the Companies by law are not allowed to transfer any funds to the investing company. These investments are accounted for in accordance with Indian Accounting Standard 28 "Investments in Associates and Joint Ventures".

2.2. Principles of Consolidation:

The Consolidated Financial Statements relate to Nagarjuna Fertilizers and Chemicals Limited and its subsidiary companies (together referred to herein as "the Company" or "Group"), and have been prepared on the following basis:

a) The Financial Statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and un realised profits or losses on intra group transactions as per Indian Accounting Standard (Ind AS) 110 – "Consolidated Financial Statements" notified by the Companies (Accounts) Rules, 2014.

b) In case of associates where the Company directly or indirectly through its subsidiaries holds more than 20% of Equity, Investments in Associates are accounted under the equity method as per Indian Accounting Standard (Ind AS) 110 – "Consolidated Financial Statements" notified by the Companies (Accounts) Rules, 2016.

c) The Financial Statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e., March 31, 2017.

d) The excess of the cost to the Company of its investment in the subsidiaries over the Company's share of equity is recognized in the Financial Statements as Goodwill and tested for impairment annually.

e) The excess of the Company's share of equity of the subsidiaries on the acquisition date, over its cost of investment is treated as Capital Reserve.

f) Non-controlling interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Company.Non-controlling Minority interest in the net assets of consolidated subsidiaries consists of:

  i) The amount of equity attributable to non-controlling interest at the date on which investment in a subsidiary is made; and

  ii) The non-controlling interest's share of movements in the equity since the date the parent subsidiary relationship came into existence.

g) Non-controlling interest in the net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

h) Intra-group balances and intra-group transactions and resulting unrealized profits / losses have been eliminated.

i) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in "Foreign Currency Translation Reserve".

j) The consolidated Financial Statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements.

2.3. Basis of preparation:

The Financial Statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) on accrual basis and under the historical cost convention except for Derivative financial instruments and certain financial instruments which are measured at fair value, pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016.

These Financial Statements for the year ended March 31, 2017 are the first Financial Statements the group has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the group prepared its Financial Statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The group has adopted all the applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from the accounting principles generally accepted in India under then and applicable to the group as prescribed under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) to Ind AS. The reconciliation and description of transition have been summarized in Note 42.

The Financial Statements are presented in INR and all values are rounded to two decimals to the nearest lakhs, except when otherwise indicated.

2.4. Use of estimates:

The preparation of Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Measurement of defined benefit obligations - Note 30
ii. Recognition of deferred tax asset/Liability- Note 19
iii. Fair Value Measurement of financial Instruments - Note 37 & 38
iv. Recognition of subsidy income - Note 25.1
v. Provision for doubtful trade receivables

2.5. Current versus non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the group's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
vi. in the case of a liability, the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.6. Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis under the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the following exception:

- Continuous Process Plants' are depreciated for 37 years based on the technical evaluation of useful life done by the management.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1,2015.

2.7. Intangible assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Trademarks and Services:10 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1,2015.

2.8. Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date for any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date for any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, in which case, a reversal of an impairment loss for an asset is recognised in the Statement of Profit and Loss account.

2.9. Inventories

Inventories are valued at the lower of cost and net realisable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs for different categories of materials are as follows:

- Raw materials and Traded Products: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value in the case of Urea –

- the Group Concession Price notified by the Government of India in respect of finished goods lying at the factory, and
- the net sale price in respect of finished goods lying in the warehouses outside the factory.

Work-in-process, raw materials, stores, spares, packing material and loose tools are valued at weighted average cost, less provision for depletion in value, if any.

2.10. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.11. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition

On initial recognition, financial asset are recognised at fair value. Transaction cost that are directly attributable acquisition of financial assets that are not at fair value through profit and loss(FVTPL) are added to fair value on initial recognition.

Subsequent measurement

Financial assets which are debt instruments are subsequently measured on the following basis, depending on their classification

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

When financial assets are Equity Instruments:

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI.

Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

De-recognition:

The Company derecognizes a financial assets when the contractual right to the cash flows from the financial asset expires or it transfers the financial asset at the transfer qualifies for de-recognition under IND AS 109.

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Impairment:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial liabilities :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost, net of directly attributable transaction costs.

Subsequent measurement :

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Derecognition :

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.12. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate risk of changes in exchange rates on foreign currency exposure.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any gains or losses arising from re-measurement are dealt in Statement of Profit and Loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS109, Financial Instruments and hence categorized as financial assets or liability at fair value through profit or loss.

2.13. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15. Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised. They are disclosed only when an inflow of economic benefit is probable from such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue is inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf third parties.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods :

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

In case of goods which are shipped subject to installation and inspection, revenue is normally recognized when the buyer accepts delivery, and installation and inspection are complete.

Subsidy:

Group Concession Price under Group Concession Scheme (GCS) and Equated Freight are recognized in accordance with the norms prescribed by the Government of India – Fertiliser Industry Co-ordination Committee.

Rendering of services:

Revenue from sale of services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

Interest income:

Interest income is recognized using effective interest method.

Dividends:

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.17. Employee benefits

Gratuity :

In accordance with the Payment of Gratuity Act, 1972 the Company provides gratuity as a defined benefit plan, to eligible Employees. Liability with regard to gratuity is determined by an independent actuary at every Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in the Balance Sheet as asset or liability. Gains or losses on re-measurements are recognized in Other Comprehensive Income (OCI). Remeasurement recognised in

other comprehensive income is reûected immediately in retained earnings and is not reclassiûed to Statement of Proût and Loss.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss.

Superannuation fund and provident fund :

Superannuation and Provident Fund are in the nature of defined contribution plans.

The Company makes monthly contribution to approved superannuation fund covered by a policy with LIC of India. The Company has no further obligation beyond monthly contribution. The obligations under the said policy are accounted for on accrual.

The Company makes monthly contribution to the Provident Fund scheme and recognizes it as an expense, in the year in which employee renders the related service. The Company's Contribution towards Provident Fund is administered and managed by an approved trust. The Company has no obligation, other than the contribution payable to the Fund.

Compensated absences:

Liability for compensated absence is treated as a long term liability and is covered by a policy with Life Insurance Corporation ('LIC'). The estimated liability at each Balance Sheet date is determined by an independent actuary using the projected unit credit method and is recognised in the accounts accordingly.

2.18. Taxes

Current income tax :

Income tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income (OCI), in which case the tax is also recognized in equity or Other Comprehensive Income (OCI).

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax asset/liability is measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax :

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent there is no longer probable that the related tax benefit will be realized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

In the case of a loan or assistance provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The Grant is initially recognised and measured at fair value and subsequently measured in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments (financial liabilities). The government grant is measured as the difference between the initial carrying value of the loan and the proceeds received and recognised as income on a systematic basis over the periods the related costs, for which it is intended to compensate, are expensed.

2.20. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the

use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term. Accordingly, the Company's leasing arrangements, are mostly in the nature of operating lease for premises, and are cancellable / renewable by mutual consent. The rentals there under are recognised in the Statement of Profit and Loss.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.21. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset in the period in which they are incurred, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest earned on temporary investments out of specific borrowings made for qualifying assets is deducted from the borrowing costs eligible for capitalisation to those assets.

2.22. Research and development costs

Expenditure relating to capital items is treated as fixed assets and depreciated at applicable rates. Revenue expenditure during research period is charged to Statement of Profit and Loss in the year in which it is incurred.

2.23. Foreign currency transactions

The Company's Financial Statements are presented in Rupees, which is its functional currency, which is also the parent company's functional currency. For each entity, the group determines its functional currency and item included in the Financial Statements is measured using their functional currency.

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency denominated monetary assets and liabilities remaining unsettled at the end of the year are translated into functional currency at exchange rates prevailing at the Balance Sheet date. Exchange differences arising on translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated using exchange rate prevalent on the date of transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.24. Earnings per share

Basic earnings per equity share, is computed by dividing the net profit for the year attributable to the Equity Shareholders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.25. Investments

Investments are classified as Non Current and Current. Non Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

3A. Property, Plant and Equipment:

` in Lakhs

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As At March 31, 2016	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Land	1,16,227.41	2.26	234.31	1,15,995.36	-	-	-	-	1,15,995.36	1,16,227.41
Buildings	12,841.26	24.52	-	12,865.78	760.70	761.15	-	1,521.85	11,343.93	12,080.56
Plant & Equipments	1,54,142.63	815.39	5,238.13	1,49,719.89	7,734.46	7,386.46	562.00	14,558.92	1,35,160.97	1,46,408.17
Furniture, Fixtures & Office Equipment	956.67	524.17	18.26	1,462.58	225.34	230.69	4.37	451.66	1,010.92	731.33
Vehicles	167.53	31.86	0.86	198.53	38.31	36.35	0.59	74.07	124.46	129.22
Roads, Drains & Culverts	132.14	-	-	132.14	11.06	11.06	-	22.12	110.02	121.08
Railway Siding	46.63	-	-	46.63	-	-	-	-	46.63	46.63
Total	**2,84,514.27**	**1,398.20**	**5,491.56**	**2,80,420.91**	**8,769.87**	**8,425.71**	**566.96**	**16,628.62**	**2,63,792.29**	**2,75,744.40**

3A.1. Additions to Land during the year represents enhanced compensation paid for land at Kakinada ` 2.26 Lakhs (Previous Year ` 2.26 Lakhs) and ` Nil (Previous year ` 1.59 Lakhs) paid to Govt of Telangana for plant located at Sadashivpet.

3A.2. Additions to Plant & Equipments during the year include ` NIL (Previous Year ` 349.47 Lakhs) foreign exchange loss arising on account of restatement of foreign currency loan. [Refer Note 41A (d)].

3A.3. The deletion in Plant & Equipment includes sale of 14.7 MW windmills of gross block ` 4,329.66 Lakhs, corresponding accumulated depreciation ` 507.63 Lakhs along with land of ` 234.31 lakhs.

3A.4. Land & Buildings

a) Includes 5 acres, the possession of which is yet to be taken, title of seller being under dispute.

b) Excludes value of 33.35 acres, which is in the possession and use of the Company pending fixation of compensation by the State Government, value not ascertained, and hence pending registration of title in the name of the Company.

c) Excludes value of 14.06 acres pending completion of alienation and handing over of possession to the Company by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes value of 340.11 acres (104 cases) in possession of the Company pending registration.

3A.5. Refer Note 16.1 to 16.5 for details of assets pledged with lenders.

` in Lakhs

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As At April 1, 2015	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2016	Upto April 1, 2015	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Land	1,16,223.56	3.85	-	1,16,227.41	-	-	-	-	1,16,227.41	1,16,223.56
Buildings	12,823.73	17.53	-	12,841.26	-	760.70	-	760.70	12,080.56	12,823.73
Plant & Equipments	1,53,068.40	1,253.94	179.71	1,54,142.63	-	7,735.83	1.37	7,734.46	1,46,408.17	1,53,068.40
Furniture, Fixtures & Office Equipment	774.01	191.37	8.71	956.67	-	228.08	2.74	225.34	731.33	774.01
Vehicles	167.63	0.18	0.28	167.53	-	38.50	0.19	38.31	129.22	167.63
Roads, Drains & Culverts	132.14	-	-	132.14	-	11.06	-	11.06	121.08	132.14
Railway Siding	46.63	-	-	46.63	-	-	-	-	46.63	46.63
Total	**2,83,236.10**	**1,466.87**	**188.70**	**2,84,514.27**		**8,774.17**	**4.30**	**8,769.87**	**2,75,744.40**	**2,83,236.10**

3A.1. The carrying amounts of Property, Plant and Equipment and intangibles in accordance with Previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e. April 1, 2015 (Refer Note 41A(b)).

3A.2. Additions to Land during the year represents enhanced compensation paid for land at Kakinada ` 2.26 Lakhs (Previous Year ` 85.45 Lakhs) and ` 1.59 Lakhs paid to Govt of Telangana for plant located at Sadashivpet.

3A.3. Additions to Plant & Equipments during the year include ` 349.47 Lakhs (Previous Year ` 300.47 Lakhs) foreign exchange loss arising on account of restatement of foreign currency loan [Refer Note 41A(d)].

3A.4. Land & Buildings

a) Includes 5 acres, the possession of which is yet to be taken, title of seller being under dispute.

b) Excludes value of 33.35 acres, which is in the possession and use of the Company pending fixation of compensation by the State Government, value not ascertained, and hence pending registration of title in the name of the Company.

c) Excludes value of 14.06 acres pending completion of alienation and handing over possession by Govt of Andhra Pradesh, out of which 3.14 acres covered by restrictive provisions of Andhra Pradesh Land Reforms Act, 1973.

d) Includes value of 340.11 acres (104 cases) in possession of the Company pending registration.

3A.5. Refer Note 16.1 to 16.5 for details of assets pledged with lenders.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

3B. Capital Work-in-Progress

` in Lakhs

Particulars	Gross Block (at cost)				Impairment				Net Block	
	As At March 31, 2016	Additions during the year	Transfer to Tangible asset/ Disposals/ Deductions	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Capital Work In Progress	708.61	1,552.38	1,451.41	809.58	-	-	-	-	809.58	708.61
Total	**708.61**	**1,552.38**	**1,451.41**	**809.58**	**-**	**-**	**-**	**-**	**809.58**	**708.61**

` in Lakhs

Particulars	Gross Block (at cost)				Impairment				Net Block	
	As At March 31, 2015	Additions during the year	Transfer to Tangible asset/ Disposals/ Deductions	As at March 31, 2016	Upto March 31, 2015	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Capital Work In Progress	307.47	1,566.85	1,165.71	708.61	-	-	-	-	708.61	307.47
Total	**307.47**	**1,566.85**	**1,165.71**	**708.61**	**-**	**-**	**-**	**-**	**708.61**	**307.47**

4. Intangible Assets

` in Lakhs

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As At March 31, 2016	Additions during the year	Deductions / Adjustments during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Deductions/ Adjustments	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Trade Marks & Services	2,997.21	-	48.81	2,948.40	496.28	491.40	4.88	982.80	1,965.60	2,500.93
Patents	-	49.44	49.44	-	-	3.44	3.44	-	-	-
Total	**2,997.21**	**49.44**	98.25	**2,948.40**	**496.28**	**494.84**	8.32	**982.80**	**1,965.60**	**2,500.93**

` in Lakhs

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As At April 1, 2015	Additions during the year	Deductions / Adjustments during the year	As at March 31, 2016	Upto April 1, 2015	For the year	Deductions/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at April 1, 2015
Trade Marks & Services	3,348.72	48.81	400.32	2,997.21	-	524.56	28.28	496.28	2,500.93	3,348.72
Total	**3,348.72**	**48.81**	**400.32**	**2,997.21**	**-**	**524.56**	**28.28**	**496.28**	**2,500.93**	**3,348.72**

4.1. The carrying amounts of Property, Plant and Equipment and intangibles in accordance with Previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e. April 1, 2015 [Refer Note 41A(b)].

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

5. Investments - Unquoted (At Cost):

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
In Equity Shares						
In Associates						
Nagarjuna Agricultural Research and Development Institute - ` 10/- each fully paid up	25,020	2.50	25,020	2.50	25,020	2.50
KVK Raju International Leadership Academy - ` 10/- each fully paid up	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
Total		**17.50**		**17.50**		**17.50**
Less: Provision for diminution		17.50		17.50		17.50
		-		-		-
Aggregate amount of Quoted Investments		-		-		-
Aggregate amount of Un-Quoted Investments		17.50		17.50		17.50
Aggregate amount of impairment in value of Investments		17.50		17.50		17.50

6. Loans:

` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Loans (Unsecured, considered good)						
Security Deposits	933.17	750.71	652.50	3,302.07	186.27	121.22
Security Deposit with KIADB	54.38	54.38	54.38	-	-	-
Deposit with KIADB - Land	1,759.47	1,759.47	1,759.49	-	-	-
Loans&advances to related parties	1,484.80	1,118.80	879.21	11.53	15.89	12.40
Loans to Employees	-	-	-	3.41	3.41	3.41
Total	**4,231.82**	**3,683.36**	**3,345.58**	**3,317.01**	**205.57**	**137.03**

7. Other Financial Assets

` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Margin money deposits with more than 12 months of original maturity	33.22	33.69	28.47	-	-	-
Bank deposits with more than 12 months maturity	15.87	16.49	15.22	-	-	-
Interest Accrued on Deposits and advances	-	-	-	600.33	507.11	248.55
Unbilled Revenue	-	-	-	120.42	5.59	3.34
Claims receivable	-	-	-	5.11	15.78	4.41
Total	**49.09**	**50.18**	**43.69**	**725.86**	**528.48**	**256.30**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

8. Current Tax Assets (Net) ` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Current tax Assets			
Advance Income Tax	10,031.68	17,953.36	17,833.92
Current tax liabilities			
Provision for Income tax	9,457.95	17,493.40	17,493.40
Total (net)	**573.73**	**459.96**	**340.52**

9. Other Assets ` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Capital Advances						
- Secured (considered good)	12.63	16.50	-	-	-	-
- Unsecured (considered good)	31.74	725.24	271.87	-	-	-
- Unsecured (considered doubtful)	20.27	-	-	-	-	-
	64.64	**741.74**	**271.87**	-	-	-
Less:						
Provision for Doubtful advances	20.27	-	-	-	-	-
Total - (A)	**44.37**	**741.74**	**271.87**	**-**	**-**	**-**
Advance Recoverable in Cash or in Kind						
- Unsecured (considered good)	-	-	-	503.21	2,959.19	4,941.94
- Unsecured (considered doubtful)	-	-	-	362.11	362.11	362.11
	-	-	-	865.32	3,321.30	5,304.05
Less:						
Provision for Doubtful advances	-	-	-	362.11	362.11	362.11
Total - (B)	**-**	**-**	**-**	**503.21**	**2,959.19**	**4,941.94**
Prepaid Expenses	22.09	5.71	4.59	970.28	1,471.74	1,194.02
Gratuity fund - excess of Plan assets over liability	-	-	-	518.82	403.29	298.50
Balance with Customs Authorities	-	-	0.15	27.74	36.25	36.98
Total - (C)	**22.09**	**5.71**	**4.74**	**1,516.84**	**1,911.28**	**1,529.50**
Total - (A+B+C)	**66.46**	**747.45**	**276.61**	**2,020.05**	**4,870.47**	**6,471.44**

10. Inventories : ` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Raw materials	435.94	1,067.36	851.58
Work in process	118.56	149.85	357.70
Finished Goods - Manufactured goods	8,022.29	7,121.81	2,680.16
Stock In Transit - Manufactured goods	1,234.31	1,165.07	828.56
Traded goods	7,929.26	10,157.05	8,731.30
Stock In Transit - Traded goods	28.29	48.66	36.70
Packing materials	695.98	649.77	739.22
Stores and Spares	2,775.14	2,445.95	2,245.70
Loose tools	8.98	10.20	9.50
Total	**21,248.75**	**22,815.72**	**16,480.42**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

11. Trade Receivables : (Unsecured) (Refer Note 11.1) **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Debts Outstanding			
Considered good	1,19,232.27	1,98,999.44	1,07,036.97
Considered doubtful	1,854.76	963.68	814.19
	1,21,087.03	**1,99,963.12**	**1,07,851.16**
Less: Provision for doubtful debts	1,854.76	963.68	814.19
Total	**1,19,232.27**	**1,98,999.44**	**1,07,036.97**

11.1. Includes subsidy and other dues ` 87,654.52 Lakhs (Previous Year ` 1,66,489.41 Lakhs) from Government of India and ` 11,432.18 Lakhs (Previous Year ` 12,368.25 Lakhs) from State Governments.

12. Cash and Cash Equivalents **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Balances with Banks			
In Current Accounts			
Unclaimed Dividend - Earmarked accounts	653.77	656.84	658.87
Others	3,590.33	463.13	281.44
Cheques, drafts on hand	1,422.03	1,685.12	1,949.47
Cash on hand	22.90	16.85	14.17
Total	**5,689.03**	**2,821.94**	**2,903.95**

12.1. Specified Bank Notes Disclosure (SBN'S)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. Details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December, 30 2016 are given below:

` in Lakhs

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes (ODN)	Total
Closing cash as on November 8, 2016	9.23	2.36	11.59
(+) Permitted receipts	-	45.46	45.46
(-) Permitted payments	0.02	42.44	42.46
(-) Amount deposited in Banks	9.21	-	9.21
Closing cash on hand as on December 30, 2016	**-**	**5.38**	**5.38**

12.2. Cash and Cash Equivalents for Cash flow statement **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016
Cash and cash equivalents (Refer Note 12)	5,689.03	2,821.94
Less: Cash Credit (Refer Note 21)	93,872.58	92,674.01
Net balance	**(88,183.55)**	**(89,852.07)**

13. Other Bank Balances **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Earmarked balances with Banks			
In Term Deposits (Refer Note 13.1)	5.37	824.00	393.80
in Deposit Accounts			
Margin Money Deposits	5,737.08	5,761.26	4,496.71
Total	**5,742.45**	**6,585.26**	**4,890.51**

13.1. Amount deposited towards 15% of the portion of the debentures redeemable by March 31, 2016 in pursuance of Notification issued by Ministry of Corporate Affairs, vide Circular No. 04/2013, dated February 11, 2013.

14. Share Capital :

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
Authorised						
Equity Shares of ` 1/- each	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00	6,21,00,00,000	62,100.00
Preference Shares of ` 1/- each	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00	1,80,00,00,000	18,000.00
Total		**80,100.00**		**80,100.00**		**80,100.00**
Issued, Subscribed and Paid Up						
Equity Shares of ` 1/- each	59,80,65,003	5,980.65	59,80,65,003	5,980.65	59,80,65,003	5,980.65

14.1. Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs	No. of shares	` in Lakhs
Equity Shares of ` 1/- each						
Balance at the beginning of the year	59,80,65,003	5,980.65	59,80,65,003	5,980.65	59,80,65,003	5,980.65
Balance at the end of the year	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**	**59,80,65,003**	**5,980.65**

14.2. 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 creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3. Details of shareholders holding more than 5% of the Shares

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of ` 1/- each						
Amlika Mercantile Private Limited	29,60,72,140	49.51	12,70,68,520	21.25	12,70,68,520	21.25
Nagarjuna Management Services Private Limited*	-	-	7,85,92,592	13.14	7,85,92,592	13.14
Nagarjuna Holdings Private Limited*	-	-	3,46,26,130	5.79	3,46,26,130	5.79
Zuari Global Limited	-	-	3,22,67,741	5.40	3,22,67,741	5.40
Zuari Agro Chemicals Limited	3,22,67,741	5.40	-	-	-	-
Baron Properties Private Limited*	-	-	1,82,98,969	3.06	1,82,98,969	3.06
White Stream Properties Private Limited*	-	-	30,19,060	0.50	30,19,060	0.50
Nagarjuna Staff Betterment Company Private Limited*	-	-	87,23,277	1.46	87,23,277	1.46
NFCL Employees Welfare Trust*	-	-	2,57,43,525	4.30	2,57,43,525	4.30

* The following shares which were pending transfer prior to the commencement of trading of equity shares, were transferred to Amlika Mercantile Private Limited during the year on commencement of trading on June 15, 2016 in the said shares.

(a) from Nagarjuna Corporation Limited in terms of the Composite Scheme of Arrangement and Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Management Services Private Limited, Nagarjuna Holdings Private Limited, Baron Properties Private Limited and White Stream Properties Private Limited

(b) from Nagarjuna Corporation Limited in terms of Scheme of Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai with Nagarjuna Staff Betterment Company Private Limited

(c) from Nagarjuna Corporation Limited to Amlika Mercantile Private Limited (Amlika) on its amalgamation with Amlika, pursuant to a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay at Mumbai on May 2, 2014 which was made effective on June 19, 2014.(d) from Amlika that it had acquired 2,57,43,525 equity shares from NFCL Employees Welfare Trust.

14.4. Aggregate number of shares issued for consideration other than cash

59,80,65,003 equity shares of `1/- each (aggregating to ` 5,980.65 Lakhs) were allotted as fully paid up pursuant to a Composite Scheme of Arrangement and Amalgamation during the year 2011-12.

15. Other Equity : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Capital Reserve			
Opening Balance	52,289.68	52,289.68	52,289.68
Add: Reversal of capital reserve on account of consolidation	(435.83)	-	-
Closing Balance	**51,853.85**	**52,289.68**	**52,289.68**
Securities Premium Reserve			
Opening Balance	1,09,619.35	1,09,619.35	1,09,619.35
Add: On allotments during the year	-	-	-
Closing Balance	**1,09,619.35**	**1,09,619.35**	**1,09,619.35**
Foreign Currency Translation Reserve			
Opening Balance	1,299.56	1,233.96	1,233.96
Add: Effect of Foreign exchange variation during the year	(1,299.56)	65.60	-
Closing Balance	**-**	**1,299.56**	**1,233.96**
Debenture Redemption Reserve (Refer Note 16.1.2.2)			
Opening Balance	2,087.99	2,087.99	2,087.99
Less: Transfer to General Reserve	-	-	-
Closing Balance	**2,087.99**	**2,087.99**	**2,087.99**
General Reserve			
Opening Balance	11,294.58	11,294.58	11,294.58
Less: Depreciation adjustment	-	-	-
Closing Balance	**11,294.58**	**11,294.58**	**11,294.58**
Retained Earnings			
Opening Balance	(61,191.54)	(52,300.23)	(52,300.23)
Add: Loss after tax for the year	(12,179.36)	(8,930.29)	-
Adjustment on account of consolidation	1,738.58		
Items of other comprehensive income directly recognised in retained earnings			
- Remeasurement of post employment benefit obligations, net of tax	30.37	38.98	-
Closing Balance	**(71,601.95)**	**(61,191.54)**	**(52,300.23)**
Non-Controlling Interest	2.83	2.83	2.84
Total	**1,03,256.64**	**1,15,402.45**	**1,24,228.17**

Nature and purpose of reserves

(a) **Capital Reserve:** During the composite scheme of arrangement and amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(b) **Securities Premium Reserve:** The difference between the fair value of equity shares and face value of equity shares, pursuant to the Composite Scheme of arrangement and amalgamation is considered as Securities Premium Reserve.

(c) **Debenture Redemption Reserve:** This reserve was created for redemption of non-convertible debentures, as per the terms of issue of debentures.

(d) **General Reserve:** Comprises the amounts specifically transferred from the profits earned by the Company for respective years.

(e) **Retained Earnings:** Retained earnings are the post tax profits/losses that the Company has retained in its books after transfers to general reserve, dividends or other distributions paid to shareholders, if any.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

16. Borrowings

` in Lakhs

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
A. Non Convertible Debentures of ` 100/- each (Secured) (Refer Note 16.1.1 and 23)						
1,53,30,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	2,715.17
30,00,000 Debentures 14.5% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	360.00
80,00,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	264.02
25,00,000 Debentures 15% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	225.00
30,00,000 Debentures 13.25% Redeemable Non-convertible of ` 100/- each	-	-	-	-	-	360.00
Non Convertible Debentures of ` 1/- each (Secured) (Refer Note 16.1.2)						
92,43,91,006 Debentures 10.25% Redeemable Non-convertible of ` 1/- each	-	3,081.30	6,162.61	3,031.30	3,081.30	3,081.30
	-	**3,081.30**	**6,162.61**	**3,031.30**	**3,081.30**	**7,005.49**
Term Loans (Secured)						
From Banks						
In Rupees (Refer Note 16.2, 16.3 and 23)	49,085.00	57,670.00	500.00	9,755.00	3,730.00	3,977.75
In Foreign Currency	-	2,806.06	3,542.20	-	947.92	1,833.30
From Others (Refer Note 16.2, 16.4 and 23)						
In Rupees	283.39	392.00	552.00	160.00	160.00	1,194.99
Corporate Loan (Secured)						
From Banks						
In Rupees (Refer Note 16.5 and 23)	2,698.61	3,599.07	4,400.01	1,100.00	800.00	400.00
Deferred Payment Liabilities (Unsecured) (Refer Note 16.6)						
Sales tax Deferral	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Total	**55,880.97**	**71,620.52**	**19,622.49**	**14,749.58**	**9,551.91**	**14,802.24**
The above amount includes:						
Secured Borrowings	52,067.00	67,548.43	15,156.82	14,046.30	8,719.22	14,411.53
Unsecured Borrowings	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Amount disclosed under the head Other Financial Liabilities (Refer Note 23)	-	-	-	(14,749.58)	(9,551.91)	(14,802.24)
	55,880.97	**71,620.52**	**19,622.49**	**-**	**-**	**-**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

16.1. Debentures (Secured):

16.1.1. The Non Convertible Debentures (NCD) of ` 100/- each together with accrued interest, remuneration and other expenses thereof are secured by a registered mortgage and an exclusive charge on the Company's immovable property situated at Ahmedabad.

Further secured by an equitable mortgage and a charge on the other immovable and movable properties of the Company in favour of the debenture trustees, save and except stock in trade, book debts given as security to banks for obtaining working capital facilities.

16.1.1.1. The details of rate of interest and redemption of debentures are as under.

Bank / Institution	No. of Debentures	Effective Rate of interest %	Repayment Schedule
ICICI Bank Limited	1,53,30,000	Ibase + 2.25	21 Quarterly Instalments commencing from March 2011
LIC of India	30,00,000	11.50	41 Structured Quarterly Instalments commencing from March 2006
IFCI Limited	80,00,000	13.75	41 Structured Quarterly Instalments commencing from March 2006
IFCI Limited	25,00,000	13.75	41 Structured Quarterly Instalments commencing from March 2006
LIC of India	30,00,000	11.50	41 Structured Quarterly Instalments commencing from March 2006

16.1.2. The Company had issued 1,00,41,00,000 Non Convertible Debentures of ` 1/- each to banks and financial institutions towards settlement of recompense amount determined by the Corporate Debt Restructuring - Empowered Group, which are redeemable in 18th, 30th and 42nd months from the date of exit of CDR package i.e., June 20, 2014 being the date of allotment. The Debentures carry an interest rate of 10.25% per annum.

16.1.2.1. The above NCD's are secured by a subservient charge on the fixed assets of the Company.

16.1.2.2. Debenture Redemption Reserve (DRR) available in books is towards redemption of Debentures of ` 100/- each and the same is adequate as at the year-end towards the entire debentures outstanding including ` 1/- debentures issued during 2014. The reserve standing at ` 2,087.99 Lakhs as at March 31, 2017 is retained towards the statutory reserve required at ` 757.83 Lakhs against the outstanding debentures.

16.1.2.3. There were no amounts in default as at March 31, 2017 in respect of the above debentures.

16.2. Term Loans – In Rupees and in Foreign currency from Banks and Financial institutions:

16.2.1. Term loans availed from banks and financial institutions, together with interest accrued thereon, are secured by way of:

- a first charge on the fixed assets of the Company present and future ranking pari-passu, inter se, the lenders; a charge created (creation of such charge pending in respect of certain assets) through an equitable mortgage by deposit of title deeds of immovable properties of the Company other than those mentioned in Note 16.1.1, 16.4 and 16.5.
- a second charge on the current assets of the Company ranking pari-passu, inter se, the lenders.

16.2.2. Further secured by pledge of 2,25,61,693 equity shares held in subsidiary company – Jaiprakash Engineering and Steel Company Limited in favour of Banks / Financial Institutions for the term loans availed by the Company.

16.2.3. All the Term Loans from Financial Institutions and Banks, Counter Guarantees from banks are personally guaranteed by Shri K.S.Raju.

16.2.4. The details of rate of interest and repayment of Term Loans are as under:

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
	Rupee Loans - Bank					
a)	IDBI Bank Limited	BBR +2.25	-	41	Quarterly	Mar-06
b)	IDBI Bank Limited	12.40	-	20	Quarterly	Oct-11
c)	State Bank of India	14.90	-	20	Quarterly	Dec-11
	Total					
	Rupee Loans - Institution					
a)	IFCI Limited	13.75	-	41	Quarterly	Mar-06
b)	SICOM Limited	11.50	-	41	Quarterly	Mar-06
	Total					

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

16.2.5. There were no amounts in default as at March 31, 2017 in respect of the above term loans.

16.3 Working Capital Term Loan: In Rupees from Banks

16.3.1. Working Capital Term loans from banks together with interest accrued thereon, are secured by way of:

- a first charge on the fixed assets of the Company present and future for certain borrowings ranking pari-passu, inter se, those lenders other than those mentioned in Note 16.4 and 16.5. Charge creation through an equitable mortgage by deposit of title deeds of immovable properties of the Company is in progress ;
- a first charge on the current assets of the Company ranking pari-passu, inter se, the lenders.
- Pledge, on pari passu basis, of some of their shares in the company by it's core promoters, which is pending as on the date of the Balance Sheet.

16.3.2. Also personally guaranteed by Shri K.S.Raju and Shri K Rahul Raju.

16.3.3. The details of rate of interest and repayment of above Working Capital Term Loans are as follows:

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
a)	IDBI Bank Limited	BBR +3.00	28,600.00	23	Quarterly	Jul-16
b)	State Bank of India	BBR +3.30	21,090.00	23	Quarterly	Jul-16
c)	ICICI Bank Limited	IBASE +3.30	7,980.00	23	Quarterly	Jul-16
d)	UCO Bank	SBI Base rate + 4.50	1,170.00	23	Quarterly	Jul-17
	Total		**58,840.00**			

16.4. Term Loans – In Rupees from Others:

16.4.1. The term loan from Department of Bio Technology (DBT) availed for Process Development Unit is secured by way of hypothecation of all equipment, apparatus, machineries, spare tool and other accessories and goods and / or the other movable properties of the Company acquired for the project.

16.4.2. Details of rate of interest and repayment are as under.

Name	Rate of Interest	Balance as on March 31, 2017	Repayment Schedule
Department of Bio Technology	2	332.85	10 Semi annual Instalments commencing from October 31, 2014
Department of Bio Technology	2	32.00	10 Semi annual Instalments commencing from June 30, 2014
Department of Bio Technology	2	78.54	10 Semi annual Instalments commencing from Oct 18, 2018

16.4.3. There were no amounts in default as at March 31, 2017 in respect of the above loans.

16.5. Corporate Loan:

16.5.1 Rupee loan availed from State Bank of India is secured by first charge on chargeable current assets of the Company ranking pari-passu with other banks in the consortium and collateral security on the Company's immoveable properties ranking pari-passu with working capital lenders. This loan is personally guaranteed by Shri K.S.Raju.

16.5.2. Details of rate of interest and repayment are as under.

Sl. No.	Bank / Institution	Rate of Interest %	Balance as on March 31, 2017	Repayment Schedule		
				Number of Instalments	Frequency	Commencing from
a)	State Bank of India	13.95	3,798.61	20	Quarterly	Dec-14

16.5.3. There were no amounts in default as at March 31, 2017 in respect of the above loans.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

16.6. Sales Tax Deferral:

The Govt. of Andhra Pradesh has extended to the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax attributable to the sales effected out of production is deferred (interest-free) for a period of 14 years from March 19, 1998. The deferred sales tax in respect of above outstanding as on March 31, 2017 is ` 6,440.75 Lakhs (Previous Year ` 7,273.44 Lakhs) based on the sales tax returns for which repayments commenced from March 19, 2012. There are no overdue instalments as at the year end (Also Refer Note 41B(a)).

17. Other Financial Liabilities (Non Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Deposits from dealers	7,250.95	7,124.76	5,035.05
Other Deposits - (Retention, EMD etc.)	274.70	259.71	244.25
Total	**7,525.65**	**7,384.47**	**5,279.30**

18. Provisions : **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Provision for employee benefits						
- for Leave Benefit (net of plan assets)	709.56	443.32	374.48	128.69	127.64	297.57
Total	**709.56**	**443.32**	**374.48**	**128.69**	**127.64**	**297.57**

19. Deferred Tax Liabilities (Net):

Deferred Tax Liability as at year end comprises the following: **` in Lakhs**

Particulars	Nature	March 31, 2017	March 31, 2016	April 1, 2015
On account of -				
Depreciation / amortization (Refer Note 41B(c))	Liability	46,583.74	49,794.21	51,767.19
Land (Refer Note 41B(c))	Liability	2,970.77	2,970.77	2,990.91
Employee benefit provision	Asset	290.09	197.60	232.58
Unabsorbed Loss and Depreciation under tax laws	Asset	9,793.71	8,829.12	6,411.20
Disallowances u/s 43B of Income Tax Act	Asset	1,122.09	2,439.30	3,455.17
Amalgamation expenses	Asset	-	-	34.62
Government grant [Refer Note 41B(b)]	Asset	167.02	131.74	98.71
Total	**Net Liability**	**38,181.60**	**41,167.22**	**44,525.82**
Charge / Credit for the year		(2,985.62)	(3,358.60)	

20. Government Grants : **` in Lakhs**

Particulars	Non Current			Current		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Government Grant related to						
- Sales tax deferral [Refer Note 41B(b)]	2,061.99	2,405.66	2,749.33	343.67	343.67	343.67
- Loan from DBT	27.59	-	-	-	-	-
Total	**2,089.58**	**2,405.66**	**2,749.33**	**343.67**	**343.67**	**343.67**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

21. Borrowings (Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Loans repayable on demand			
Secured (Refer Note 21.1)			
From Banks			
In Rupees - Cash Credit	93,872.58	92,674.01	95,579.18
In Rupees - Short Term Loan	-	80.86	2,993.38
In Foreign Currency - Suppliers / Buyers Credit	7,434.18	682.54	1,686.68
Total	**1,01,306.76**	**93,437.41**	**1,00,259.24**

21.1. Working Capital facilities from banks are secured by hypothecation by way of first charge on current assets (stock in trade, book debts and stores and spares), present and future and second charge on the fixed assets of the Company. Working Capital facilities from banks are personally guaranteed by Shri K.S.Raju and personal guarantee of Sri K. Rahul Raju to some of the banks.

22. Trade Payables : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Trade Payables - Other than Acceptances			
(A) Micro, Small, Medium Enterprises (MSMEs)	-	4.36	-
(B) Other than MSMEs	94,744.08	1,65,513.67*	1,01,261.72*
Total	**94,744.08**	**1,65,518.03**	**1,01,261.72**

* Refer Note 41B(g)

22.1. Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A. Principal amount remaining unpaid	-	4.36	-
B. Interest due thereon	Nil	Nil	Nil
C. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil	Nil
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil
E. Interest accrued and remaining unpaid	Nil	Nil	Nil
F. Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

23. Other Financial Liabilities (Current) : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial Liabilities at Fair value through Profit or loss			
Derivative Liability-Foreign exchange forward contracts	611.81	67.15*	34.75*
Financial Liabilities at amortised cost			
Current maturities of long term debt (Refer Note 16)	14,749.58	9,551.91	14,802.24
Interest accrued but not due	251.07	71.33	1,003.97
Interest accrued and due	739.46	730.28	224.05
Unclaimed Dividends (Refer Note 23.1)	653.77	656.84	658.87
Overdue Term Loans	-	1,193.72	2,625.60
Unpaid matured portion of Debentures and Interest accrued there on	-	1,893.67	1,215.20
Other payables			
Deposits	122.89	133.13	195.99
Others	1,074.03	1,414.14	1,583.82
Payable on purchase of fixed assets	179.95	178.06	103.55
Total	**18,382.56**	**15,890.23**	**22,448.04**

* Refer Note 41B(g)

23.1. There are no amounts due for remittance to the Investor Education Protection Fund as at the Balance Sheet date.

24. Other Current Liabilities : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Other payables			
Statutory Payables	933.58	1,000.50	1,704.82
Total	**933.58**	**1,000.50**	**1,704.82**

25. Revenue from Operations : **` in Lakhs**

Particulars	2016-17	2015-16
Sales, including Subsidy on products		
Manufactured goods		
Urea (Refer Note 25.1) #	2,60,815.68	2,55,861.18
Customised Fertilizers	3,209.33	2,464.41
Wind Energy	106.50	480.02
Extruded Irrigation systems	12,664.12	14,070.44
Total - A	**2,76,795.63**	**2,72,876.05**
Traded goods		
Pool Urea $	27,813.87	84,260.97*
Bulk Fertilizers @	9,328.90	-
Specialty Fertilizers	12,500.88	11,771.15
Extruded Irrigation systems	2,706.65	2,516.72
Others	7,293.29	25,099.31
Total - B	**59,643.59**	**1,23,648.15**
Sale of Products		
Total - (A+B)	3,36,439.22	3,96,524.20
Sale of Services	1,865.83	1,027.56
Other Operating revenues (sale of scrap, etc.)	201.57	212.63
Total	**3,38,506.62**	**3,97,764.39**

including Government Subsidy ` 1,77,709.19 Lakhs (Previous Year ` 1,87,890.27 Lakhs) - $ including reimbursements from Government ` 8,038.31 Lakhs (Previous Year ` 30,862.34 Lakhs) - @ including Government Subsidy ` 3,050.11 Lakhs (Previous Year ` Nil) - *Refer Note 41B(d)

25.1. Group Concession Scheme – (GCS) Subsidy

i. Nitrogenous fertilizers (Urea) are under the Group Concession Subsidy Scheme of Government of India (GOI), Department of Fertilizers. GOI has notified New Urea Policy (NUP) -2015 and Gas Pooling Policy applicable to Fertilizer industry effective from June 1, 2015. Concession rates for Plant-1 and Plant-2 for the period April 1, 2016 to March 31, 2017 have been recognized based on notified rates as per respective policies.

Income towards reimbursement claims towards additional fixed cost ` 4,181.10 Lakhs (Previous Year ` 4,181.10 Lakhs), Input de-escalation ` 22,726.43 Lakhs (Previous year ` 11,297.54 Lakhs), and for production beyond reassessed capacity ` 7,026.14 Lakhs(Previous year ` 3,424.41 Lakhs) have been accounted for during the year as per the prices and provisions applicable under NPS III and Modified NPS-III, based on the Management estimates since the same were not notified under NUP 2015.

ii. Government of India/Department of Fertilizers has decided to implement Direct Benefit Transfer (DBT) in Fertilizer Sector. Currently Pilot Project in 16 Districts in the country is under implementation in the current year 2016-17 starting from October 2016. The facility of generation of DBT Claim in Integrated Fertilizer Management System (iFMS) is not fully operational. Pending finalisation and further clarity on DBT policy, subsidy for the period October' 2016 to March'2017 has been recognized in these accounts for the entire quantities received in the pilot districts under DBT scheme.

Adjustments, if any, required will be considered on notification of final prices.

26. Other Income : **` in Lakhs**

Particulars	2016-17	2015-16
Interest on Bank Deposits and others	791.47	811.15
Government grants	345.79	343.67*
Grants in Aid	19.64	-
Other non-operating income (Refer Note 26.1)	2,371.67	2,039.23
Total	**3,528.57**	**3,194.05**

* Refer Note 41B(b)

26.1. Includes recovery of excess remuneration paid to Mr. K S Raju, Chairman and Mr. K Rahul Raju, Managing Director for the period August 1, 2014 to March 16, 2016 amounting to ` 0.52 Lakhs (Previous year ` 8.79 Lakhs) and ` 0.81 Lakhs (Previous year ` 8.14 Lakhs) respectively as directed by the Central Government, while according sanction for their remuneration pursuant to applications made by the Company.

27. Cost of Materials consumed : **` in Lakhs**

Particulars	2016-17	2015-16
Natural Gas	98,904.80	1,01,450.86
Plastic Granules	7,107.41	5,503.90
PVC resin	1,845.39	1,348.17
Others	2,825.94	2,099.78
Packing Material	5,774.32	5,031.59
Total	**1,16,457.86**	**1,15,434.30**

28. Purchase of Stock-in-Trade : **` in Lakhs**

Particulars	2016-17	2015-16
Pool Urea	18,122.79	54,029.60
Bulk Fertilizers	7,821.62	-
Specialty Fertilizers	7,867.84	9,002.83
Packing Material	1,528.56	3,804.65*
Others	10,815.63	24,112.12
Total	**46,156.44**	**90,949.20**

* Refer Note 41B(d)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

29. Changes in inventories of finished goods, stock-in-trade and work in progress : **` in Lakhs**

Particulars	2016-17	2015-16
Inventories at the beginning of the year		
Traded goods	10,205.71	8,768.00
Finished Goods	8,286.89	3,508.72
Work in Process	149.85	357.70
Total - (A)	**18,642.45**	**12,634.42**
Inventories at the end of the year		
Traded goods	7,957.55	10,205.71
Finished Goods	9,256.59	8,286.89
Work in Process	118.56	149.85
Total - (B)	**17,332.70**	**18,642.45**
Total - (A-B)	**1,309.75**	**(6,008.03)**

30. Employee Benefits Expense : **` in Lakhs**

Particulars	2016-17	2015-16
Salaries and Wages	13,394.82	12,837.13*
Contribution to Provident and Other Funds	1,031.09	943.44*
Staff Welfare Expenses	1,027.98	1,022.54
Total	**15,453.89**	**14,803.11**

* Refer Note 41B(e)

31. Finance Cost : **` in Lakhs**

Particulars	2016-17	2015-16
Interest	26,857.07	25,423.86
Other borrowing costs		
LC Charges	1,835.71	2,556.24
Others	3,797.20	4,910.21
Total	**32,489.98**	**32,890.32**

32. Other Expenses : **` in Lakhs**

Particulars	2016-17	2015-16
Catalysts charge	1,243.95	1,261.72
Chemicals and consumables	1,461.65	1,075.96
Conversion Charges	132.85	121.15
Rent	891.44	853.52
Rates and Taxes	517.67	447.24
Electricity and Water	200.62	192.91
Stores and Spares Consumed	902.38	972.35
Repairs and Maintenance		
Buildings	117.80	128.06
Plant and Machinery	842.33	914.59
Others	785.89	743.34
Insurance	470.94	564.69
Printing and Stationery	108.28	101.59
Postage, Telephone and Telex	218.28	230.23
Travelling and Conveyance	1,431.91	1,407.44
Advertisement and Publicity	1,455.63	889.19

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Employee Recruitment and Training	62.46	37.85
Legal, Secretarial and Share Registry	722.84	534.09
Professional and Consultancy	1,469.31	2,527.76
Directors Sitting Fees	17.23	17.23
Loss on Sale of Assets / Assets discarded	52.89	567.35
Investments written off	7.12	
Auditors' remuneration	103.40	111.50
Corporate Social Responsibility Expenditure (Refer Note 32.1)	75.00	73.75
Transport and Handling	33,952.05	49,699.84 *
Distribution	1,439.27	1,097.90
Sales Commission / discounts / rebates	931.51	968.59
Bad Debts / Advances written off	5.55	329.11
Provision for doubtful debts / advances	911.35	149.49
Provision for Damaged stock	-	407.25
Intangible assets written off (Refer Note 4)	45.99	-
Loss on foreign currency transactions	489.67	189.67 ^
Miscellaneous	1,041.95	2,104.74
Total	**52,109.21**	**68,720.10**

* [Refer Note 41B(d)] - ^ [Refer Note 41B(g)]

32.1 Details of Corporate Social Responsibility Expenditures **` in Lakhs**

		March 31, 2017	March 31, 2016
a)	Gross amount required to be spent by the Company during the year	-	-
b)	Amount spent by the Company during the year	75.00	73.75
c)	Amount spent by the company represents contribution to Nagarjuna Foundation, a not-for-profit compnay incorporated under Section 25 of the Companies Act, 1956 (section 8 of the Companies Act, 2013). The foundation undertakes CSR activities in areas of social welfare, health care, public health, education, natural calamities, upliftment of soceity, sports etc.,		

33. Taxes on Income :

(a) Income tax expense: The major components of income tax expenses for the year ended March 31, 2017 and March 31, 2016 are as follows:

` in Lakhs

Particulars	2016-17	2015-16
(i) Profit or loss section		
Current tax expense	-	-
Tax expense relating to earlier years	(628.84)	-
Less: MAT credit entitlement	-	-
Deferred tax	(3,001.69)	(3,379.23)
Total income tax expense recognised in statement of Profit & Loss	**(3,630.53)**	**(3,379.23)**
(ii) OCI Section		
Net (gain) on remeasurement of defined benefit plans	46.44	59.61
Income tax charged to OCI	**(16.07)**	**(20.63)**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:

` in Lakhs

Particulars	March 31, 2017	March 31, 2016
Accounting profit/(loss) before income tax	(15,809.91)	(12,309.36)
At India's statutory income tax rate of 34.608% (March 31, 2016: 34.608%)	(5,471.49)	(4,260.02)
Adjustments in respect of current income tax of previous years	(628.84)	-
Current year losses for which we have not created deferred tax assets	2,041.93	2,160.99
Previous year losses for which created deferred tax assets	-	(1,204.41)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	341.36	420.66
Intangible assets	514.01	-
Deductible expenses for tax purposes:		
Other Deductible expenses	(396.10)	(356.89)
Income tax Expense	**(3,599.14)**	**(3,239.69)**

The Company has unabsorbed losses and depreciation of ` **59,020.62** Lakhs (March 31, 2016: ` 50,616.63 Lakhs, April 1, 2015: ` 41,138.60 Lakhs). Deferred tax assets in respect of unabsorbed depreciation and carried forward losses under the Tax Laws are recognised only if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets. The Company has not created deferred tax assets on unabsorbed business losses of ` 30,721.66 Lakhs (March 31, 2016: ` 25,104.84 Lakhs, April 1, 2015: ` 18,510.15 Lakhs).

` in Lakhs

Particulars	As at 1st April 2015	Provided during the year	As at 31st March 2016	Provided during the year	As at 31st March 2017
Deferred tax liability:					
Related to Fixed Assets (Depreciation/Amortisation)	54,758.10	(1,993.12)	52,764.98	(3,210.47)	49,554.51
Total deferred tax liability (A)	54,758.10	(1,993.12)	52,764.98	(3,210.47)	49,554.51
Deferred tax asets:					
Carry forward Business Loss / Unabsorbed Depreciation	6,411.20	2,417.92	8,829.11	964.59	9,793.71
Employee benefit provisions	232.58	(34.98)	197.60	92.49	290.09
43B Disallowances etc.	3,455.17	(1,015.87)	2,439.30	(1,317.21)	1,122.09
Amalgamation expenses	34.62	(34.62)	-	-	-
Others	98.71	33.03	131.74	35.28	167.02
Total deferred tax assets (B)	10,232.28	1,365.48	11,597.76	(224.85)	11,372.91
Deferred Tax liability (Net) (A-B)	44,525.82	(3,358.60)	41,167.22	(2,985.62)	38,181.60

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

34. Contingent Liabilities and Commitments :

34.1 : Contingent Liabilities not provided for :

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
i) Claims against the Company not acknowledged as debt:			
a) Tax matters in appeal:			
- Income Tax	282.15	36.31	36.31
b) Others (Refer Note 34.1.1)	14,866.98	12,680.62	4,893.41
ii) Other money for which the Company is contingently liable :			
a) Counter guarantees given to Bankers in respect of Bank guarantees	3,647.91	1,882.94	1,606.84
b) Compensation in respect of 33.35 acres (Previous year 33.35 acres) of land in possession - amount not ascertained	-	-	-
	18,797.04	**14,599.87**	**6,536.56**

34.1.1. In relation to some of the contracts for purchase of fertilisers, an international Arbitration Award has been passed against the Company in September 2016 for USD 1,43,98,188 and GBP 690,630 and interest as applicable apart from costs based on a claim filed by one of the Suppliers of Fertilizers to the Company.

The Company is of the view that the Award has been obtained based on documents tampered with and mis-representations of facts by said supplier. The Company is contesting the enforcement of the Award in the Courts in India and has also filed a Criminal Complaint before the Metropolitan Magistrate of Hyderabad against the supplier and its officials.

According the said claim has been disclosed as a contingent liability at March 31, 2017 in these Financial Statements.

34.2. Commitments: **` in Lakhs**

	March 31, 2017	March 31, 2016	April 1, 2015
34.2.1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	513.64	356.17	905.50

34.2.2. In terms of the Composite Scheme of Arrangement and Amalgamation approved by Jurisdictional Courts, the Company has Commitment towards contribution to Nagarjuna Oil Refinery Limited (NORL) a sum of ` 100.00 Lakhs per year or such amount as may be required from time to time for a period of five years or until such time that NORL is able to manage its financial affairs.

35. Related party transactions: (Disclosures as required by Ind AS 24 - Related Party Disclosures)

35.1. List of related parties and their relationships

Subsidiaries

(i) Jaiprakash Engineering and Steel Company Limited

(ii) Nagarjuna Industrial Services and Investments Private Limited (NISIPL)

Associates

(i) Nagarjuna Agricultural Research and Development Institute

(ii) KVK Raju International Leadership Academy

Key Management Personnel

(i) Mr. K.S.Raju, Chairman

(ii) Mr. K.Rahul Raju, Managing Director

(iii) Mr. Chandra Pal Singh Yadav, Nominee director of KRIBHCO

(iv) Mr. M P Radhakrishnan, Nominee director of State Bank of India

(v) Dr. N C B Nath

(vi) Mr. S R Ramakrishnan

(vii) Mr. Anil Kumar P R, Nominee director of ICICI Bank Limited

(viii) Mr. Shailendra Govind Nadkarni, Nominee director of IDBI Bank Limited

(ix) Mr. O. Ramesh Babu, Nominee director of IFCI Limited

(x) Ms. Lalitha Raghuram

(xi) Mr. C B Mouli

(xii) Mr. Uday Kumar Jha

Close members of the family of Key Management Personnel.

(i) Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)

(ii) Smt. K Lakshmi Raju (Sister of Shri K S Raju)

Enterprises able to exercise significant influence over this entity

(i) Amlika Mercantile Private Limited

Enterprises significantly influenced by Key Management personnel or close members of their family

(i) Nagarjuna Agrichem Limited

(ii) Nagarjuna Oil Refinery Limited

(iii) Nagarjuna Impex Private Limited

(iv) Nagarjuna Foundation

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

35.2 Related party transactions during the year ended March 31, 2017 are as under: **` in Lakhs**

Nature of Transaction	Subsidiaries	Key Management Personnel	Close members of family of key Management Personnel	Enterprises significantly influenced by Key Management personnel or close members of their family
Advances given				
Nagarjuna Industrial Services and Investments Pvt. Ltd.	(4.36) (37.55)	- -	- -	- -
Nagarjuna Oil Refinery Limited	- -	- -	- -	366.00 (239.60)
Purchase of Patents				
Nagarjuna Industrial Services and Investments Pvt.Ltd.	49.44 -	- -	- -	- -
Recovery of Remuneration				
Shri K S Raju	- -	0.52 (8.79)	- -	- -
Shri K Rahul Raju	- -	0.81 (8.14)	- -	- -
Rent paid				
Shri K Rahul Raju	- -	624.00 (589.11)	- -	- -
Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)	- -	- -	34.47 (30.07)	- -
Nagarjuna Impex Private Limited	- -	- -	- -	24.13 (20.53)
Nagarjuna Agrichem Limited	- -	- -	- -	6.00 (6.00)
Corporate Social responsibility contributions				
Nagarjuna Foundation	- -	- -	- -	75.00 (73.75)

Note: Figures in brackets represent previous year transactions.

35.3 Balancs outstanding at the year end March 31, 2017 **` in Lakhs**

Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Close members of family of key Management Personnel	Enterprises significantly influenced by Key Management personnel or close members of their family
Loans and Advances					
Nagarjuna Industrial Services and Investments Private Limited					
- 31.3.2017	11.53	-	-	-	-
- 31.3.2016	15.89	-	-	-	-
- 1.4.2015	12.40	-	-	-	-
Nagarjuna Oil Refinery Limited					
- 31.3.2017	-	-	-	-	1,484.80
- 31.3.2016	-	-	-	-	1,118.80
- 1.4.2015	-	-	-	-	879.2

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Investments					
Nagarjuna Agricultural Research and Development Institute					
- 31.3.2017	-	2.50	-	-	-
- 31.3.2016	-	2.50	-	-	-
- 1.4.2015	-	2.50	-	-	-
KVK Raju International Leadership Academy					
- 31.3.2017	-	15.00	-	-	-
- 31.3.2016	-	15.00	-	-	-
- 1.4.2015	-	15.00	-	-	-
Provision for diminution in the value of investment					
- 31.3.2017	-	17.50	-	-	-
- 31.3.2016	-	17.50	-	-	-
- 1.4.2015	-	17.50			
Rental and other deposits with					
Smt. K Lakshmi Raju (Sister of Shri K S Raju)					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	-	-	-	0.75	-
- 1.4.2015	-	-	-	0.75	-
Nagarjuna Agrichem Limited					
- 31.3.2017	-	-	-	-	0.40
- 31.3.2016					0.40
- 1.4.2015	-	-	-	-	0.40
Smt. K Lakshmi Raju (Daughter of Shri K S Raju and Sister of Shri K Rahul Raju)					
- 31.3.2017	-	-	-	85.00	-
- 31.3.2016	-	-	-	85.00	-
- 1.4.2015	-	-	-	85.00	-
Nagarjuna Impex Private Limited					
- 31.3.2017	-	-	-	-	5.00
- 31.3.2016	-	-	-	-	5.00
- 1.4.2015	-	-	-	-	5.00
Shri.K Rahul Raju					
- 31.3.2017	-	-	246.26	-	-
- 31.3.2016	-	-	246.26	-	-
- 1.4.2015	-	-	-	-	-
Rental deposits from					
Nagarjuna Agrichem Limited					
- 31.3.2017	-	-	-	-	-
- 31.3.2016	-	-	-	-	0.21
- 1.4.2015	-	-	-	-	0.21
Trade Payables					
Shri.K Rahul Raju					
- 31.3.2017	-	-	133.02	-	-
- 31.3.2016	-	-	108.07	-	-
- 1.4.2015	-	-	116.38	-	-
Nagarjuna Impex Private Limited					
- 31.3.2017	-	-	-	-	1.84
- 31.3.2016	-	-	-	-	1.57
- 1.4.2015	-	-	-	-	1.53
Other Current Liabilities					
Shri K S Raju					
- 31.3.2017	-	-	3.90	-	-
- 31.3.2016	-	-	3.67	-	-
- 1.4.2015	-	-	6.82	-	-
Shri K Rahul Raju					
- 31.3.2017	-	-	3.19	-	-
- 31.3.2016	-	-	4.39	-	-
- 1.4.2015	-	-	11.64	-	-

Note: Figures in brackets represent previous year transactions.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil, April 1, 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

` in Lakhs

Compensation of key management personnel of the Company		March 31, 2017	March 31, 2016
(a)	short-term employee benefits;	116.28	122.15
(b)	post-employment benefits;	19.09	19.09
(c)	Sitting fees to Non-Executive Directors;	15.00	15.00
Total compensation paid to key management personnel		150.37	156.24

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

36. Segment Reporting

The financial results comprise the combined operations of the Company relating to the Fertilizer, Micro Irrigation, Agri Services and Wind Energy generation businesses. The financial results of Micro Irrigation, Wind Energy and Agri Services being below the reportable thresholds, and since they do not have similar economic characteristics and do not they share any of the aggregation criteria, are neither disclosed as separate segments nor combined as "all other segments" for the purpose of disclosures under Ind AS 108 - Operating Segments.

Entity wide disclosure

Geographical Information :

` in Lakhs

Particulars	Revenue from external customers		Non-Current Assets*		
	Year Ended March 31, 2017	Year Ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
India	3,37,766.35	3,96,808.38	2,66,633.93	2,79,701.39	2,87,168.90
Outside India	740.27	-	956.01	-	-
	3,38,506.62	**3,97,764.39**	**2,66,633.93**	**2,79,701.39**	**2,87,168.90**

* Non-current assets excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Information about revenue from major customers which is included in revenue

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Subsidy claims on Government of India pursuant to its Fertilizer subsidy policies	1,88,797.61	2,18,752.61
	1,88,797.61	**2,18,752.61**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

37. Fair Value

Category-wise classification of Financial Instruments

` in Lakhs

Particulars	Refer Note	Non Current			Current		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets measured at amortised cost							
Security deposits	6	933.17	750.71	652.50	3,302.07	186.27	121.22
Security Deposit with KIADB	6	54.38	54.38	54.38	-	-	-
Deposit with KIADB - Land	6	1,759.47	1,759.47	1,759.49	-	-	-
Loans and advances to related parties	6	1,484.80	1,118.80	879.21	11.53	15.89	12.40
Loans to employees	6	-	-	-	3.41	3.41	3.41
Non current margin money deposit	7	33.22	33.69	28.47	-	-	-
Bank deposits with more than 12 months maturity	7	15.87	16.49	15.22	-	-	-
Interest accrued on deposit and advances	7	-	-	-	600.33	507.11	248.55
Unbilled revenue	7	-	-	-	120.42	5.59	3.34
Claims receivable	7	-	-	-	5.11	15.78	4.41
Trade receivables	11	-	-	-	119,232.27	198,999.44	107,036.97
Cash and cash equivalents	12	-	-	-	5,689.03	2,821.94	2,903.95
Other Bank balances	13	-	-	-	5,742.45	6,585.26	4,890.51
Financial liabilities measured at fair value through profit or loss							
Foreign exchange forward contract	23	-	-	-	611.81	67.15	34.75
Financial liabilities measured at amortised cost							
Non Convertible Debentures of ` 100/- each	16	-	-	-	-	-	3,924.19
Non Convertible Debentures of ` 1/- each	16	-	3,081.30	6,162.61	3,031.30	3,081.30	3,081.30
Term loans from banks	16	49,085.00	60,476.06	4,042.20	9,755.00	4,677.92	5,811.05
Term loans from others	16	283.39	392.00	552.00	160.00	160.00	1,194.99
Corporate loan from banks	16	2,698.61	3,599.07	4,400.01	1,100.00	800.00	400.00
Deferred Payment Liabilities	16	3,813.97	4,072.09	4,465.67	703.28	832.69	390.71
Deposits from dealers	17	7,250.95	7,124.76	5,035.05	-	-	-
Other Deposits-(Retention, EMD etc.)	17	274.70	259.71	244.25	-	-	-
Loans repayable on demand-cash credit	21	-	-	-	93,872.58	92,674.01	95,579.18
Loans repayable on demand - short term loan	21	-	-	-	-	80.86	2,993.38
Loans repayable on demand - suppliers/buyers credit	21	-	-	-	7,434.18	682.54	1,686.68
Trade payables	22	-	-	-	94,744.08	165,518.03	101,261.72
Interest accrued but not due	23	-	-	-	251.07	71.33	1,003.97
Interest accrued and due	23	-	-	-	739.46	730.28	224.05
Unclaimed dividends	23	-	-	-	653.77	656.84	658.87
Overdue term loans	23	-	-	-	-	1,193.72	2,625.60
Unpaid matured portion of Debentures and Interest accrued there on	23	-	-	-	-	1,893.67	1,215.20
Payables towards deposits	23	-	-	-	122.89	133.13	195.99
Payables towards others	23	-	-	-	1,074.03	1,414.14	1,583.82
Payables towards purchase of fixed assets	23	-	-	-	179.95	178.06	103.55

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables and short term loans approximate their carrying amounts largely due to the short-term maturities of these instruments.

The foreign exchange forward contracts approximate their carrying amounts largely due to the mark to market of these instruments as provided by the banks.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

38. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities : **` in Lakhs**

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value through profit or loss (Refer Note 37)					
Foreign exchange forward contracts	31-Mar-17	611.81	-	611.81	-
Foreign exchange forward contracts	31-Mar-16	67.15	-	67.15	-
Foreign exchange forward contracts	1-Apr-15	34.75	-	34.75	-

The fair values of the foreign exchange forward contracts have been determined based on the valuation report obtained from the bank. Significant observable inputs used in the valuation report are quoted forward exchange rates.

39. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also entered into foreign exchange forward contracts, which are classified as derivatives in accordance with Ind AS and are not material given their size.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company's senior management oversees the management of these risks. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company based on the policies agreed by the Company's senior management. The same are summarised below:

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk except trade receivables where more than 50% is due from Government of India. The same are realisable in due course, based on historical experience and the fact that they are due under a major policy initiative of the Government.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, if any.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Even though loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in Statement of Profit and Loss.

Exposure to credit risk **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non current loans	4,231.82	3,683.36	3,345.58
Other non current financial assets	49.09	50.18	43.69
Current loans	3,317.01	205.57	137.03
Other current financial assets	725.86	528.48	256.30
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	1,21,087.03	1,99,963.12	1,07,851.16

Trade receivables:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients based on ageing.

The ageing analysis of trade receivables as of the reporting date is as follows: **` in Lakhs**

Particulars	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of March 31, 2017	73,224.69	6,055.10	2,860.59	3,331.73	35,614.92	1,21,087.03
Trade receivables as of March 31, 2016	1,54,642.27	5,064.87	4,459.60	3,214.99	32,581.39	1,99,963.12
Trade receivables as of April 1, 2015	68,960.63	8,834.27	889.48	1,406.38	27,760.41	1,07,851.16

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables : **` in Lakhs**

Particulars	March 31, 2017	March 31, 2016
Start of the year	963.68	814.19
Provision for Impairment	891.08	149.49
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**1,854.76**	**963.68**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Year ended March 31, 2017 **` in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	11,015.00	51,653.61	413.39	63,082.00
Non-convertible debentures	3,031.30	-	-	3,031.30
Interest-free sales tax deferral from State Govt	703.28	2,382.99	3,354.48	6,440.75
Deposits payable	-	7,525.65	-	7,525.65
Working capital demand loan from bank	93,872.58	-	-	93,872.58
Trade payables	94,744.08			94,744.08
Other financial liabilities	3,632.98	-	-	3,632.98

Year ended March 31, 2016 **` in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	6,831.64	55,247.13	9,220.00	71,298.77
Non-convertible debentures	4,787.73	3,081.30	-	7,869.03
Interest-free sales tax deferral from State Govt.	832.69	2,570.95	3,869.80	7,273.44
Deposits payable	-	7,384.47	-	7,384.47
Working capital demand loan from bank	92,674.01	-	-	92,674.01
Trade payables	1,65,518.03	-	-	1,65,518.03
Other financial liabilities	3,250.93	-	-	3,250.93

Year ended April 1, 2015 **` in Lakhs**

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
Borrowings from Banks / Financial institutions	7,406.04	-	11,619.81	19,025.85
Non-convertible debentures	3,081.30	6,162.61	-	9,243.91
Interest-free sales tax deferral from State Govt.	390.71	2,878.54	4,394.90	7,664.15
Deposits payable	-	5,279.30	-	5,279.30
Working capital demand loan from bank	95,579.18	-	-	95,579.18
Trade payables	1,01,261.72	-	-	1,01,261.72
Other financial liabilities	3,805.00	-	-	3,805.00

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. As at March 31, 2017, there is no such excessive risk concentration.

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company uses a mix of interest rate sensitive loan facilities from the lenders to manage the liquidity and fund requirement for its day to day operations like working capital, short term loans and suppliers / buyers credit etc.,

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings with floating rate of interest affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/Decrease in basis points	Effect on Profit before tax
31-Mar-17		
INR	+50	(236.20)
US dollar	+25	(12.31)
INR	-50	236.20
US dollar	-25	12.31
31-Mar-16		
INR	+50	(328.37)
US dollar	+25	(2.11)
INR	-50	328.37
US dollar	-25	2.11

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings in foreign currency.

Particulars	USD	Euro	GBP	JPY	KES	SGD
Foreign currency exposure as at March 31, 2017						
Trade receivables	126.77	-	-	-	-	-
Loans and other receivables	4.60	330.07	-	-	-	-
Trade payables	(3,450.09)	(162.93)	-	-	-	-
Borrowings	(7,434.18)	-	-	-	-	-
Foreign exchange forward contracts	(10,620.22)	-	-	-	-	-
Foreign currency exposure as at March 31, 2016						
Trade receivables	458.98	-	-	-	-	-
Loans and other receivables	-	3,224.55	-	-	-	-
Trade payables	(2,702.47)	(176.68)	(25.01)	(1.46)	-	-
Borrowings	-	(682.54)	-	-	-	-
Foreign exchange forward contracts	(2,874.41)	-	-	-	-	-
Foreign currency exposure as at April 1, 2015						
Trade receivables	163.96	-	-	-	-	-
Loans and other receivables	0.28	3,145.98	-	-	-	-
Bank balaces in current accounts	1.26	-	-	-	0.47	5.24
Trade payables	-	-	-	-	-	-
Borrowings	(1,686.68)	-	-	-	-	-
Foreign exchange forward contracts	(3,719.22)	-	-	-	-	-

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

` in Lakhs

Currency	2016-17		2015-16		2014-15	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	(1,047.90)	1,047.90	(281.64)	281.64	(261.35)	261.35
Euro	8.36	(8.36)	7.90	(7.90)	14.68	(14.68)
GBP	-	-	(1.25)	1.25	-	-
CHF	-	-	-	-	-	-
KES	-	-	-	-	0.02	(0.02)
SGD	-	-	-	-	0.26	(0.26)
JPY	-	-	(0.07)	0.07	-	-
Increase/(decrease) in profit or loss	**(1,039.55)**	**1,039.55**	**(275.06)**	**275.06**	**(246.39)**	**246.39**

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short term deposits.

` in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Interest bearing loans and borrowings (Note 16)	1,67,420.06	1,69,705.06	1,29,827.59
Less: Cash and short term deposits (Note 12 & 13)	11,426.11	8,583.20	7,400.66
Net debts	**1,55,993.95**	**1,61,121.86**	**1,22,426.93**
Equity share capital (Note 14)	5,980.65	5,980.65	5,980.65
Other Equity (Note 15)	1,03,256.64	1,15,402.45	1,24,228.17
Total Capital	**1,09,237.29**	**1,21,383.10**	**1,30,208.82**
Capital and net debt	**2,65,231.24**	**2,82,504.95**	**2,52,635.74**
Gearing ratio (%)	**58.81%**	**57.03%**	**48.46%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital between the years ended March 31, 2017 and March 31, 2016.

41. A. First time adoption of Ind AS

With effect from April 1, 2016, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance

with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions applied:

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions:

(a) Business combinations :

The jurisdictional High Courts of Bombay and Andhra Pradesh had approved the Composite Scheme of Arrangement and Amalgamation between the Company, erstwhile Nagarjuna Fertilizers and Chemicals Limited and Nagarjuna Oil Refinery Limited and Ikisan Limited and their respective shareholders and creditors ('the Scheme') as per the provisions of Sections 391 – 394 and other relevant provisions of the Companies Act, 1956 on June 17, 2011 and June 27, 2011 respectively. The Scheme was made effective on July 30, 2011 but operative from Appointed Date, i.e. April 1, 2011.

The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e. April 1, 2015 and the Company has not applied Ind AS 103 Business Combinations for the Scheme of Arrangement and Amalgamation stated above, which are considered businesses for Ind AS, that occurred before April 1, 2015.

(b) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible)

The carrying amounts of Property, Plant and Equipment and intangibles in accordance with Previous GAAP are considered as their deemed cost at the date of opening Balance Sheet i.e. April 1, 2015.

(c) Arrangements containing a lease:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

(d) Long Term Foreign Currency Monetary Items:

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (i.e. capitalising with the cost of the asset) recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 2016-17 as per the previous GAAP.

Ind AS mandatory exceptions:

(a) Estimates:

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

(b) Derecognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(c) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that assessing whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, hence the Company has recognised an estimated loss allowance at an amount equal to lifetime expected credit losses at each reporting date herein until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

(d) Classification and measurement of financial assets :

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind-AS.

41.B. Reconciliation with previous GAAP

A.1 Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at April 01, 2015:

` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	**ASSETS**				
	1. Non-current assets				
	(a) Property, plant and equipment		2,83,236.10	-	2,83,236.10
	(b) Capital work-in-progress		307.47	-	307.47
	(c) Other Intangible assets		3,348.72	-	3,348.72
	(d) Financial assets				
	(i) Investments		-	-	-
	(ii) Loans		3,345.58	-	3,345.58
	(iii) Other Financial Assets		43.69	-	43.69
	(e) Other Non-Current Assets		276.61	-	276.61
	Total non-current assets		2,90,558.17	-	2,90,558.17
	2. Current assets				
	(a) Inventories		16,480.42	-	16,480.42
	(b) Financial assets				
	(i) Trade receivables		1,07,036.97	-	1,07,036.97
	(ii) Cash and cash equivalents		2,903.95	-	2,903.95
	(iii) Bank balances other than (ii) above		4,890.51	-	4,890.51
	(iv) Loans		137.03	-	137.03
	(v) Other Financial Assets		256.30	-	256.30
	(c) Current tax assets (Net)		340.52	-	340.52
	(d) Other current assets		6,471.44	-	6,471.44
	Total current assets		1,38,517.14	-	1,38,517.14
	Total Assets		**4,29,075.31**	**-**	**4,29,075.31**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		5,980.65	-	5,980.65
	(b) Other Equity	**Note (h)**	1,64,185.01	(39,956.84)	1,24,228.17
	Total Equity		1,70,165.66	(39,956.84)	1,30,208.82
	Liabilities				
	1. Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	**Note (a)**	18,885.21	737.28	19,622.49
	(ii) Other financial liabilities		5,279.30	-	5,279.30
	(b) Provisions		374.48	-	374.48
	(c) Deferred tax liabilities (Net)	**Note (c)**	8,446.27	36,079.55	44,525.82
	(d) Government grants	**Note (b)**	-	2,749.33	2,749.33
	Total non-current liabilities		32,985.26	39,566.16	72,551.42
	2. Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		1,00,259.24	-	1,00,259.24
	(ii) Trade Payables		1,01,249.65	12.08	1,01,261.73
	(iii) Other financial liabilities		22,413.11	34.93	22,448.04
	(b) Other current liabilities		1,704.82	-	1,704.82
	(c) Government grant	**Note (b)**	-	343.67	343.67
	(d) Provisions		297.57	-	297.57
	Total current liabilities		2,25,924.39	390.68	2,26,315.07
	Total liabilities		2,58,909.65	39,956.84	2,98,866.49
	Total Equity and Liabilities		**4,29,075.31**	**-**	**4,29,075.31**

***** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

A.2 Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at March 31, 2016:

` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	**ASSETS**				
	1. Non-current assets				
	(a) Property, plant and equipment		2,75,744.40	-	2,75,744.40
	(b) Capital work-in-progress		708.61	-	708.61
	(c) Other Intangible assets		2,500.93	-	2,500.93
	(d) Financial assets				
	(i) Investments		-	-	-
	(ii) Loans		3,683.36	-	3,683.36
	(iii) Other Financial Assets		50.18	-	50.18
	(e) Other Non-Current Assets		747.45	-	747.45
	Total non-current assets		2,83,434.93	-	2,83,434.93
	2. Current assets				
	(a) Inventories		22,815.72	-	22,815.72
	(b) Financial assets				
	(i) Trade receivables		1,98,999.44	-	1,98,999.44
	(ii) Cash and cash equivalents		2,821.94	-	2,821.94
	(iii) Bank balances other than (ii) above		6,585.26	-	6,585.26
	(iv) Loans		205.57	-	205.57
	(v) Other Financial Assets		528.48	-	528.48
	(c) Current tax assets (Net)		459.96	-	459.96
	(d) Other current assets		4,870.47	-	4,870.47
	Total current assets		2,37,286.84	-	2,37,286.84
	Total Assets		**5,20,721.77**	**-**	**5,20,721.77**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital		5,980.65	-	5,980.65
	(b) Other Equity	**Note (h)**	1,53,192.84	(37,790.40)	1,15,402.44
	Total Equity		1,59,173.49	(37,790.40)	1,21,383.09
	Liabilities				
	1. Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	**Note (a)**	70,934.96	685.56	71,620.52
	(ii) Other financial liabilities		7,384.47	-	7,384.47
	(b) Provisions		443.32	-	443.32
	(c) Deferred tax liabilities (Net)	**Note (c)**	6,838.54	34,328.68	41,167.22
	(d) Government grants	**Note (b)**	-	2,405.66	2,405.66
	Total non-current liabilities		85,601.29	37,419.90	1,23,021.19
	2. Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		93,437.41	-	93,437.41
	(ii) Trade Payables		1,65,558.35	(40.31)	1,65,518.04
	(iii) Other financial liabilities		15,823.09	67.14	15,890.23
	(b) Other current liabilities		1,000.50	-	1,000.50
	(c) Government grant	**Note (b)**	-	343.67	343.67
	(d) Provisions		127.64	-	127.64
	Total current liabilities		2,75,946.99	370.50	2,76,317.49
	Total liabilities		3,61,548.28	37,790.40	3,99,338.68
	Total Equity and Liabilities		**5,20,721.77**	**-**	**5,20,721.77**

***** The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

B.1 Reconciliation of Statement of Profit and Loss as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended March 31, 2016:

` in Lakhs

	Particulars	Notes	Reclass Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	**REVENUE**				
	Revenue from operations	**Note (d)**	3,66,902.05	30,862.34	3,97,764.39
	Other income	**Note (b)**	2,850.38	343.67	3,194.05
	Total Revenue (I)		**3,69,752.43**	**31,206.01**	**4,00,958.44**
II	**EXPENSES**				
	Cost of materials consumed		1,15,434.30	-	1,15,434.30
	Purchase of stock in trade	**Note (d)**	87,364.19	3,585.01	90,949.20
	(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		(6,008.03)	-	(6,008.03)
	Power and fuel		86,400.40	-	86,400.40
	Employee benefits expenses	**Note (e)**	14,743.49	59.62	14,803.11
	Finance costs	**Note (b)**	32,942.03	(51.71)	32,890.32
	Depreciation and amortization expenses		9,298.73	-	9,298.73
	Excise duty		779.67	-	779.67
	Other expenses	**Note (d) & Note (f)**	41,463.17	27,256.93	68,720.10
	Total expenses (II)		**3,82,417.95**	**30,849.85**	**4,13,267.80**
III	**Profit before exceptional items and tax from continuing operations (I-II)**		**(12,665.52)**	**356.16**	**(12,309.36)**
IV	Exceptional Items	**Note (f)**	-	-	-
V	**Profit/(loss) before tax from continuing operations (III-IV)**		**(12,665.52)**	**356.16**	**(12,309.36)**
VI	Tax expense:				
	(1) Current Tax		0.15	-	0.15
	(2) Deferred Tax	**Note (c)**	(1,607.73)	(1,771.49)	(3,379.22)
VII	**Profit (Loss) for the Year from continuing operations (V-VI)**		**(11,057.94)**	**2,127.65**	**(8,930.29)**
VIII	**Other Comprehensive Income**				
	A. Items that will be reclassified to profit or loss				
	Other (specify nature)		-	-	-
	Income tax effect		-	-	-
	B. Items that will not be reclassified to profit or loss				
	Re-measurement gains (losses) on defined benefit plans		-	59.61	59.61
	Income tax effect		-	(20.63)	(20.63)
	Total Other Comprehensive Income for the Year (net of tax)		-	38.98	38.98
IX	**Total Comprehensive Income for the Year (VII + VIII)**		**(11,057.94)**	**2,166.63**	**(8,891.31)**
	Profit for the year attributable to:				
	- Owners of the company		(11,057.93)	2,127.65	(8,930.28)
	- Non-controlling interest		(0.01)	-	(0.01)
	Other comprehensive income for the year attributable to:				
	- Owners of the company		-	38.98	38.98
	- Non-controlling interest		-	-	-
	Total comprehensive income for the year attributable to:				
	- Owners of the company		(11,057.93)	2,166.63	(8,891.30)
	- Non-controlling interest		(0.01)	-	(0.01)

***** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation

a) Sales tax deferment

Under Indian GAAP, the Company has accounted the sales tax deferment (long term borrowing and current maturities of long term borrowing) at the transaction value i.e. the amount deferred. Under Ind AS 20, the Company has fair valued the sales tax deferment as on the date of transition and subsequently the same has been measured at amortised cost. The difference between the fair value and carrying amount as on the date of transition has been recognised in retained earning.

b) Government grants

Under Indian GAAP, governments grants in the nature of sales tax deferral loan has been present valued and credited to capital reserve pursuant to Composite Scheme of Arrangement and Amalgamation (Scheme) approved by Hon'ble High Courts of Andhra Pradesh and Mumbai effective April 1, 2011.

Under Ind AS 20, the grant is set up as deferred income and is recognised in profit or loss on a systematic basis over the term of sales tax deferral loan.

As on the date of transition, the Company has transferred the amount standing in capital reserve (on account of grants in the form of sales tax deferral) to deferred government liability (Current and non current). Subsequently, the amount will be transferred from the deferred government liability to "Statement of profit and loss" over the term of sales tax deferral. Deferred tax asset has been created on the date of transition on the difference between the book and tax bases.

c) Deferred tax liability

Under Indian GAAP, deferred tax assets/liabilities are recognised on differences between taxable profits and accounting profits.

Under Ind AS 12, the tax base and book base of assets and liabilities is identified and deferred tax assets/liabilities is recognised on the differences in tax base and book base.

As on the date of transition, the Company has recognised deferred tax liability on the difference between fair values (done pursuant to Composite Scheme of Arrangement and Amalgamation (Scheme) approved by Hon'ble High Courts of Andhra Pradesh and Mumbai effective April 1, 2011) and WDV as per tax base for the depreciable assets. In respect of land, deferred tax liability relating to probable capital gains tax has been considered only on lands on which there is no manufacturing facility.

As on the date of transition, the consequential deferred tax on the above has been charged to Capital reserve.

d) Revenue, Purchase of Traded goods, Other expenses

Under Indian GAAP, reimbursements received towards sale of pool urea have been reduced from respective costs i.e. "Transport and Handling" and "Purchases of stock in trade". Under Ind AS, because the inventory risk and credit risk is borne by the Company, the reimbursements have been considered to be part of Revenue and disclosed under "Sale of Traded Goods".

e) Remeasure of actuarial gains/(losses):

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by ` 59.61 Lakhs and remeasurement gain on defined benefit plans has been recognized in the OCI.

f) Extraordinary Items

Indian GAAP recognises an item as extraordinary in certain circumstances. However, Ind AS does not recognise any such items as extraordinary. The same has been regrouped to "Other expense" in the statement of profit and loss.

g) Derivative financial instruments

Under the previous GAAP, the Company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for Forward contracts entered for hedging foreign exchange risk. At the inception of the forward contract, the forward premium was separated and amortised as expense over the tenure of the forward contarct. The underlying borrowing and the forward contract were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in Statement of Profit and Loss.

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

h) Reconciliation of equity as previously reported under Previous GAAP to Ind AS: **` in Lakhs**

Particulars	As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP	1,59,170.66	1,70,162.82
Adjustments:		
Sales tax deferment fair value difference recorded	(685.56)	(737.28)
Recognition of deferred government grants	(2,749.33)	(3,093.00)
Adjustment on account of mark to market of derivatives	(26.81)	(47.00)
Deferred tax on "revaluation of land and depreciable fixed assets carried under previous GAAP " and Ind AS adjustments	(34,328.69)	(36,079.56)
	(37,790.39)	(39,956.84)
Equity under Ind AS as on March 31, 2016 (excluding Non controlling interest)	**1,21,380.27**	**1,30,205.98**
Non controlling interest	2.83	2.84
Equity reported under Ind AS as on March 31, 2016	**1,21,383.10**	**1,30,208.82**

i) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016 **` in Lakhs**

Particulars	For the Year ended March 31, 2016
Net Profit / (Loss) under Previous GAAP (After Tax)	**(11,057.94)**
Government grant - Reclassification of Deferred Sales Tax Loan	343.67
Interest on Sales Tax deferral	51.71
Actuarial (gain) / loss on employee benefit plans	(59.61)
Exchange (gain)/ loss on foreign currency exposure	20.39
Deferred tax adjustments	1,771.49
Net Profit / (Loss) under Ind AS (After Tax)	**(8,930.29)**
Other Comprehensive Income	**38.98**
Total Comprehensive Income under Ind AS	**(8,891.31)**

42. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013:

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of total Consolidated Net assets	` in Lakhs	As % of total Consolidated Profit or loss	` in Lakhs	As % of total Consolidated other comprehensive income	` in Lakhs	As % of total Consolidated total comprehensive income	` in Lakhs
Parent								
Nagarjuna Fertilizers and Chemicals Limited	98.36%	1,07,441.80	99.99%	(12,177.71)	100.00%	30.37	99.99%	(12,147.34)
Subsidiaries								
a) Indian								
Jaiprakash Engineering and Steel Company Ltd.	1.64%	1,792.66	0.01%	(1.65)	0.00%	-	0.01%	(1.65)
Non-controlling interests in all subsidiaries								
a) Indian								
Jaiprakash Engineering and Steel Company Ltd.	0.00%	2.83	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
	100.00%	**1,09,237.29**	**100.00%**	**(12,179.36)**	**100.00%**	**30.37**	**100.00%**	**(12,148.99)**

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

43. In respect of Jaiprakash Engineering and Steel Company Ltd (JESCO), the project envisaged has not materialised. Karnataka Industrial Area Development Board (KIADB) had given possession of 986.52 acres of land (lease hold and free hold) for the project against deposit of ` 3,053.65 Lakhs in earlier years. JESCO approached KIADB for surrender of land allotted and refund of amount paid. KIADB agreed to refund the deposit with a condition that as and when KIADB receives request from potential investors, JESCO's lands will be offered and upon acceptance by the potential investors, such sale proceeds will be paid to JESCO in refund of its deposit. As at the year end, JESCO is in possession of 548.70 acres of land, the realisable value of which, in the opinion of JESCO's management is adequate to recover the deposit outstanding as at March 31, 2016.

JESCO also applied for approval to implement two projects i.e. Fertilizers and Chemicals Complex and Integrated Township to Karnataka Government for the balance land held. The Government of Karnataka has approved the projects vide Government Order (GO) No. CI 175 SPI 2011, Bangalore dated August 18, 2011, May 07, 2012 and GO No. CI 176 SPI 2011 dated August 18, 2011.

Government of Karnataka has passed order No. CI 175 SPI 2011 dated November 11, 2013 cancelling the Land Allotment made stating that JESCO has not implemented the approved projects and also advised KIADB to resume the balance land. JESCO has filed a writ petition in the Hon'ble High Court of Karnataka challenging the above cited GO and the Hon'ble High Court of Karnataka has prohibited the Government of Karnataka from dispossessing the land in possession of JESCO.

In view of the above, it is considered prudent to provide for diminution in the carrying amount of this investment to the extent of ` 460.00 Lakhs, based on the net worth of JESCO as at March 31, 2016.

44. Earnings per Share:

` in Lakhs

Particulars	Unit of Measurement	2016-17	2015-16
Net (Loss) after tax	(` in Lakhs)	(12,179.36)	(11,401.36)
Number of Equity shares (fully paid up)	(Numbers)	59,80,65,003	59,80,65,003
Earnings per share – Basic & Diluted (Face value of ` 1/- per share)	[1] / [2]	(2.04)	(1.91)

Note : The Company has no dilutive instruments as at March 31, 2017, as such dilutive earnings per share equals to Basic Earnings per share.

45. The Company has written off the investment in / advances given to its subsidiary in Mauritius, Nagarjuna Industrial Services and Investments Private Limited (NISIPL), consequent to NISIPL's liquidation, after adjusting the provision for diminution in investments / provision for doubtful advances made in the earlier years.

46. Balances in the accounts of various parties appearing in these statements are subject to confirmations and reconciliations.

47. The figures for the previous year have been restated / regrouped, wherever necessary, to make them comparable.

Signatories to Notes

For and on behalf of the Board

Anil Kumar PR
Chandra Pal Singh Yadav
C B Mouli
Lalitha Raghram
NCB Nath
Syed Shahbuddin
Shailendra Govind Nadkarni
Uday Shankar Jha
Directors

K S Raju
Chairman

K Rahul Raju
Managing Director

Sudhir Bhansali
Chief Financial Officer

M. Ramakanth
Company Secretary

Hyderabad
May 26, 2017

SHAREHOLDER'S INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on September 23, 2017 at 9.00 A.M and ends on September 25, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form as on September 19, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 8 digits of the sequence number (available on the address label pasted on the Annual Report and/or in the email sent to the 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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for **"Nagarjuna Fertilizers and Chemicals Limited"** to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) **In case of Members receiving the Physical Copy:**

- Please follow all steps from Sl.No. (i) to Sl .No. (xix) above to cast vote.

(xxi) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Registered Office: D.No.8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082

BALLOT FORM

(The members who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the notice by sending the duly filled and signed Ballot/ Poll Form to Mr. CSS Krishna, Practicing Company Secretary, (the Scrutinizer) Partner, Ms/. KBG Associates, Company Secretaries at Flat No.101, Sri Sai Krishna Residency, 1-2-234/13, Aravind Nagar, Domalguda, Hyderabad - 500 029 so as to reach him on or before close of business hours of September 25, 2017)

Sl.No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No./*DP ID No./ Client ID * (*Applicable to investors holding shares in dematerialized form)	
4.	No of shares held	

I/ We hereby exercise my/ our vote in respect of Ordinary/Special Resolution enumerated below by recording my/ our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below :

Item No.	Resolution	I/ We assent to the resolution	I/ We dissent from the resolution
1	Adoption of financial statements for the year ended March 31, 2017 and the Directors Report and Auditors Report thereon.		
2	Appointment of Mr. Chandra Pal Singh Yadav, as Director who retires by rotation.		
3	Ratification of the appointment of M/s. M Bhaskara Rao & Co., as Statutory Auditors of the company.		
4	Approval of remuneration payable to Cost Auditor, M/s. Sagar & Associates, for the financial year 2016-2017.		
5	Approval of remuneration payable to Cost Auditor, M/s. Sagar & Associates, for the financial year 2017-2018.		
6.	Appointment of Mr. Ranga Raju as an Independent Director.		
7.	Re-appointment of Mr. K S Raju as Director and Chairman of the Company with effect from August 1, 2017.		
8	Re-appointment of Mr. K Rahul Raju as Director and Managing Director of the Company with effect from August 1, 2017.		
9.	Approval to create mortgage and/ or charge on all immovable or movable properties or other assets in favour of the JLF lenders to create security.		
10.	Approval for making contribution to Nagarjuna Foundation for amount not exceeding Rs. 1 crore during the Financial Year 2017-2018		

Place :
Date

(Signature of the shareholder)

INSTRUCTIONS FOR FILING THE BALLOT FORM

1. A Member desiring to exercise vote by ballot form may complete the ballot form and send it to the Scrutinizer, appointed by the Company Mr C S S Krishna , Partner, M/s K B G Associates, Company Secretaries at Flat No.101, Sri Sai Krishna Residency, 1-2-234/13, Aravind Nagar, Domalguda, Hyderabad – 500 029.
2. In case of shares held by companies, trusts, societies etc,. the duly completed ballot form should be signed by a person authorized and accompanied by a certified true copy of the resolution indicating the authorization.
3. Unsigned Ballot Forms will be rejected.
4. Duly completed Ballot Form should reach the Scrutinizer not later than 5.00 PM on September 25, 2017, Monday, at address mentioned in Point No.1 above.
5. The Scrutinizer's decision on the validity of a Ballot Form will be final.

Nagarjuna Fertilizers and Chemicals Limited

Registered Office : D.No.8-2-248, Nagarjuna Hills, Hyderabad – 500 082

11th Annual General Meeting at 10.00 a.m. on September 26, 2017
at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073

ADMISSION SLIP

Folio No./ DP ID & Client ID _____ Shares Held _____

Please tick whether Member / Joint holder / Proxy _____

Member's or Proxy's Signature

Note: Shareholder / Proxy must bring the Admission Slip to the Meeting and hand it over at the entrance duly signed.

Nagarjuna Fertilizers and Chemicals Limited

Registered Office : D.No.8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082
CIN : L24129AP2006PLC076238

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 :

Email Id:

Folio NO./Client ID

DP ID :

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____
   Address : _____
   Email Id : _____
   Signature : _____ or failing him

2. Name : _____
   Address : _____
   Email Id : _____
   Signature : _____ or failing him

3. Name : _____
   Address : _____
   Email Id : _____
   Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the company, to be held on the Tuesday, 26th day of September, 2017 at 10.00 a.m. at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 and at any adjournment thereof in respect of such resolution as are indicated below :

Ordinary Business

1. Adoption of financial statements for the year ended March 31, 2017 and the Directors Report and Auditors Report thereon
2. Appointment of Mr. Chandra Pal Singh Yadav, as Director who retires by rotation.
3. Ratification of the appointment of M/s. M Bhaskara Rao & Co as Statutory Auditors of the company

Special Business

4. Approval of remuneration payable to Cost Auditor, M/s.Sagar & Associates, for the financial year 2016-2017.
5. Approval of remuneration payable to Cost Auditor, M/s.Sagar & Associates, for the financial year 2017-2018.
6. Appointment of Mr. Ranga Raju as Independent Director
7. Re-Aappointment of Mr. K S Raju as Director and Chairman of the Company with effect from August 1, 2017.
8. Re-Appointment of Mr. K Rahul Raju as Director and Managing Director of the Company with effect from August 1, 2017.
9. Approval to create mortgage and/ or chargeon all immovable or movable properties or other assests in favour of the JLF lenders to create security
10. Approval for making contribution to Nagarjuna Foundation for amount not exceeding Rs. 1 crore during the Financial Year 2017-2018.

Signed this _____day of _____ 2017.

Signature of shareholder

Signature of Proxy holder(s)

Affix 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.

Fair Trade

NFCL iKisan Division (GOI's Strategic Partner for implementing eNAM across the country) is transforming Agri Commodity Trading across 455 Agri Markets

eNAM is a online market (integrating agricultural markets across the country) to enable seamless trade in produce. The aim of eNAM is to help farmers realise better prices while helping ease commodity purchase.

The platform provides access to multiple markets, provides transparency (with access to real time data on arrivals, prices and quality parameters of commodities) enabling traders and farmers to discover prices in a fair and transparent manner.

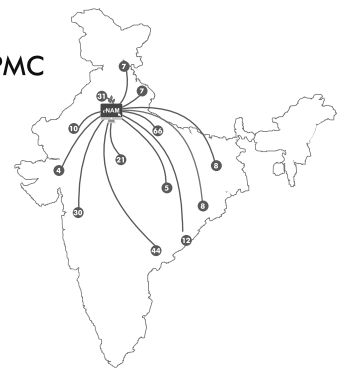
Apart from farmers, it offers increased opportunities for traders, bulk buyers, processors, exporters to participate in primary as well as secondary trade.

eNAM is envisaged as a win-win solution for all stakeholders.

Hon'ble Prime Minister Sri. Narendra Modi Awarding PM's Award for Excellence in public administration for effective implementation of eNAM to Ms. Yogitha Rana, the Collector, Nizamabad District, Telangana State

eNAM Current Status

State Name	No of APMC
Andhra Pradesh	22
Chhattisgarh	14
Gujarat	40
Haryana	54
Himachal Pradesh	19
Jharkhand	19
Madhya Pradesh	58
Maharashtra	45
Odisha	10
Rajasthan	25
Telangana	44
Uttar Pradesh	100
Uttarakhand	05



13 States

455 Mandis

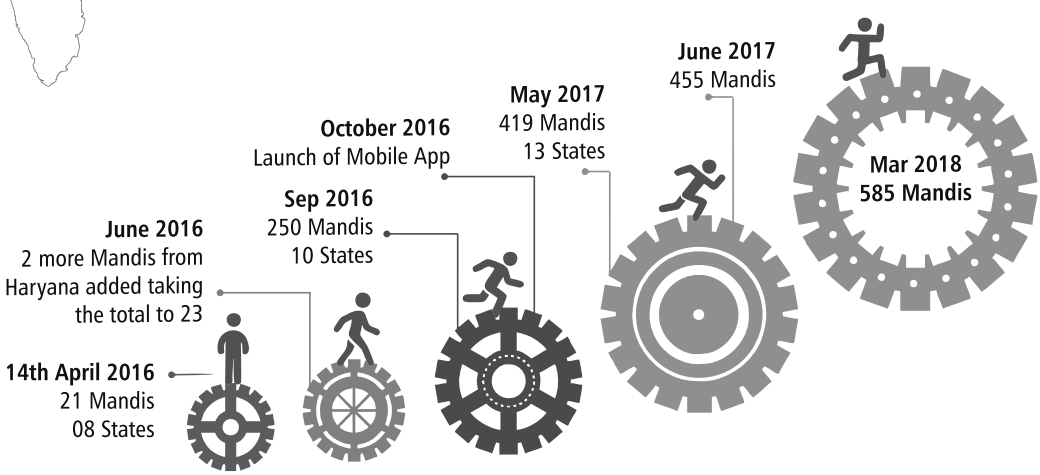
92,399 Traders

190 Lakh MT Trade Volume

30,340 Cr Trade Value

48,587 Commission Agents

49,01,956 Registered Farmers



If undelivered, please return to
Nagarjuna Fertilizers and
Chemicals Limited / Investors Services Cell
Plot No.1, Nagarjuna Hills, Punjagutta,
Hyderabad-500 082, Telangana, India

tel + 91 40 2335 8405 / 7200
www.nagarjunafertilizers.com